



**CONSULTATION PAPER ISSUED BY
THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE
PROPOSED CONSOLIDATION INVOLVING CABLE & WIRELESS GLOBAL PTE
LIMITED AND VODAFONE EUROPE B.V**

4 June 2012

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PROPOSED CONSOLIDATION INVOLVING CABLE & WIRELESS GLOBAL PTE LIMITED AND VODAFONE EUROPE B.V

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In accordance with Sub-section 10.6(d) of the Code of Practice for Competition in the Provision of Telecommunication Services 2012 (the “Code”), the Information Communications Development Authority of Singapore (“IDA”) hereby invites comments from the industry and the public on the proposed Consolidation¹ involving Cable & Wireless Global Pte Limited and Vodafone Europe B.V.

PART I: INTRODUCTION

1. Pursuant to section 32A(2) of the Telecommunications Act (the “Act”), IDA has declared every telecommunication licensee, which is granted a licence under section 5 of the Act to provide facilities-based operations (“FBO”), to be a designated telecommunication licensee (“DTL”) for the purposes of Part VA of the Act. DTLs and parties acquiring voting shares or voting power in DTLs are required to comply with various provisions relating to such acquisitions under the Act and Section 10 of the Code. Specifically, pursuant to Subsection 10.3.6 of the Code, a DTL and an Acquiring Party must seek IDA’s approval in connection with any transaction that results in a Consolidation. Under the Code, a Consolidation would occur if an acquisition would result in, *inter alia*, the Acquiring Party becoming a 30% Controller of a DTL, acquiring the business of a DTL as a going concern, or obtaining Effective Control over the DTL.

PART II: PROPOSED CONSOLIDATION INVOLVING CABLE & WIRELESS GLOBAL PTE LIMITED AND VODAFONE EUROPE B.V

2. On 23 April 2012, both Vodafone Europe B.V (“VEBV”) and Cable & Wireless Worldwide PLC (“CWW”) announced an agreement where VEBV intends to make an offer to acquire all the issued and to be issued ordinary shares in CWW (the “Transaction”). IDA understands that CWW indirectly owns Cable & Wireless Global Pte Limited (an FBO licensee and DTL) (“CWG”) and notes that the above Transaction would result, *inter alia*, in VEBV becoming a 30% Controller of CWG, thereby constituting a Consolidation under the Code. In accordance with Sub-section 10.3.6 of the Code, CWG and VEBV must jointly file a Consolidation Application for the proposed Transaction for IDA’s approval.
3. On 25 May 2012², VEBV and CWG (collectively referred to as the “Applicants”) jointly submitted a Long Form Consolidation Application to IDA for approval. IDA has conducted a preliminary review of the information submitted and has determined the Long Form Consolidation Application has

¹ Unless otherwise defined, all capitalized terms in this consultation paper shall have the same meaning ascribed to them in the Code or the Telecom Consolidation and Tender Offer Guidelines.

² The Applicants provided further clarifications on their Long Form Consolidation Application to IDA on 31 May 2012.

satisfied the minimum information requirements specified in Sub-section 10.3.6.4 of the Code.

4. The Applicants have stated in the Long Form Consolidation Application that the proposed Transaction is unlikely to substantially lessen competition in any telecommunications market in Singapore. In particular, the Applicants submitted that the proposed Transaction raises the same issues as IDA's previous approved Consolidation Applications in 2005, i.e., (i) SBC Communications Inc's acquisition of AT&T Corp in the United States which resulted in a change in ownership in AT&T Worldwide Telecommunications Services Singapore Pte Ltd, and (ii) Verizon Communications Inc's acquisition of MCI Inc which resulted in a change in ownership in MCI Worldcom Asia Pte Ltd. The Applicants further informed that in both cases, a non-Singapore based telecommunication service provider (which has significant market power in certain markets), but participates in few, if any, Singapore telecommunications market, is seeking to acquire a major non-Singapore based service provider who has a very small market share in some Singapore telecommunications markets. The Applicants also submitted that CWG currently is not a significant player in the telecommunications markets that it is participating in, including the relevant Singapore telecommunications markets, and hence the Applicants submitted that there is no valid basis on which to conclude that the proposed Transaction would enable the post-Consolidation entity the ability to leverage its position in the European markets to impede competition in any Singapore telecommunications market.
5. The Long Form Consolidation Application, including a statement providing a summary of the Transaction and an assessment of the likely impact of the Transaction on competition in the relevant telecommunications markets in Singapore, submitted by the Applicants (**Annex A**), the scheme of arrangement (**Annex B**), CWW's Annual Report (**Annex C**) and VEBV's Annual Report (**Annex D**) are enclosed.
6. IDA further notes that Cable & Wireless Worldwide (Singapore) Pte Limited ("**CWWS**") and Cable & Wireless Regional Businesses Singapore Pte Limited ("**CWRB**") (both being Services-based (Individual) ("**SBO(I)**") Licensees) are also indirect subsidiaries of CWW. As provided for in their respective SBO(I) licence conditions, where the proposed Transaction would result in a change in the ownership of any share or interest in CWWS or CWRB, in which VEBV would own, whether legally or beneficially, at least 30% of CWWS or CWRB or its issued voting shares (as the case may be), CWWS and CWRB shall also notify IDA of such change.

PART III: INVITATION TO COMMENT

7. Pursuant to Sub-section 10.6(d) of the Code, IDA hereby invites comments from the industry and public on whether the Transaction as submitted in the Long Form Consolidation Application will substantially lessen competition in any Singapore telecommunications market or harm public interest. Respondents are also invited to comment on any other related issues (with factual support and reasoned analysis to the extent feasible) not covered in

this document, if they believe that such issues are relevant to the Transaction involving the Applicants.

8. All submissions must reach IDA **before 12 noon on 18 June 2012**. A softcopy, preferably in Microsoft Word or PDF format, must be provided. Parties submitting comments should include their personal/company particulars as well as the correspondence address, contact number and email addresses on the cover page of their submission. 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**

Please submit your softcopy via email to: IDA_Consultation@ida.gov.sg. You may also submit a hardcopy to fax number: (65) 6211 2116.

9. IDA reserves the right to make public any written submissions 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 request confidential treatment of all, or a substantial part, of the submission.