

CA decides to accept commitments offered by merging parties in relation to proposed acquisition of WTT Holding Corp by HKBN Ltd

The following is issued on behalf of the Communications Authority:

The Communications Authority (CA) today (April 17) announced its decision to accept the commitments offered by the merging parties in relation to the proposed acquisition of WTT Holding Corp by HKBN Ltd (the Proposed Transaction), and not to commence an investigation on the Proposed Transaction under the Competition Ordinance (Cap 619) (CO).

On August 7, 2018, HKBN Ltd announced the Proposed Transaction, which falls within the Merger Rule under the CO. After conducting a competition assessment on the Proposed Transaction, the CA identified competition issues on building access and wholesale service provision that would likely arise from the Proposed Transaction and communicated with the merging parties on those issues.

In January 2019, the merging parties offered a set of commitments to the CA to address the two competition issues identified. The CA issued a notice on February 13, 2019, to seek representations from the industry and interested parties on the CA's proposed acceptance of the commitments. Having reviewed the representations received, the CA took the view that the proposed commitments should be revised to address certain issues raised in the representations. Subsequently, the merging parties offered a set of revised commitments to the CA.

"Having carefully considered the representations received and all relevant information available, the CA is satisfied that the revised commitments are sufficient to effectively address its competition concerns in relation to the Proposed Transaction. The CA has decided to accept the revised commitments and not to commence an investigation on the Proposed Transaction," a spokesman for the CA said.

A succinct summary of the competition issues identified by the CA in relation to the Proposed Transaction and the revised commitments accepted by the CA to address those issues is at www.coms-auth.hk/filemanager/en/content_713/annex_20190417.pdf. For details of the CA's decision, please refer to the CA Statement published today and the relevant documents in relation to the Proposed Transaction at (www.coms-auth.hk/en/policies_regulations/competition/co/registers_under_the_competition_ordinance/acceptance_of_the_commitments/index.html).