



**CONSULTATION PAPER ISSUED BY
THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE**

**REVIEW OF SECTION 10 (ACQUISITIONS AND CONSOLIDATIONS INVOLVING
DESIGNATED TELECOMMUNICATION LICENSEES, DESIGNATED BUSINESS
TRUSTS AND DESIGNATED TRUSTS) OF THE CODE OF PRACTICE FOR
COMPETITION IN THE PROVISION OF TELECOMMUNICATION SERVICES AND
ADVISORY GUIDELINES GOVERNING CONSOLIDATION REVIEW AND
TENDER OFFER PROCESS**

10 August 2011

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CONSULTATION DOCUMENT

REVIEW OF SECTION 10 (ACQUISITIONS AND CONSOLIDATIONS INVOLVING DESIGNATED TELECOMMUNICATION LICENSEES, DESIGNATED BUSINESS TRUSTS AND DESIGNATED TRUSTS) OF THE CODE OF PRACTICE FOR COMPETITION IN THE PROVISION OF TELECOMMUNICATION SERVICES AND ADVISORY GUIDELINES GOVERNING CONSOLIDATION REVIEW AND TENDER OFFER PROCESS

10 August 2011

PART I: INTRODUCTION

1. The regulatory framework governing mergers and acquisitions (“**M&A**”) of Licensees in the telecommunications sector comprises the general obligations in Part VA of the Telecommunications Act (the “**Act**”), as well as the procedural requirements under Section 10 of the Code of Practice for Competition in the Provision of Telecommunication Services (the “**Code**”). The obligations and requirements are to be observed by Designated Telecommunication Licensees (“**DTL**”) and Acquiring Parties. IDA has also issued the Advisory Guidelines Governing Consolidation Review Process under Section 10 of the Code (the “**Consolidation Guidelines**”), as well as the Advisory Guidelines Governing Tender Offer Process under Section 10 of the Code (the “**Tender Offer Guidelines**”) to elaborate on the procedures and standards that IDA would use to implement Section 10 of the Code.
2. The Ministry of Information, Communications and the Arts (“**MICA**”) had in August 2010 conducted a public consultation on proposed revisions to the Act, including Part VA of the Act. Interested parties may refer to the following weblink:
<http://www.ida.gov.sg/Policies%20and%20Regulation/20060929173038.aspx>.
3. Arising from the proposed revisions to Part VA of the Act, IDA has reviewed Section 10 of the Code, and is preparing to make consequential amendments to Section 10 of the Code, as well as the Consolidation and Tender Offer Guidelines.
4. This consultation paper seeks the public’s comment on the proposed amendments to Section 10 of the Code (the “**Proposed Section 10**”), and the Telecom Consolidation and Tender Offer Guidelines (the “**Proposed Guidelines**”).
5. Commenters are requested to focus their comments on the proposed amendments in the Proposed Section 10 and the Proposed Guidelines. IDA

will not be considering any comments relating to Part VA of the Act, the consultation which has already closed.

6. IDA will make corresponding consequential amendments to the Proposed Section 10 and Proposed Guidelines, subject to the final Part VA of the Act to be enacted by Parliament.
7. Unless otherwise defined, capitalised terms used herein shall have the same meanings assigned to them in the Proposed Section 10 and Guidelines.

PART II: THE REVISED MERGERS AND ACQUISITIONS FRAMEWORK FOR THE TELECOMMUNICATIONS SECTOR (FOR REFERENCE ONLY AND NOT FOR CONSULTATION)

8. This section summarises and explains the key revisions to Part VA of the Act.

Inclusion of Voting Power and Associates

Voting Power

9. The current M&A framework uses the percentage of Voting Shares that an Acquiring Party will hold in a DTL, both directly as well as indirectly using the “sum-the-percentages” methodology, to determine his ownership interest in the DTL. Under the Proposed Section 10, apart from Voting Shares, IDA will also take into consideration the extent of Voting Power controlled by the parties, in line with the proposed amendments to Part VA of the Act. Voting Power will take into account the Acquiring Party’s *actual* control over shareholder votes in a DTL, especially through indirect means, regardless of whether a party holds any direct Voting Shares in the DTL.
10. The inclusion of Voting Power would address the concern that a party may be able to exercise Effective Control over a DTL, even though the party may not have a significant number of Voting Shares in the DTL. The concept of “voting power” would provide a more accurate reflection of the extent of actual control held by a party over a DTL. Under the existing “sum-the-percentages” methodology for determining a party’s indirect ownership interest in a DTL, the extent of actual control a party is able to exercise over a DTL may be underestimated, as only Voting Shares are taken into consideration.
11. For example, Company A owns 50% of the ownership interest in its subsidiary Company B. Company B in turn owns 10% ownership interest in a DTL. Under the existing M&A framework, Company A is deemed to have 5% indirect ownership interest in the DTL. However, in actuality, because of its significant ownership interest of 50% in Company B, Company A may be able to influence **all** (i.e. the full 10%) of the ownership interest Company B has over the DTL. Continuing with the same illustration, assuming that Company A now acquires 5% direct ownership interest in the DTL in addition to its indirect ownership interest in the DTL through Company B. Under the current framework, Company A is deemed to hold a total of 10% ownership interest in the DTL (5% direct + 5% indirect) and does not need to seek IDA’s approval for the transaction, since it does not cross the 12% threshold requiring IDA’s approval. However, taking into consideration the concept of Voting Power, Company A potentially may be able to control a total of 15% of the Voting Power in the DTL (5% direct + 10% indirect through Company B), which would require IDA’s approval under the revised framework.
12. The concept of Voting Power therefore seeks to address such situations by taking into consideration a party’s **actual** control over shareholder votes, especially through indirect means, when determining the level of **actual** control that the party has over a DTL.

Associates

13. Consistent with the proposed revisions to Part VA of the Act, IDA will also be incorporating the concept of “Associates”¹ under the Proposed Section 10. The concept of Associates takes into consideration parties who may control or influence the Acquiring Party, or who may be controlled or influenced by the Acquiring Party. To determine the overall control that an Acquiring Party has in a DTL, it is therefore necessary to view in totality the Voting Shares/Voting Power the Acquiring Party, together with its Associates, have in that DTL.
14. By adopting the concept of Associates, together with the concept of Voting Power, IDA will be better able to ascertain, and thus adequately take into account, the parties that have actual control over a DTL.

Example 1: A and B are siblings and therefore Associates. A currently holds 10% Voting Shares in a DTL, while B does not hold any Voting Shares or control any Voting Power in the DTL. B subsequently acquires 2% Voting Shares in the DTL. Due to their relationship, B, together with A, now holds 12% Voting Shares in the DTL, i.e. both A and B are now 12% Controllers in the DTL. In this case, B is the Acquiring Party and will need to seek IDA’s approval. However, as A’s Voting Share/Voting Power in the DTL did not change as a result of B’s acquisition, A will not be deemed to be an Acquiring Party and need not seek IDA’s approval [this will be further clarified in paragraph 16 below].

15. The proposed concept on Associates will also apply to Designated Business Trusts (“**DBT**”) and Designated Trusts (“**DT**”) as proposed under the revised Part VA of the Act, which will be further elaborated in paragraphs 21 to 2342 below.

Seeking IDA’s Approval and IDA’s Grant of Approval

16. As to whether Associates (who may not be directly involved in a transaction involving a DTL/DBT/DT) need to jointly obtain IDA’s approval for that transaction, IDA has made clear in the Proposed Section 10 that Acquiring Parties who must seek IDA’s approval for a transaction involving a DTL/DBT/DT include an entity which has acquired Voting Shares/Units/Equity Interests/Voting Power in the DTL/DBT/DT, as well as that entity’s Associates whose Voting Shares/Units/Equity Interests/Voting Power in the DTL/DBT/DT has changed as a result of the transaction. For the avoidance of doubt, while IDA will consider the Voting Shares/Units/Equity Interests/Voting Power held by all Associates to determine whether an Acquiring Party should seek IDA’s approval (as detailed in paragraph 13 above), only those Associates whose Voting Shares/Units/Equity Interests/Voting Power in the DTL/DBT/DT has changed as a result of a transaction would need to jointly apply to IDA for approval as an Acquiring Party.

¹ Examples of associates include relatives (e.g. parents, children and siblings) of the Acquiring Party, companies whose directors are under an obligation, whether formal or informal, to act in accordance with directions, instructions or wishes of the Acquiring Party, etc.

Example 2: Company A and Company B are Associates. Company B currently holds 28% Voting Shares in a DTL. Company A does not hold any Voting Shares or Voting Power in the DTL.

Company A now acquires 2% Voting Shares in the DTL.

As a result of this transaction:

- *Company A has acquired 2% Voting Shares (and Voting Power) in the DTL; and*
- *Company B has not acquired any additional Voting Power or Voting Shares in the DTL.*

Company A would therefore be an Acquiring Party, and together with the DTL would be required to jointly file a Consolidation Application. As Company B has not acquired any additional Voting Power or Voting Shares in the DTL, it is not an Acquiring Party in this transaction, and is not required to be a party to the joint filing.

17. Upon receipt of the Acquiring Parties' application, IDA's assessment of the transaction will be based on the Voting Shares/Units/Equity Interests/Voting Power held not only by the Acquiring Parties, but also by all relevant Associates (i.e. those Associates whose Voting Shares/Units/Equity Interests/Voting Power in the DTL/DBT/DT did not change as a result of the transaction). In this respect, IDA's approval/rejection of the application will apply to the Acquiring Parties, as well as all relevant Associates.

Example 2A: Following from Example 2, upon receipt of a Consolidation Application from Company A and the DTL, IDA will assess the application. IDA's assessment will be based on information from Company A and the DTL (i.e. the Acquiring Parties), as well as Company B (i.e. Company A's Associate), which holds 28% Voting Shares in the DTL.

In the event IDA grants approval for the Consolidation Application, IDA's approval will apply to both Company A and Company B, since Company A and Company B are Associates who have each become a 30% Controller as a result of this transaction.

Approval Thresholds under the Revised M&A Framework

18. IDA would also take the opportunity to clarify when parties are required to seek approval under Part VA of the Act and in doing so, complying with the requirements set out in Proposed Section 10.
19. Firstly, in order to establish whether a person becomes a 12% Controller or 30% Controller, Part VA of the Act takes into account thresholds relating to the percentage of Voting Shares/Units/Equity Interests or Voting Power held or controlled by a person, alone or together with his Associates, in a DTL/DBT/DT. In the situation where IDA has granted approval to a person for becoming a 12% Controller or 30% Controller, as the case may be, that

person would have been granted approval for both Voting Shares/Units/Equity Interests and Voting Power thresholds specified under the relevant 12% Controller or 30% Controller definitions.

*Example 3: A person who acquires 12% Voting Power **or** 12% Voting Shares in a DTL must seek IDA's approval to become a 12% Controller.*

*Company A acquires 12% Voting **Power** in a DTL (but does not hold 12% Voting **Shares** in the DTL in that instance). Company A therefore sought and obtained IDA's approval to become a 12% Controller of the DTL. Should Company A subsequently hold 12% Voting Shares in the DTL, without crossing the 30% Controller threshold specified under Part VA of the Act, IDA's separate approval for that acquisition is not required since IDA has already provided its approval to Company A in respect of it becoming a 12% Controller of the DTL.*

20. Secondly, the trigger events for obtaining IDA's approval in the following circumstances set out in Part VA of the Act:

- (1) becoming a 12% Controller;
- (2) becoming a 30% Controller;
- (3) acquiring any business (of a DTL/DBT/DT) that is conducted pursuant to a telecommunication licence granted under section 5 of the Act, or any part of any such business, as a going concern; and
- (4) obtaining Effective Control over a DTL/DBT/DT,

are separate and distinct trigger events. Persons are therefore required to seek IDA's approval each time they trigger any of these events.

Example 4: Company A currently controls 12% Voting Power in a DTL and had earlier sought, and obtained IDA's approval to become a 12% Controller in the DTL.

Company A subsequently acquires an additional 18% Voting Power, for a total of 30% Voting Power, in the DTL. Company A is therefore required to seek IDA's approval to become a 30% Controller.

Example 5: Company A currently has 28% Voting Power in a DTL but is able to exercise Effective Control over that DTL because of certain shareholder rights. Company A had earlier sought and obtained IDA's approval for Effective Control.

Company A subsequently acquires more Voting Shares and becomes a 30% Controller in that DTL. Company A is therefore required to seek IDA's approval for 30% Controller.

Example 6: Under IDA's M&A framework, IDA will presume that an entity has Effective Control over a DTL if it has 30% Voting Shares or Voting Power in that DTL. Company A is seeking to acquire 30% Voting Shares in a DTL but

has specifically submitted to IDA that it will not obtain Effective Control over that DTL arising from its Voting Shares acquisition.

IDA assessed and determined that Company A would not obtain Effective Control over the DTL due to its Voting Shares acquisition and approved Company A's application to be a 30% Controller of the DTL.

Subsequently, Company A obtains certain shareholder rights such that it now is able to exercise Effective Control over that DTL. Even though there is no change in Company A's Voting Shares or Voting Power, Company A is required to seek IDA's approval for obtaining Effective Control over the DTL.

Designated Business Trusts and Designated Trusts

21. Another major amendment to IDA's M&A framework for the telecommunications sector is the inclusion of M&A transactions involving DBT and DT.
22. A trust is an arrangement formed by a *trust instrument* whereby a person (or *trustee*) holds property for the benefit of other persons (or *beneficiaries*). A trust can be a form of investment vehicle employed by business entities to raise funds (e.g. real estate investment trusts (REITS)). In particular, a business trust is a trust that operates and runs a business enterprise and is usually created by a trust deed under which the trustee is regarded as the legal owner of the trust assets, and manages the assets for the benefit of the beneficiaries of the trust. In the case of registered business trusts which are governed by the Business Trusts Act (Cap. 31A), the management and operations of the business trust are run by the trustee-manager (either directly or through an appointed agent) who is given *legal ownership* of the business trust. The beneficiaries (or more often known as the unitholders) generally do not control the day-to-day operations of the business trust, but nonetheless have *beneficial ownership* of the trust property and they retain a degree of control over the business trust. This could include the right to direct the winding-up of the business trust, removal and replacement of the trustee-manager, etc.
23. Going forward, IDA believes that telecommunication operators may consider using trusts as a legal structure to carry out their telecommunication business. As the regulator for the telecommunications sector, IDA has the responsibility of ensuring that the acquisition by any person of Equity Interest or Voting Power in a telecommunication licensee or telecommunication system does not result in a substantial lessening of competition in any telecommunication market, or harm the public interest. To enable IDA to oversee acquisitions involving telecommunication systems or assets that have been placed in business trusts or other forms of trusts, MICA has proposed changes to Part VA of the Act to subject such trusts (i.e. DBT and DT) to IDA's regulatory oversight. The changes include imposing obligations, similar to those for DTL, on DBT or DT and their Trustee-manager or trustee respectively as follows:

- (a) duty for the Trustee-manager/trustee to notify IDA in the event that any person holds or controls between 5% and 12% of the Units/Equity Interests or Voting Power respectively in a DBT/DT;
- (b) duty for the Acquiring Party to seek IDA's approval for transactions that result in it holding or controlling 12% and 30% of the Units/Equity Interests or Voting Power respectively in a DBT/DT;
- (c) duty of the Acquiring Party to seek IDA's approval where he acquires the business of a DBT/DT as a going concern; and
- (d) duty for the Acquiring Party to seek IDA's approval if he obtains Effective Control of a DBT/DT.

PART III: PROPOSED REVISIONS TO SECTION 10 OF THE CODE (FOR CONSULTATION AND COMMENT)

24. This section provides an overview of the substantive changes made to Section 10 of the Code. IDA invites comments for these proposed amendments.

Determining Voting Power through Effective Control

25. As highlighted above, instead of the “sum-the-percentages” methodology for determining indirect ownership interest in the current M&A framework, IDA intends to move to the Voting Power concept. There is therefore a need for IDA to define the circumstances under which a person, who may not have direct ownership interest in an entity, would be able to exercise Voting Power over that entity through his direct/indirect ownership over another entity.
26. In this regard, IDA is proposing to expand the concept of Effective Control within the Proposed Section 10, to determine how much Voting Power an “upstream” entity will have over a “downstream” entity. IDA will presume that, where a person has effective control over an entity A (i.e. holds 30% or more of the Voting Shares/Units/Equity Interests or is in a position to control 30% or more of the Voting Power in entity A), and entity A controls X% of Voting Power in a DTL, that person will then be presumed to control that X% of Voting Power in the DTL. In addition, where a person is able to exercise effective control over entity A, which in turn is able to exercise Effective Control over a DTL, that person will be presumed to be able to exercise Effective Control over the DTL as well.

Example 7: If entity A is in a position to control 12% of the Voting Power in a DTL, and entity B is able to exercise effective control over entity A, IDA will presume that entity B is in a position to control 12% of the Voting Power in the DTL.

Example 8: Parent Company A has two wholly-owned subsidiaries – Company B and Company C. Company B currently holds 10% Voting Shares in a DTL, while Company C holds another 10% Voting Shares in the same DTL. Due to Company A’s effective control over Company B and Company C, IDA will presume that Company A is in a position to control 20% of the Voting Power in the DTL.

27. For the avoidance of doubt, in the situation where a person is unable to exercise effective control over an entity A, it would also mean that the person would not be able to exercise/control any Voting Shares/Voting Power that such entity A may have in a DTL.

Example 9: Entity A is in a position to control 20% of the Voting Power in entity B and at the same time, Entity A also does not have effective control over entity B. Entity B is in a position to control 20% Voting Shares in a DTL. As entity A does not have effective control over entity B, IDA will not deem

entity A to be able to exercise any Voting Power in the DTL (assuming entity A does not have any other relationship with the DTL).

28. Conceptually, IDA will also presume that a person who holds 30% or more of the Equity Interest (i.e. including Voting Shares or Units), or is in a position to control 30% or more of the Voting Power in an entity, has effective control over that entity. This presumption is already present in IDA's current M&A framework and it is the threshold used for determining whether a transaction amounts to a Consolidation.

Example 10: If entity A is in a position to control 30% of the Voting Power in a DTL, and entity B holds 30% or more of the Voting Power in entity A, IDA will presume that entity B has Effective Control over the DTL.

29. IDA believes that the application of the Effective Control concept, together with the Voting Power concept, would accurately reflect the actual control that persons can exercise, whether direct or indirect, over downstream entities. Nonetheless, IDA would highlight that the presumption of Effective Control may be rebutted, as parties can submit the relevant evidence to IDA to justify why they should not be presumed to have Effective Control over an entity.

Proposed Revised Timeframe for M&A Transactions

30. Section 10 of the Code provides various timeframes for Applicants to notify IDA or seek IDA's approval for M&A transactions, depending on the circumstances of each M&A transaction.
31. After careful review, IDA proposes to simplify the timeframes under Section 10. Under the Proposed Section 10, IDA proposes to standardise the timeframes, by stipulating that IDA's approval should be sought not less than 60 days before the completion of an M&A transaction. Where Acquiring Parties enter into an agreement (not amounting to an Open Market Transaction) for the M&A transaction, Applicants are also required to seek IDA's approval within 30 days from the time the agreement is entered into. For the avoidance of doubt, the revised timeframes will also apply to M&A transactions involving DBT and DT.
32. IDA believes the revised timeframe under the Proposed Section 10 will provide greater certainty to the industry, while providing IDA with sufficient time to review and assess the competitive effects of any proposed M&A application.
33. Notwithstanding the revised timeframes, IDA would assure all parties that IDA's commitment to complete the review of M&A applications without undue delay will remain the same (i.e. within 30 days after receiving all the information necessary for IDA to review the application). Nonetheless, IDA will retain the provision in the existing Section 10, which allows IDA to extend the review period of any M&A application (particularly where such transactions raise novel or complex issues) to a maximum of 120 days. It would be prudent for parties to an M&A transaction to submit their applications for approval to

IDA as soon as practicable, to avoid any delays to the completion of the transaction.

Information Submission Requirements for M&A Transactions

34. Based on IDA's experience in assessing M&A transactions, IDA is proposing that the following additional information should also be submitted in any M&A applications to facilitate IDA's review:
- (a) for Request applications – information on the telecommunication services provided by the Acquiring Party, DTL, DBT or DT and their respective Associates and Affiliates, and estimated shares of each market thereof;
 - (b) for Short Form Consolidation applications – a chart indicating the relationship between each Applicant and its respective Associates and Affiliates and the relevant Voting Shares/Units/Equity Interests/Voting Power in the DTL, DBT or DT; and
 - (c) for all Consolidation applications – any anticipated significant changes in management or operations of the DTL, DBT or DT.
35. IDA found that the above information is necessary for IDA's review of any M&A application. IDA has consistently requested for these information from Applicants, for IDA's review of M&A applications.
36. By stating these information submission requirements upfront, IDA seeks to reduce the time taken for Applicants to submit the required information to IDA.

Duty to Provide IDA with Relevant Updates

37. Under the Proposed Section 10, IDA is also proposing to clarify that, before IDA issues its written decision on any M&A application, parties are required to promptly inform IDA in writing of any change, or new or different fact or matter that is reasonably likely to have a material impact on IDA's assessment of the M&A application.

Operational Procedures Specified for DBT and DT

38. Under the Proposed Section 10, IDA is proposing that the procedures applicable for M&A transactions involving a DTL should also substantively apply for M&A transactions involving a DBT and DT, with variations in the information and documents required for submission. IDA believes that such consistency will provide certainty to the industry.
39. Specifically, IDA intends that the following procedures and information submission requirements be applied to DBT and DT:
- (a) acquisitions of 5% or more but less than 12% of Units/Equity Interests/Voting Power in a DBT/DT.

- submission of notification to IDA;
 - (b) acquisitions of 12% or more but less than 30% of Units/Equity Interests/Voting Power in a DBT/DT.
 - submission of Request to IDA for approval.
 - (c) acquisitions of:
 - (i) 30% or more Units/Equity Interests/Voting Power in a DBT/DT;
 - (ii) business of the DBT/DT as a going concern; and
 - (iii) Effective Control in a DBT/DT.
 - submission of Consolidation application to IDA for approval.
 - applicants should also submit the trust deed of the DBT/DT.
40. As the trust deed specifies the duties of the Trustee-manager/trustee to the DBT/DT, as well as the rights afforded to the unitholders and beneficiaries of the DBT/DT (as the case may be) of the trusts in relation to its management, IDA considers that the trust deed is a relevant document that IDA must review pursuant to any Consolidation application involving a DBT/DT.
41. With regard to the stipulation of the 30% threshold for Consolidations, IDA's consideration was that the Singapore Code on Take-overs and Mergers ("**Takeover Code**") applies, not only to companies, but also to business trusts. Specifically, under the Takeover Code, any person which acquires 30% or more Units/Voting Power in a business trust would be required to make a mandatory offer for the business trust². Accordingly, there is a need for IDA to set a Consolidation threshold at 30% for DBT/DT, as IDA can expect the Acquiring Party to acquire up to 100% of the Units/Equity Interests/Voting Power in the DBT/DT during the offer.
42. Setting a threshold for notification at 5%, and a threshold for submission of a Request at 12% therefore allows IDA to monitor significant acquisitions of Units/Equity Interests/Voting Power in DBT/DT, and allows IDA to review any potential anti-competitive effects of such changes in ownership at the early stage before the stage of Consolidation occurs.

Drafting Changes

43. IDA has also proposed several editorial amendments to Section 10 to improve clarity. These amendments do not impose additional requirements for compliance.

² Specifically, under Section 14.1 of the Takeover Code, a person who acquires units which carry 30% or more of the voting rights of a business trust, would be required to make a mandatory offer for the remaining voting rights of the business trust.

Application of New Section 10

44. With the introduction of the concepts of Associates and Voting Power under Part VA of the Act, IDA notes that the amount of ownership interest that persons may currently hold in a DTL/DBT/DT may change even without any action on the persons' part. This may result in changes in Voting Shares/Units/Equity Interests/Voting Power which may require IDA's approval under the Proposed Section 10 framework.

Example 11: Company A currently has 50% ownership interest in Company B, which in turn has 50% ownership interest in a DTL. Under IDA's current M&A framework, Company A is deemed to have 25% indirect ownership interest in the DTL. However, under the Proposed Section 10, Company A will be deemed to have 50% Voting Power in the DTL.

45. To be clear, the new Part VA of the Act and Section 10 will be applied on a going forward basis. All transactions concluded before the effective date of these revisions will not be subject to the revised M&A framework and the parties need not seek IDA's approval.

Scope of IDA's M&A Framework

46. While all telecommunication licensees are subject to IDA's regulatory purview, IDA will determine the telecommunication licensees to be declared to be DTLs for the purposes of Section 10. For consistency in the application of IDA's M&A framework, IDA intends to continue applying the same criteria for designation of DTLs under the new Section 10 framework. That is, IDA will continue to declare all Facilities-based Operator Licensees and certain Services-based Operator ("SBO") Licensees as DTLs.
47. Following the finalisation of Section 10, IDA will review the list of SBOs designated as DTLs to assess whether the list needs to be expanded to ensure that it covers all SBOs which are significant participants in concentrated markets.

PART IV: PROPOSED REVISIONS TO CONSOLIDATION REVIEW AND TENDER OFFER GUIDELINES (FOR CONSULTATION AND COMMENTS)

48. IDA is also proposing consequential changes to the Consolidation Guidelines and Tender Offer Guidelines, to align them with the revised Part VA of the Act and the Proposed Section 10. IDA is concurrently seeking comments on the proposed amendments to the Guidelines.
49. IDA is of the view that the existing Consolidation Guidelines and Tender Offer Guidelines are already consistent with best practices and have proven to be useful to the industry. Therefore, most of the proposed amendments to the Guidelines seek mainly to ensure consistency with the revised M&A framework.
50. To provide the industry with more clarity on how IDA will apply the Proposed Section 10, IDA has added further illustrations in the Proposed Guidelines.
51. IDA intends to combine the Consolidation Guidelines and the Tender Offer Guidelines into a single document.
52. IDA welcomes feedback on how IDA can further refine the Proposed Guidelines, to meet the industry's needs.

PART V: PROCEDURES AND TIMEFRAME FOR SUBMITTING COMMENTS

53. IDA would like to seek the views and comments from the industry and members of the public on the Proposed Section 10 and Guidelines.
54. Parties that submit comments regarding the issues identified in this consultation document should organise their submissions as follows:
- (a) cover page (including their personal/company particulars and contact information);
 - (b) table of contents;
 - (c) summary of major points;
 - (d) statement of interest;
 - (e) comments; and
 - (f) conclusion.

Supporting materials may be placed in an annex.

55. All submissions should be clearly and concisely written, and should provide a reasoned explanation for any proposed revisions. Where feasible, parties should identify the specific provision of the Proposed Section 10 or Proposed Guidelines on which they are commenting. In any case in which a party chooses to suggest revisions to the text of the Proposed Section 10 or Proposed Guidelines, the party should clearly indicate the specific changes in language that they propose.
56. IDA would reiterate that parties should not comment on new concepts or policy changes introduced under Part VA of the Act, as the consultation on those changes has already concluded. IDA's consultation on the Proposed Section 10 and Guidelines shall focus only on the substantive changes to the procedural requirements under the Proposed Section 10 and Guidelines.
57. All submissions should reach IDA **before 12 noon on 21 September 2011**. Comments must be submitted in both hard and soft copy (preferably in Microsoft Word or PDF format). All comments should be addressed to:

Ms. Aileen Chia
Deputy Director General (Telecoms & Post)
Infocomm Development Authority of Singapore
10 Pasir Panjang Road
#10-01 Mapletree Business City
Singapore 117438
Fax: (65) 6211 2116

Please submit your soft copies, with the email header "Consultation on Proposed Section 10 and Guidelines", to this e-mail: **IDA_Consultation@ida.gov.sg**.

58. IDA reserves the right to make public all or parts of any written submission and to disclose the identity of the source. Commenting parties may request

confidential treatment for any part of the submission that the commenting party believes to be proprietary, confidential or commercially sensitive. Any such information should be clearly marked and placed in a separate annex. If IDA grants confidential treatment, it will consider (but will not publicly disclose) the information. If IDA rejects the request for confidential treatment, it will return the information to the party that submitted it and will not consider this information as part of its review. As far as possible, parties should limit any request for confidential treatment of information submitted. IDA will not accept any submission that requests confidential treatment of all, or a substantial part, of the submission.