



**CONSULTATION PAPER ISSUED BY
THE INFOCOMM MEDIA DEVELOPMENT AUTHORITY**

**PROPOSED CONSOLIDATION BETWEEN STARHUB ONLINE PTE
LTD AND MYREPUBLIC GROUP LIMITED**

19 NOVEMBER 2021

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PART I: INTRODUCTION

1. Pursuant to Section 32A(2) of the Telecommunications Act (the “**Act**”), a telecommunication licensee which is granted a licence under Section 5 of the Act to provide Facilities-based Operations (“**FBO**”), is a designated telecommunication licensee (“**DTL**”) for the purposes of Part VA of the Act¹.
2. DTLs and parties acquiring voting shares or voting power in DTLs (the “**Acquiring Party**”) are required to comply with various provisions relating to such acquisitions under the Act and Section 10 of Code of Practice for Competition in the Provision of Telecommunication Services 2012 (the “**Code**”).
3. Specifically, pursuant to Sub-Section 10.3.6 of the Code, a DTL and an Acquiring Party must seek IMDA’s approval in connection with any transaction that results in a Consolidation.
4. 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.
5. In view of the above and in accordance with Sub-Section 10.6(d) of the Code, the Infocomm Media Development Authority (“**IMDA**”) hereby invites comments from the industry and the public on the proposed Consolidation involving StarHub Online Pte Ltd (“**StarHub**”) and MyRepublic Group Limited (“**MR GroupCo**”).

¹ For more information on Telecommunications (Designated Telecommunication licensees) Notification 2012, please refer to: <https://www.imda.gov.sg/-/media/Imda/Files/Regulation-Licensing-and-Consultations/Frameworks-and-Policies/Competition-Management/Telecom-Competition-Code/06-TelActDesTelLicNotif2012.pdf?la=en>

PART II: PROPOSED CONSOLIDATION

6. On 22 September 2021, StarHub Ltd and MR GroupCo announced an agreement for StarHub Ltd's wholly owned subsidiary, StarHub, to acquire majority interest in a new entity, MyRepublic Broadband Pte Ltd ("**MR Broadband**"), which will hold MR GroupCo's broadband business in Singapore ("the "**Proposed Transaction**").
7. In accordance with Sub-section 10.3.6 of the Code, StarHub and MR GroupCo (collectively referred to as the "**Applicants**") must jointly file a Consolidation Application for the Proposed Transaction for IMDA's approval. On 14 October 2021, the Applicants jointly submitted a Short Form Consolidation Application ("**Consolidation Application**") to IMDA for approval.
8. The Applicants submitted in the Consolidation Application that the Proposed Transaction is unlikely to substantially lessen competition in the broadband market in Singapore. In particular, the Applicants noted that while StarHub is the number two player going by number of subscribers, the Proposed Transaction would not change its market status and its market share will remain smaller than the market leader. Applicants have further submitted their view that the broadband market is "*hyper-competitive with many competing operators and very low barriers to entry*".
9. On the consumer front, the Applicants have submitted that the Proposed Transaction will allow both Applicants to benefit from economies of scale, resulting in enhanced service offerings for residential and enterprise customers.
10. The Consolidation Application includes the Applicants' non-confidential statement providing a summary of the Proposed Transaction and the Applicants' assessment of the likely impact of the Proposed Transaction on competition in the relevant telecommunication markets in Singapore. This is appended as **Annex A**.

PART III: INVITATION TO COMMENT

11. Pursuant to Sub-Section 10.6(d) of the Code, IMDA hereby invites comments from the industry and public on whether the Proposed Transaction as submitted in the Consolidation Application will substantially lessen competition in any Singapore telecommunication market and/or harm public interest.
12. 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 such issues are relevant to the Proposed Transaction involving the Applicants.
13. All views and comments should be submitted in soft copy (Microsoft Word and PDF format), and should reach IMDA by 12 noon, 13 December 2021. All views and comments should be addressed to:

Ms Aileen Chia
Deputy Chief Executive (Connectivity Development & Regulation)
Director-General (Telecoms and Post)
Infocomm Media Development Authority
10 Pasir Panjang Road
#03-01 Mapletree Business City
Singapore 117438

AND

Please submit the soft copy of your views and comments, with the email header "Proposed Consolidation between StarHub Online Pte Ltd and MyRepublic Group Limited", via email to consultation@imda.gov.sg.

14. IMDA reserves the right to make public all or parts of any written submission and to disclose the identity of the source. Respondents may request confidential treatment for any part of the submission that the respondent believes to be proprietary, confidential or commercially sensitive, with supporting justification for IMDA's consideration. In such cases, the submission must be provided in a non-confidential form suitable for publication, with any confidential information redacted as necessary and placed in a separate annex.
15. If IMDA grants confidential treatment, it will consider, but will not publicly disclose, the information. If IMDA rejects the request for confidential treatment, it will return the information to the party that submitted it and will not consider the information as part of its review. As far as possible, parties should limit any request for confidential treatment of information submitted. IMDA will not accept

any submission that requests confidential treatment for all, or a substantial part, of the submission.