



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

COMMUNICATIONS AND MULTIMEDIA ACT 1998

**AUTHORISATION OF CONDUCT FOR THE PROPOSED MERGER BETWEEN
DIGI.COM BERHAD AND CELCOM AXIATA BERHAD**

AUTHORISATION NO. 1 OF 2022

Citation

1. This authorisation of conduct may be cited as the Authorisation No. 1 of 2022.

Background

2. Under section 140 of the Communications and Multimedia Act 1998 (“**CMA**”), a licensee may apply to the Malaysian Communications and Multimedia Commission (“**Commission**”) prior to engaging in any conduct which may be construed to have the purpose or effect of substantially lessening competition in a communications market.
3. On 21 July 2021, the Commission received an application for assessment of the proposed merger between Digi.Com Berhad and Celcom Axiata Berhad (“**Celcom**”) (hereafter referred to as the “**Proposed Merger**”), which involves the businesses of Digi Telecommunications Sdn. Bhd. (“**Digi**”) and Celcom (collectively referred to as the “**Applicant**”). On 23 September 2021, the Commission commenced Phase 1 assessment upon receiving a complete Form 1 on Application for Assessment on Mergers and Acquisitions and on 23 November 2021, the Commission commenced Phase 2 assessment upon receiving a complete Form 2 on Application for Assessment on Mergers and Acquisitions.

4. On 1 April 2022, the Commission had issued a Statement of Issues (“**SOI**”) to the Applicant. In the SOI, the Commission has raised its concern on the competition effects that could arise from the Proposed Merger in the following four (4) communications markets where the Applicant is likely to occupy a dominant position post-merger:
 - (a) the national retail market for mobile and low-speed fixed broadband and data services, including the related local distribution channel market(s);
 - (b) the national retail market for mobile voice and Person-to-Person (“**P2P**”) messaging services, including the related local distribution channel market(s);
 - (c) the national wholesale market for mobile voice and P2P messaging services (including network sharing arrangements); and
 - (d) the national wholesale market for mobile broadband services (including network sharing arrangements).

5. On 16 June 2022, the Applicant submitted an application for authorisation of the Proposed Merger under subsection 140(3) of the CMA.

Undertaking under subsection 140(3) of the CMA

6. On 28 June 2022, the Commission has provided the Applicant with a notice of no objection in relation to the Proposed Merger on the basis of an undertaking provided by the Applicant to the Commission under section 140(3) of the CMA (“**Undertaking**”).

The authorisation test

7. The Commission has assessed the commitments provided by the Applicant in the Undertaking and is satisfied in all circumstances, which include the Undertaking, that the concerns on substantially lessening of competition have been significantly mitigated.

8. The Commission is satisfied in all circumstances, which include the Undertaking that the benefits arising from this conduct (including as outlined by the Applicant in their application for authorisation) outweigh the costs, including any lessening of competition, which the Commission considers have been significantly mitigated by the Undertaking.

9. Therefore, with the Undertaking in place, the Commission is satisfied that the conduct (i.e. the Proposed Merger) is in the national interest.

Conduct for which the Commission grants authorisation

10. The Commission grants Authorisation No. 1 of 2022 to the Applicant to proceed with the Proposed Merger.

Period of authorisation

11. The Commission grants Authorisation No. 1 of 2022 to the Applicant for a period of 1 year from the date of this authorisation.

Date authorisation comes into effect

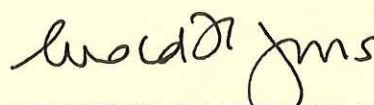
12. This authorisation will come into effect on 28 June 2022.

Revocation and variation

13. The Commission may revoke or vary this Authorisation No. 1 of 2022, in respect to this Proposed Merger, and commence investigations if:

- (a) the information provided by the Applicant to MCMC was false or misleading other than in an immaterial respect;
- (b) the Proposed Merger is materially different to the transaction submitted to MCMC for assessment; or
- (c) there has been a material change of circumstance since MCMC issued the notice of no objection.

Made: 28 June 2022



DATO' MOHD ALI HANAFIAH MOHD YUNUS
On behalf of Chairman
Malaysian Communications and Multimedia Commission