



competition commission
south africa

**Weekly Media Statement
For Immediate Release
21 May 2020**

COMMISSION GIVES CELL C DEAL A CONDITIONAL APPROVAL

The Commission has recommended to the Competition Tribunal (Tribunal) to conditionally approve the proposed transaction in which Gatsby SPV intends to acquire certain assets of the mobile network operator, Cell C.

Gatsby SPV is a ring-fenced newly incorporated special purpose vehicle which was incorporated for the sole purpose of entering into the proposed transaction. Gatsby SPV will be controlled by a trust that is yet to be formed. The sole purpose of trust will be to hold the entire issued share capital of Gatsby SPV and therefore does not provide any services or products.

Cell C It provides voice and data services to mobile customers, and also partners with fibre network operators to provide fibre services. The company also services business clients through voice and mobile data, value added services such as cell phone insurance and number portability, telecom expense management, and also acts as a Wireless Application Service Provider.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any other public interest concerns.

Despite the above finding, the Commission notes the merging parties are currently not in a position to confirm who will be appointed as trustees. Therefore, the Commission believes that the proposed transaction may raise competition concerns. These include, among others, anticompetitive information exchange should the trustees include individuals from firms that compete with Cell C or present undisclosed competitive overlaps.

These concerns were not considered in the assessment of the proposed transaction because the trustees have not yet been appointed. To remedy this potential risk, the Commission recommends that the proposed transaction be approved subject to conditions that Gatsby SPV and/or the trust

will not be owned/controlled by companies that compete or may compete with Cell C or firms that have a customer-supplier relationship with Cell C (other than a lending relationship).

[ENDS]

Issued by:

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