



No. PTA/Licensing/Wireless/156/2024

3⁰ November, 2025

NOTICE OF POTENTIAL ACQUISITION OF TELENOR PAKISTAN (PRIVATE) LIMITED AND ORION TOWERS (PRIVATE) LIMITED BY PAKISTAN TELECOMMUNICATION COMPANY LIMITED

DECISION OF THE AUTHORITY

1. Background of the Case

- 1.1 Precisely stated facts relevant for passing of this order are that on 14th December 2023, Pakistan Telecommunication Authority (the “**Authority**”) received a joint letter from Pakistan Telecommunication Company Limited (“**PTCL**”) and Telenor Group with regard to the potential acquisition of Telenor Pakistan (Private) Limited, Telenor LDI Communication (Private) Limited and Orion Towers (Private) Limited and notice of potential acquisition of TP by PTCL.
- 1.2 Telenor Pakistan (Private) Limited (“**TP**”), Telenor LDI Communications (Private) Limited (“**TLDI**”) and Orion Towers (Private) Limited (“**OT**”), through letter dated 13th March 2024, submitted an application to the Authority under sections 4, 5 and 6 of the Pakistan Telecommunication (Re-organization) Act, 1996 (the “**Act**”) read with Azad Jammu and Kashmir Council Adaptation of Pakistan Telecommunication (Re-organization) Act, 2005 (“**AJK Act**”), Gilgit Baltistan Council Adaptation of Laws Act, 2012 (“**GB Act**”), rule 11 of the Pakistan Telecommunication Rules, 2000 (“**Telecom Rules**”), regulation 21 of the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (“**PTA Regulations**”), Standard Operating Procedure for transfer of licenses and change in control and substantial ownership interest issued on 25th April, 2022 (“**SOP**”), and the provisions of licenses issued by the Authority to TP, TLDI, and OT (“**Selling Parties**”) for the purpose of notifying the Authority about the proposed change in control and/or substantial ownership interest of the above said Selling Parties in favor of PTCL.
- 1.3 Although the joint notification has been made by the Selling Parties and PTCL, yet each licensee shall remain responsible for its respective corporate / business information as provided in its application.

1.4 Shareholding Structure and Licenses of Selling Parties

Selling Parties belong to the Telenor Group comprising Telenor ASA, a company incorporated in Norway and its various subsidiaries. Telenor ASA is a global digital

operator that provides, through its subsidiaries, mobile connectivity infrastructure and other services in various countries. It is noted that TLDI is wholly owned subsidiary of TP, whereas, TP and OT are wholly owned subsidiaries of Telenor Pakistan B.V (“TPBV”), which is in turn an indirect subsidiary of Telenor ASA.

Shares of TLDI representing 100% in its equity (excluding nominal shares held by the nominees) are owned by TP. Likewise 100% of shares (excluding nominal shares held by nominees), in TP and OT are owned by TPBV, a company incorporated in Netherlands. TPBV is indirect subsidiary of Telenor ASA. The details of licenses issued to Selling Parties are provided as under:

- a. **Telenor Pakistan (Private) Limited (TP).** - TP has been granted following licenses by the Authority for the provision of Mobile Communication Services:
 - 1) License No. NGMS-02/WLL&M/PTA/2014 dated 21st May 2014 for Pakistan;
 - 2) License No. NGMS-05/WLL&M/PTA/2016 dated 14th July 2016 for Pakistan;
 - 3) License No. MCT-01/Wireless/PTA/2021 dated 10th December 2021 for Pakistan; and
 - 4) License No. MCT/04/AJ&K and GB/Wireless/PTA/2021 dated 24th June 2021 for AJ&K and GB.
- b. **Telenor LDI Communication (Private) Limited (TLDI).** - TLDI has been granted following licenses by the Authority to provide Long Distance and International Telecommunication Services:
 - 1) License No. 04(18)-2004 dated 7th August 2024 for Pakistan; and
 - 2) License No. LDI- LDI(AJK&NAs)-04-2008 dated 28th May 2008 for AJ&K and GB.
- c. **Orion Towers (Private) Limited (OT).** - OT has been granted Telecommunication Infrastructure (Tower) Provider License No. PTA/TTP-020-2021 dated 17th May 2021 for Pakistan by the Authority.

1.5 **Shareholding Structure and Licenses of PTCL and Pak Telecom Mobile Limited**

- a. PTCL shareholding structure is provided as under:
 - 1) The Government of Pakistan owns 62.18% of the class A shares in PTCL;
 - 2) Etisalat International Pakistan LLC (“EIP”) a company incorporated in United Arab Emirates which owns 26% class B shares in PTCL and exercises management control; and
 - 3) The general public and other miscellaneous shareholders own 11.82% of class A shares.
- b. EIP is in turn 90% owned by Emirates Telecommunication Group Company PJSC (“E&” or “Etisalat”) and 10% owned by the Dubai Islamic bank. E& or Etisalat is ultimately owned and controlled by the Federal Government of United Arab

Emirates.

c. **Pakistan Telecommunication Company Limited.** - PTCL has been granted following licenses by the Authority in Pakistan, AJ&K and GB:

- 1) License No. PTA/M(T)-014/A dated 13th January 2021 for Pakistan. (Integrated License);
- 2) License No. WLL(AJK&NA/TR-I)-02-2008 dated 28th May 2008 for AJ&K;
- 3) License No. WLL(AJK&NA/TR-II)-02-2008 dated 28th May 2008 for AJ&K;
- 4) License No. WLL(AJK&NA/TR-III) -02-2008 dated 28th May 2008 for GB;
- 5) License No. LDI-LDI(AJK&NA)-03-2008 dated 28th May 2008 for AJ&K and GB.

d. **Pak Telecom Mobile Limited (PTML).** - PTML is a wholly owned subsidiary of PTCL and has been granted following licenses by the Authority for the provision of Mobile Communication Services:

- 1) License No. MCT-06/WLL&M/PTA/2014 dated 8th April, 2014 for Pakistan;
- 2) License No. NGMS-03/WLL&M/PTA/2014 dated 21st May, 2014 for Pakistan;
- 3) License No. 07/Wireless/PTA/38/2021 dated 15th September, 2021 for Pakistan;
- 4) License No. MCT/02/AJ&K and GB/Wireless/PTA/2021 dated 24th June, 2021 for AJ&K and GB.

2. The Proposed Transaction

- 2.1 TPBV and PTCL have entered into Share Purchase Agreement (“SPA”) dated 14th December, 2023 for the sale and purchase of 100 % equity interest held by TPBV (including nominal shares held by TPBV nominees) in TP and OT by PTCL.
- 2.2 Upon acquisition, TP and OT shall become wholly owned subsidiaries of PTCL. TLDI would also come under indirect control of PTCL, although its shareholding would continue to vest in TP subject to fulfillment of legal and procedural formalities. (TP, TLDI, OT & PTCL hereinafter collectively referred to as “**Notifying Parties**”).
- 2.3 Upon completion of the aforementioned acquisition, PTCL intends to amalgamate TP with its subsidiary i.e. Pak Telecom Mobile Limited (“PTML”) (such proposed merged entity is hereinafter referred to as “**MergeCo**”).
- 2.4 TP has specifically mentioned in its application that the amalgamation between TP and PTML is outside the scope of this application and will be an entirely separate transaction, approval for which will be duly sought from the Authority on a standalone basis. Nevertheless, TP and PTML will ultimately be merged and operate as a single entity i.e. **MergeCo**. (The acquisition and subsequent amalgamation is hereinafter referred to as “**Proposed Transaction**”).

3. Legal and Regulatory Framework

- 3.1 Before proceeding further with the analysis of the Proposed Transaction, the applicable legal and regulatory framework for evaluating the application made by the Notifying Parties, there are three statutes which govern regulatory framework of telecommunication sector in Pakistan, AJ&K and GB, respectively. *Firstly*, the Pakistan Telecommunication (Re-organization) Act, 1996. *Secondly*, the Azad Jammu and Kashmir Council Adaptation of Pakistan Telecommunication (Re-organization) Act, 2005. *Thirdly*, the Pakistan Telecommunication (Re-organization) Act, 1996 as adapted in Gilgit Baltistan pursuant to Gilgit Baltistan Council Adaptation of Laws Act, 2012. Presently, licensing regime is being regulated in light of the above referred laws.
- 3.2 The Authority, under the afore-referred statutes, has an exclusive jurisdiction to regulate the establishment, operation and maintenance of telecommunication systems and the provision of telecommunication services in Pakistan, AJ&K and GB. In accordance with section 4 of the above statutes, the Authority amongst other functions has also been mandated to perform function with regard to regulate competition in telecommunication sector and protect the interests of consumers. Similarly, under section 5 of the above statutes, the Authority is empowered to regulate transfer of licenses. While performing functions and exercising powers, one of the responsibilities of the Authority under section 6 pertains to consumer rights and fair competition in telecom sector. Relevant provisions as provided under the Act are reproduced below:

a. **Functions of the Authority:**

“The Authority shall:

Section 4(1) (a) regulate the establishment, operation and maintenance of telecommunication systems and the provision of telecommunication services in Pakistan;

Section 4(1)(c) promote and protect the interests of users of telecommunication services in Pakistan;

Section 4(1) (m) regulate competition in the telecommunication sector and protect consumer rights;”

b. **Powers of the Authority:**

“Section 5 (2) (f) regulate the transfer of licenses.”

c. **Responsibilities of the Authority:**

"The Authority shall:

Section 6(a) ensure that rights of licenses are duly protected;

Section 6(e) ensure fair competition in the telecommunication sector exists and is maintained;

Section 6(f) ensure the interest of users of telecommunication services are duly safeguarded and protected;"

d. In addition, with regard to license conditions, under section 21(4)(j) of the Act, the Authority has the powers to impose restrictions or limitations on transfer or assignment of license.

3.3 The Federal Government under section 57 of the Act is empowered to make rules. Accordingly, Federal Government in 2000 promulgated the Pakistan Telecommunication Rules, 2000 (the "**Rules**"). The Rules provide the procedure for *transfer of licenses and ownership*. Pertaining to the issue under discussion, rule 11 of the Rules is relevant and reproduced below:

"Rule 11 -Transfer of license and ownership. _ (1) A license granted under the Act and the rules shall be personal to the licensee and shall not be assigned, sub-licensed to, or held on trust for any person, without the prior written consent of the Authority.

(2) Subject to sub-rule (3), the licensee may not, without the prior written permission of the Authority, through any sale or pledge of, or mortgage or charged over, any of its licensed telecommunication system, through contract or otherwise, render itself incapable in performing any of its obligations under its license provided that the Authority's permission shall not be required where the licensee creates the charge over any of its assets to secure repayment of a loan or any other financing facility obtained in the normal course of business.

(3) If, pursuant to sub-rule (2), the licensee is required to obtain the permission of the Authority, then it shall furnish to the Authority all such documents and information as the Authority may consider necessary to enable the Authority to make a determination as to whether permission should be granted or not. On receipt of requisite documents and information, the Authority may grant permission to the licensee for the proposed sale and pledge of, or mortgage, or charge over, any specified part of the licensee's licensed telecommunication system either

unconditionally or subject to such conditions as the Authority may deem appropriate to protect the interest of the consumers using the licensee's telecommunication services.

(4) A permission given by the Authority under sub-rule (3) shall include the requirement that the licensee shall take all necessary action to ensure the continuous and uninterrupted use of that part of the licensee's licensed telecommunication system being sold, pledged, mortgaged or charged.

(5) If a substantial ownership interest in, or control of, a licensee is proposed to be changed, the licensee shall give the Authority notice of such fact in writing. That written notice shall include all relevant details of the proposed change. If the Authority is of opinion, that change shall adversely affect the ability of the licensee to provide its licensed telecommunication services, it may impose such additional conditions in the license as shall be reasonable and directly relevant to the proposed change.

Explanation. - For the purpose of sub-rule (5): -

a. "control" means the ability to direct the exercise, whether directly or indirectly and whether through one or more entities, of more than fifty percent of the voting rights exercisable at any general meeting of the shareholders of the licensee; and

b. "substantial ownership interest" means more than ten percent of the issued share capital of the licensee.

(6) The Federal Government may terminate the license on service of not less than thirty days written notice to the licensee if, in the opinion of the Federal Government, the transfer of control threatens or potentially threatens national security.

(7) Any modifications to the license pursuant to sub-rule (3) or (5) shall be made only in accordance with the provisions for modifications of license contained in section 22 of the Act and rule 10."

- 3.4 The Rules also address the issue of Significant Market Powers (SMP) which enables the Authority to determine and declare status of licensee as SMP in particular telecom market e.g. i) **retail market**, ii) **wholesale market**, iii) **fixed / cellular mobile market** etc. In this regard, rule 17 of the Rules is reproduced below:

"17. SMP Operators. -(1) An operator shall be presumed to have

significant market power when it has a share of more than twenty-five percent of a particular telecommunication market. The relevant market for these purposes shall be based on sectoral revenues.

2) The Authority may, notwithstanding sub-rule (1), determine that an operator with a market share of less than twenty-five percent of the relevant market has significant market power. It may also determine that an operator with a market share of more than twenty-five percent of the relevant market does not have significant market power. In each case, the Authority shall take into account the operator's ability to influence market conditions, its turnover relative to the size of the relevant market, its control of the means of access to customers, its access to financial resources and its experience in providing telecommunication services and products in the relevant market."

3.5 In addition to the Rules, the Authority has promulgated the Pakistan Telecommunication Authority (Functions & Powers) Regulations, 2006 (the "**Regulations**"). These Regulations amongst others also address the issue of transfer of licenses. Pursuant to regulation 21 of the Regulations, the circumstances for handling requests for transfer / acquisition / change in control, in a similar manner as provided in rule 11 of the Rules, has been provided. However, in addition, as per regulation, *ibid*, it has also been provided that the Authority may prescribe its procedures/SOPs for regulating the transfer of license and control of management. Considering the above legal instruments, the Authority issued SOP. In the instant matter, the requirements / check list as set out in "Annex B of the SOP" is applicable.

3.6 Under section 8 of the Act, the Federal Government is empowered to issue policy directive for telecommunication sector. Accordingly, the relevant clauses i.e. 5.3 and 8.17 of the Telecommunication Policy - 2015 ("**TP 2015**") are reproduced as under:

"Clause 5.3 Termination or Transfer of Business:

5.3.1 Consolidation is a natural free market phenomenon and it is important that customers and other stakeholders are protected in case of consolidation among licensees or sale of existing licenses to new players for consumer confidence in the sector to be maintained.

5.3.2 Therefore, the regulatory framework applicable on the exit of a licensee from the market or transfer to another company or a business holding a telecommunications license will be strengthened to ensure an orderly termination or transfer of the business, and in particular:

- a. To protect customers and other stakeholders in the business;*
- b. To require the return of any deposits and payment of outstanding*

dues to PTA and GoP.

- c. On transfer, to enable the transfer of licenses and obligations to the acquiring business subject to the approval of PTA.*

5.3.3 The PTA will approve a transfer if the purchasing entity fulfils the criteria for the granting of a license under Section 21 of the Telecom Act or is an existing licensee.”

5.3.4 These requirements are in addition to the normal responsibilities of a business when winding up or transferring its affairs. Further requirements with respect to spectrum are specified in Section 8.16.

“Clause 8.17 Mergers and Acquisitions:

8.17.1. On merger or acquisition of a company with spectrum assigned under its telecommunications license, spectrum and license rights and obligations of licenses will be transferable to the merged or acquiring organization. Where Mergers and Acquisitions are concerned, access to spectrum, and the associated license, is a critical asset of companies that rely on wireless communications.

8.17.2 Whether a merger or acquisition should be allowed to proceed is a competition matter, which is outside the jurisdiction of spectrum management, and legitimate mergers should not be impeded by inability to transfer spectrum licenses. Therefore, except where there are overriding technical reasons, or reasons arising out of the national interest, the spectrum rights and obligations of licenses will be transferable to the merged or acquiring organization. PTA/ PEMRA are to intimate FAB of any merger/ acquisition.

8.17.3. Mergers and acquisitions will be allowed subject to paragraph 8.17.1 and subject to having met all license obligations including payment and roll out obligations.”

- 3.7 In addition, the relevant terms and conditions provided in the LDI, Telecommunication Infrastructure (Tower) Provider(s) and Cellular Mobile licenses are as under:

- a. **Long Distance International (LDI) license:**

“12.4 Assignment of Rights:

12.4.1 This License granted under the Act and rules shall be personal to the licensee and shall not be assigned, sub-licensed to,

transferred, directly or indirectly or held on trust any person, without the prior written approval of the Authority.

12.4.2 *The Licensee shall comply with the Rules, Policies and the Regulations, as regards transfer of this License or ownership of the Licensee.”*

b. **Telecommunication Infrastructure (Tower) Provider:**

“7.3 Assignment of Rights:

7.3.1 *This License shall be personal to the Licensee and shall not be assigned, Sub-Licensed to, transferred, directly or indirectly.”*

c. **Cellular Mobile License:**

“12.1 Assignment of Rights:

12.1.1 *This License granted under the Act and Rules shall be personal to the Licensee and shall not be assigned, sub-licensed to, transferred, directly or indirectly or held on trust for any person, without the prior written approval of the Authority.*

12.1.2 *The Licensee shall comply with the Rules and the Regulations, as regards transfer of this License or ownership of the Licensee.”*

3.8 Considering the above legal framework, the Authority has evaluated the Proposed Transaction accordingly.

4. Competition Commission of Pakistan (CCP) Order dated 30th September, 2025

4.1 The Competition Commission of Pakistan (CCP), has passed an order dated 30th September, 2025 on the subject matter, wherein the CCP at paras 386 to 397 of the order, addressed the conditions related to separate management, strategic leadership, criteria for appointment of management, related party transactions, independent third-party reviewer, separate accounting, procurement via competitive process, interconnection and reference interconnect offer, infrastructure sharing and non-discriminatory access, establishment of compliance department, prohibition on price discrimination, prohibition on cross subsidization, facilitate new MVNOs, spectrum sharing, continuation of existing contracts, infrastructure decommissioning, upholding consumer protection and fostering innovation, efficiencies substantiation, divestiture, and transition period.

4.2 The CCP, after detailed assessment and considering the competition concerns, the countervailing factors and efficiencies as well as concerns expressed by stakeholders including PTA, allowed the proposed transaction with certain obligations on the matters

as stated above.

5. **Stakeholders Consultation and their Responses.** - In light of the aforementioned statutory provisions and applicable regulatory regime, the Authority while considering the relevant regulatory aspects of various markets and mandate as stated above, initiated a consultation process with the concerned stakeholders through public notice published on PTA's website on 10th September, 2024 and in newspapers on 11th September, 2024 and also invited written comments, regarding the Proposed Transaction. The stakeholders' concerns are addressed as under:

a. **ADG LDI (Private) Limited**

- 1) ADG LDI (Private) Limited (**ADG**) while acknowledging the importance of Proposed Transaction, brought to notice of the Authority regarding an unresolved tax matter amongst ADG, PTCL and Tax Authorities amounting to US\$ 3.05 million (withheld by PTCL during the period of International Clearing House "**ICH**").
- 2) Keeping in view the issue highlighted by the ADG, both licensees were provided opportunity to dilate upon the matter and after reviewing/analyzing the matter, the Authority is of the view that above mentioned issue has no nexus with the Proposed Transaction and matter be settled by both the parties as per the outcome of proceedings pending before the court and Tax Authorities.

b. **Pakistan Mobile Communications Limited (PMCL)**

- 1) PMCL acknowledged that the Proposed Transaction is a positive development for the telecom industry. However, for healthy competition, success and sustainability of the telecom sector, urged the Authority to review the transaction from the perspective of competition and dominance and to provide level playing field, as it is a major development that would reshape the telecom market from four to three cellular mobile operators, creating a merged entity ("**MergeCo**") with SMP in various segments.
- 2) In addition, considering the vertical and horizontal nature of Proposed Transaction, PMCL suggested to consider various aspects like national roaming obligation, accounting separation, consumer protection, interconnection, non-discriminatory treatment, tariff approvals, active infrastructure sharing including guest/host arrangements, network consolidations, SMP etc. to ensure a level playing field.
- 3) Keeping in view the concerns raised by PMCL in relation to the Proposed Transaction, the Authority provided opportunity of hearing to the licensee and conducted a holistic review of all aspects in order to maintain a fair and non-

discriminatory treatment with all operators while concluding the proceedings.

c. **CMPak Limited (CMPak)**

- 1) CMPak considering the long-lasting repercussions of the market consolidation into three players highlighted concerns related to spectrum concentration and sharing, SMP declaration and tariff regulations, vertical integration, foreclosure risks, interconnection capacity, Reference Interconnect Offer (RIO), Mobile Termination Rate (MTR), cross subsidization, protection of infrastructure sharing, OFC lease agreements, retention of dual National Destination Codes (NDC), removal of MNP restriction in AJ&K and GB and suggested to establish enhanced monitoring and compliance mechanisms etc. Furthermore, CMPak highlighted expected post acquisition dominant position in retail mobile telecommunications, retail LDI fixed line market, retail local loop fixed line telecommunications market, retail fixed line and broadband, wholesale IP bandwidth and LDI services.
- 2) Keeping in view the concerns raised by CMPak in relation to the Proposed Transaction, the Authority provided opportunity of hearing to the licensee and conducted a holistic review of all aspects in order to maintain a fair and non-discriminatory treatment with all operators while concluding the proceedings. However, it was conveyed that matter under litigation will be dealt with in light of the outcome of the court cases accordingly.

d. **Wateen Telecom Limited (Wateen)**

- 1) Wateen approached CCP and the Authority with reference to the Proposed Transaction and made submissions with regard to the post acquisition dominance position, continuation of long-term IRU arrangements / other contracts, foreign carrier contracts, cost competitiveness etc. Consequent upon CCP Order, Wateen while acknowledging the redressal of its competition concerns once again requested the Authority for its regulatory oversight for long-term IRU arrangements, inbound international voice services, co-location, and managed capacity, other infrastructure based collaborations in order to protect the long term business relation of Wateen with TP.
- 2) Keeping in view the concerns raised by Wateen in relation to the Proposed Transaction, the Authority provided opportunity of hearing to the licensee and conducted a holistic review of all aspects including long term infrastructure agreements, critical infrastructure investment, transparent competitive process for all future telecom related procurements etc. to maintain a fair and non-discriminatory treatment with all operators while concluding the proceedings.

e. **Universal Service Fund (“USF Co”)**

- 1) USF Co highlighted that TP, being a contributor of USF fund, has participated in several auction processes initiated by USF Co, resulting in the award of multiple projects currently at various stages of implementation and monitoring. Additionally, TP has submitted multiple bank guarantees for different projects, and USF Co holds liens on certain projects. Furthermore, under the services and subsidy agreements for these projects, TP is contractually obligated to complete the USF deliverables, provide services during the agreed terms, and in the event of failure, face deductions, liquidated damages and penalties etc.
- 2) In order to secure the rights of consumers and protect the proper utilization of funds in the light of Proposed Transaction, USF Co advised that all liabilities of TP related to USF Co be thoroughly addressed, and that clear commitments and guarantees be secured from the new owner, i.e. PTCL, in favor of USF Co.
- 3) Keeping in view the suggestions of USF Co in relation to USF projects, the Authority has put in place necessary safeguards while concluding the proceedings.

f. **Comments from General Public**

Some of the comments received from the general public are in relation to the competition, potential increase in tariffs, service costs, risks of job loss, impacts on employee welfare, decline in network quality and reduced focus on innovation. On the other hand, a segment of general public also supported the Proposed Transaction expecting enhanced service quality that could improve efficiency in the telecom sector.

6. Hearings of Notifying Parties

- 6.1 In order to evaluate the Proposed Transaction and to determine the impact in general on the telecommunication industry and in particular reference to telecom regulatory compliance i.e. technical aspects, consumer protection and licensees' interests, competition and other ancillary matters; the Authority provided opportunity of hearing to each Notifying Parties including PTML to present their submissions with regards to the Proposed Transaction on 11th November, 2025 and 13th November, 2025.
- 6.2 In addition, multiple presentations and meetings were held and the Notifying Parties were required to submit their report/ responses on the queries / observations of the Authority.
- 6.3 **Telenor Pakistan (Telenor)**. - Telenor presented its case in relation to legal and regulatory compliance related to TP, TLDI and OT, across different categories i.e. general, technical, financial and legal requirements for necessary evaluation of the proposed

change of control. Strategic & economic rationale was provided through documentation, transaction rationale, spectrum considerations, competitive analysis, market impact assessment and customer benefit projections supporting regulatory review.

6.4 **Pakistan Telecommunication Company Limited (PTCL) and Pak Telecom Mobile Limited (PTML)**. - PTCL and PTML presented their case in relation to legal and regulatory compliance across different categories i.e. general, technical, financial and legal requirements for necessary evaluation of the Proposed Transaction. Both licensees have shared the projected efficiencies with regard to the Proposed Transaction in terms of the strategic, economic, consumer benefits, enhanced coverage and improved Quality of Service (QoS) etc. The relevant documentation related to technical and business plan to achieve operational, strategic and economic efficiencies were also provided. PTCL also explained that it will formally apply to the Authority for integration of PTML and TP's mobile cellular networks after completion of acquisition in accordance with proposed timelines in Authority's hearing and various responses submitted by the Notifying Parties. Factors contributing towards efficiencies demonstrated by Notifying Parties are as under:

a. **Strategic Rationale**

- 1) Transformative impact on telecom sector;
- 2) Global industry alignment;
- 3) Accelerated technological advancement;
- 4) Driving Pakistan's digital transformation;
- 5) Contiguous spectrum;
- 6) Optimizing resources for sustainability and efficiency; and
- 7) Achieving economy of scale and innovation.

b. **Economic Rationale**

- 1) Cost Saving;
- 2) Achieving financial synergies and comparative advantage; and
- 3) Retaining and safeguarding foreign investment.

c. **Consumer Benefits**

- 1) Enhanced nationwide connectivity;
- 2) Expanding service offering and diversification; and
- 3) Improved consumer experience.

7. **Analysis of the Proposed Transaction**

The Authority has analyzed the Proposed Transaction i.e. acquisition of Selling Parties by PTCL, and anticipated amalgamation of TP and PTML, in light of detailed submissions of the Notifying Parties as well as PTML, comments of various stakeholders. The

Authority, accordingly deliberated various aspects of the assessment of relevant telecom markets in Pakistan, AJ&K and GB, claimed cost efficiencies, economies of scale, network and services efficiencies, profitability and CCP Order etc.

8. Assessment of Relevant Telecom Markets in Pakistan, AJ&K and GB

8.1 The telecommunications sector of Pakistan, AJ&K and GB comprises multiple retail and wholesale service markets, each governed by distinct competitive dynamics. This section provides an assessment of key telecom markets relevant to the Proposed Transaction focusing on market structure and potential impact for market concentration / dominance and competition. It will not be out of context to mention that in 2021, the Authority determined PTCL as SMP in multiple wholesale and retail markets in Pakistan and PTCL subsequently challenged these determinations in the court of law. However, PTCL has withdrawn its petitions on 21st October, 2025 and by virtue of the said withdrawal, determinations of PTCL being SMP are in field. Following markets are assessed for evaluation of the Proposed Transaction:

- a. Mobile Telecommunication Market
- b. Wholesale Connectivity Market
 - 1) Wholesale IP bandwidth Market
 - 2) Wholesale International Private Leased Line Market
 - 3) Wholesale Domestic Leased Line Market
- c. LDI Fixed Line Telecommunication Market
- d. Tower Infrastructure Market

8.1.1 Mobile Telecommunication Market

a. Current Market Structure

- 1) Currently, cellular mobile segment of the telecom sector of Pakistan consists of four Cellular Mobile Operators (CMOs) and all are offering voice and mobile broadband services. The cellular segment is highly competitive. **PMCL** is the dominant player in terms of shares in total cellular mobile revenue (**43.6%**) and subscriptions (**38.1%**). **PTML** has the smallest share in terms of revenue (**14.6%**) and subscribers (**14%**) amongst the four CMOs. The Proposed Transaction will lead to combined revenue share (**31.7%**) of TP and PTML and total subscribers share of **35.3%**, under the control of PTCL. Likewise, combined mobile broadband subscriber share of TP and PTML is **32.4%**, showing a dominant position in the market. Details are as under:

Table - I

CMO	Pakistan		
	Total Revenues (%)	Total Subscribers (%)	Broadband Subscribers (%)
Telenor	17.1%	21.3%	18.6%
PTML	14.6%	14.0%	13.8%
Combined (Telenor & PTML)	31.7%	35.3%	32.4%
PMCL	43.6%	38.1%	38.4%
CMPak	24.7%	26.6%	29.2%

Notes:

1. Subscribers shares are as of August, 2025.
2. Revenue shares are based on revenue data for the year 2024.

- 2) Cellular mobile sector of AJ&K and GB consists of five (5) CMOs and all are offering voice and mobile broadband services. The cellular segment is competitive. TP is the dominant player in terms of shares in total cellular mobile subscriptions (**35.9%**). PTML has the smallest share in terms of subscribers (**5.3%**) amongst the five mobile operators. The Proposed Transaction will lead to combined subscribers share (**41.1%**) of TP and PTML, under the control of PTCL. Likewise, combined market share of PTML and TP in terms of mobile broadband subscribers will reach **34.9%** in AJ&K and GB. Details are as under:

Table - II

CMOs	AJ&K and GB	
	Total Subscribers (%)	Broadband Subscribers (%)
Telenor	35.9%	29.5%
PTML	5.3%	5.4%
Combined (Telenor & PTML)	41.1%	34.9%
SCO	31.0%	37.3%
CMPak	22.1%	22.3%
Jazz	5.8%	5.4%

Note: Subscribers share as of August, 2025

- 3) It may be noted that the Authority, through its determinations dated 20th September, 2021 also declared PMCL and TP as SMP operators in the Retail Mobile Telecommunication Market in Pakistan and AJ&K and GB, respectively.

- b. **Current Market Spectrum Share.** - Spectrum holding details and post amalgamation spectrum share in Pakistan is as below:

Table – III - Spectrum Share of CMOs in Pakistan

CMOs	850 MHz	900 MHz	1800 MHz	2100 MHz	Total Assigned Spectrum	% share excluding CMPak sub-judice (137 MHz)	% share including CMPak sub-judice (148.6 MHz)
PMCL	-	12.4	24.8	10	47.2	35%	32%
CMPak	-	7.6	16* (6.6)	10* (5)	33.6* (45.2)	25%*	30%
Telenor	10	4.8	8.8	5	28.6	21%	19%
PTML	-	7.6	15	5	27.6	20%	19%
Total	10	32.4	64.6*	30*	137* (148.6)	100%	100%
Combined (Telenor +PTML)	10	12.4	23.8	10	56.2	41%	38%

Note: (i) *CM Pak 6.6 MHz (1800 MHz Band) + 5 MHz (2100 MHz Band) sub-judice band is not included.

(ii) Spectrum mentioned above is paired spectrum i.e. $2 \times 137 = 274^* \text{ MHz}$

- 1) Total assigned spectrum in Pakistan is 274 MHz; after expected amalgamation, MergeCo will hold 112.4 MHz (**41%**), however, including sub-judice spectrum this holding turns out to be 38%. Furthermore, approximately 600 MHz additional spectrum has also been made available by FAB, for auction in Pakistan which will provide an opportunity to all existing CMOs to enhance spectrum holdings.
- 2) Spectrum holding details and post amalgamation spectrum share in AJ&K and GB is as under:

Table IV- Spectrum Share of CMOs in AJ&K and GB

CMOs	900 MHz	1800 MHz	2100 MHz	Total Assigned Spectrum	% Share
SCO	5	15	10	30	26.54%
PMCL	4.8	8.8	0	13.6	12.04%
CMPak	4.8	20	0	24.8	21.95%
Telenor	4.8	10	15	29.8	26.37%
PTML	4.8	10	0	14.8	13.10%
Total	24.2	63.8	25	113	100%
Combined (Telenor +PTML)	9.6	20	15	44.6	39.47%

c. **Current Market Site Count Share.** - Sites count share is as under:

Table V - Site Count Pakistan

Pakistan	Technology	Jazz	CMPak	Telenor	PTML	Total
	Voice (2G)	16247	15882	13310	11842	57281
	MBB (4G)	16003	15725	12939	10924	55591

Table VI - Site Count AJ&K and GB

AJ&K and GB	Technology	Jazz	CMPak	Telenor	PTML	SCO	Total
	Voice (2G)	296	431	503	198	516	1944
	MBB (4G)	171	413	501	198	386	1669

Above site counts depict that 25853 sites i.e. approx. 44% of total site count is deployed by TP and PTML, however, post amalgamation the aggregate percentage value may differ (due to expected decommissioning plan) for which the detailed plan will be finalized after review by the Authority.

d. **Competition Aspects in the Cellular Mobile Sector.** - The affordability of services has contributed to phenomenal growth in access to mobile services. Currently, all CMOs operate in a concentrated but competitive environment. Price-based competitiveness, bundled offerings and network coverage remain key competitive dimensions.

1) **Tariffs Offered by CMOs**

i. CMOs are offering two to six standard prepaid packages with pulse durations of 20 seconds, 30 seconds and 60 seconds. In addition, CMOs are offering hundreds of other packages / offers to facilitate varying nature of consumer

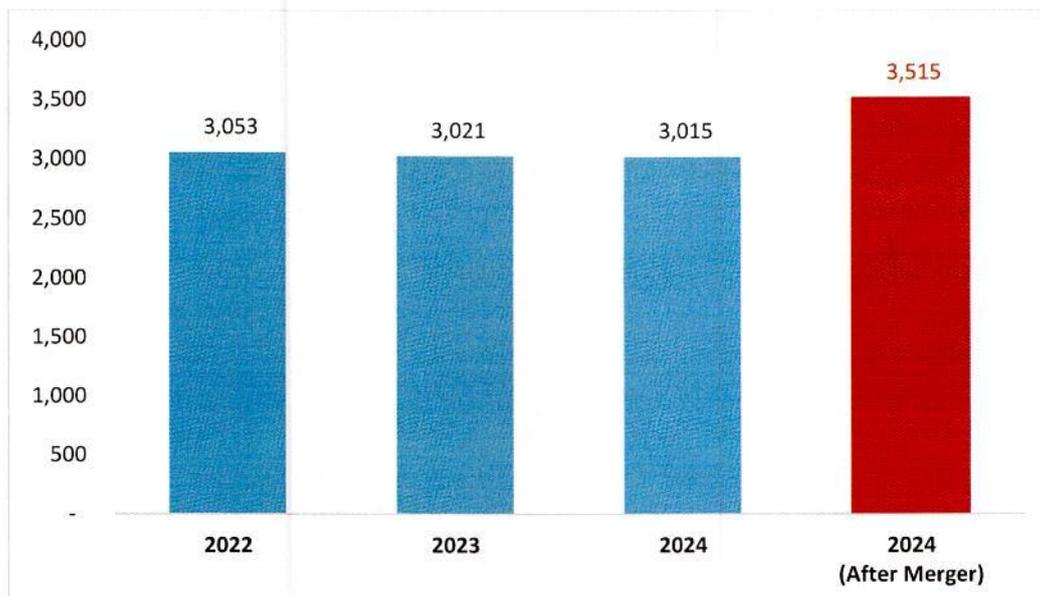
demands / usage, showing a vibrant and competitive mobile sector in the country with innovative offerings. In case of postpaid, CMOs are offering five to eleven postpaid packages with pulse duration of 30 seconds and 60 seconds. Monthly subscription charges / line rent offered by CMOs are in the range of Rs. 600 to Rs. 4,800.

- ii. Cellular mobile sector operates in a highly competitive environment, with tariff of mobile data services amongst the lowest in the region, resulting in the sector experiencing amongst the lowest Average Revenue Per User (ARPU) levels in the region.

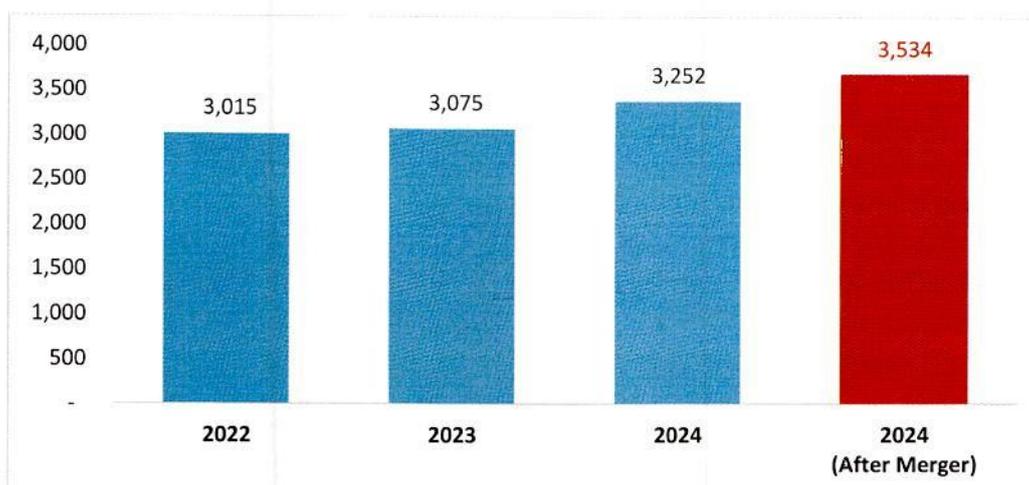
2) Market Concentration - Herfindahl Hirschman Index (HHI)

HHI is an index that measures concentration in a market. The higher the HHI, the less competitive the market is. If the value of HHI is 10,000 it shows a monopoly and if HHI is closer to zero, the market is considered highly competitive. HHI of cellular mobile sector over the last three years has been around 3000, which shows a concentrated market. Due to mobile number portability, customers can switch from one operator to other according to their best suitable tariffs, packages and coverage. After the Proposed Transaction, concentration in the Pakistan, AJ&K and GB mobile market will increase i.e. HHI from 3,015 to 3,515 and from 3,252 to 3,534 respectively.

HHI of Cellular Mobile Sector of Pakistan



HHI of Cellular Mobile Sector of AJ&K and GB



The expected amalgamation of PTML and TP will increase market concentration and may raise competition concerns in the Mobile Telecom Markets in Pakistan, AJ&K and GB. MergeCo can potentially engage in aggressive pricing strategies, while PTCL's control over critical infrastructure could enable discriminatory practices. High barriers to entry such as capital costs and scale requirements further limit the emergence of new competitors, underscoring the need to maintain competition among operators to protect consumer interests. Therefore, necessary safeguards are required so that competition in the cellular mobile market is maintained and consumer interests are protected upon conclusion of the Proposed Transaction.

8.1.2 Wholesale Connectivity Market

Presently, Pakistan has international connectivity through six (6) International Submarine Cable Systems and one terrestrial cable. Operators are continuously investing in their respective cable networks to meet the existing and future demand. Until August, 2023 there were only two providers of international connectivity in Pakistan i.e. PTCL and TWA. Recently, Pakistan and East Africa Connecting Europe (**PEACE**) Cable System has also been made operational by Cyber Internet, which is primarily utilizing bandwidth capacity for its own requirements whereas other operators (e.g. fixed line, mobile cellular operators) mainly obtain connectivity from PTCL and TWA. Currently, Pakistan has an installed capacity of 18.01 Tbps for its international connectivity as under:

Table – VII - Existing International Connectivity/Capacity - Submarine Cables

Cable System	Operator	Installed Capacity (Tbps)	Activated Capacity (Tbps)
SEA-ME-WE 4	PTCL	2.58	2.07
IMEWE		2.76	1.72
AAE 1		4.77	3.58
TWA 1	TWA	3.6	3.24
SEA-ME-WE 5		1.7	1.7
PEACE	Cybernet	1.6	1.1
Total		17.01	13.41

Table – VIII - Terrestrial International Cable

Cable System	Operator	Installed Capacity (Tbps)	Activated Capacity (Tbps)
Pak China OFC Cable	SCO	1	0.45

a. **Wholesale IP Bandwidth Market**

- 1) For the purposes of determining the total market size and the market share of operators in IP Bandwidth market, revenues earned by the operators from the provision of IP Bandwidth services have been considered. In view of the market shares held by PTCL and TWA, which stood at 54.8% and 44.7% respectively in the year 2019, the Authority through its determination dated 23rd July, 2021 declared both PTCL and TWA as SMP in the Wholesale IP Bandwidth Market in Pakistan. Whereas, Special Communication Organization (“SCO”) was declared as SMP in AJ&K and GB through the Authority’s determination dated 21st May, 2021.

Table IX

Revenue Share % (Pakistan)		
Operator(s)	2023	2024
PTCL	63.1%	56%
TWA	36.9%	44%

- 2) In the year 2024, the market share of IP Bandwidth revenues in Pakistan remained exclusively divided between PTCL and TWA, reinforcing the duopolistic nature of the Wholesale IP Bandwidth Market. PTCL’s share decreased to 56% from 63.1% in 2023, while TWA’s share increased to 44% from its previous 36.9%. These figures underscore the limited competition and continued concentration of market power between the two operators.

- 3) Pakistan’s IP bandwidth market is highly concentrated, with PTCL holding over 56% market share and TWA as the only significant alternative. PTCL’s vertical integration, supplying wholesale bandwidth while competing in the retail broadband space raises competition concerns, as its downstream operations may benefit from preferential access and pricing. Barriers to entry remain steep due to high capital costs and widespread reliance on PTCL’s infrastructure. Most ISPs, LDI operators, CMOs, and enterprises depend on PTCL’s infrastructure and wholesale bandwidth, while PEACE submarine cable, terrestrial OFC and satellite services offer alternatives / redundancy.
- 4) PTCL’s dominant position remains significant which requires necessary regulatory safeguards to protect the interest of other telecom licensees and to maintain fair and non-discriminatory prices in wholesale IP bandwidth segment to make broadband services affordable and competitive across the country.

b. Wholesale International Private Leased Line (IPLL) Market

- 1) For the purpose of determining the total market size and the market share of a particular operator in IPLL market, only the revenues earned by the operators from the international leased line services are used. In view of the market share held by PTCL in the year 2019 i.e. (84.5%), the Authority through its determination dated 23rd July 2021, declared PTCL as an SMP in the Wholesale IPLL Market in Pakistan. The following table shows the international private leased line revenues of operators reflecting the competitive dynamics and changes in the market share.

Table X - Revenue Share % (Pakistan)

Operator(s)	2023	2024
PTCL	76.8%	69.4%
TWA	23.2%	30.6%

- 2) In the year 2024, the market share of IPLL revenues in Pakistan remained exclusively divided between PTCL and TWA, reinforcing the duopolistic nature of the wholesale IPLL market. The market has witnessed a notable shift in revenue share dynamics between 2023 and 2024. PTCL’s share declined from (76.8%) to (69.4%), while TWA share increased from (23.2%) to (30.6%).
- 3) These figures underscore the limited competition and continued concentration of market power between the two operators, necessitating necessary regulatory safeguards to protect the interest of other telecom licenses and to maintain reasonable prices in the segment.

c. **Wholesale Domestic Private Leased Line (DPLL) Market**

- 1) For determining the total market size and the market share of a particular operator in the domestic leased line market, only the revenues from domestic leased line services were considered. In view of the market share held by PTCL in the year 2019 i.e. (48%), the Authority through its determination dated 23rd July, 2021 declared PTCL as an SMP in the wholesale DPLL market in Pakistan, whereas, SCO in AJ&K and GB through its determination dated 21st May, 2021. The following table shows the DPLL revenue shares of major operators reflecting the competitive dynamics and changes in the market share.

Table XI - Revenue Share % (Pakistan)

Operator(s)	2023	2024
PTCL	41.2%	41.2%
Telenor LDI	0.7%	1.2%
Combined	41.8%	42.4%
LDN	26.3%	27.1%
Wateen	27.9%	24.8%
CMPak	2.0%	2.7%
TWA	1.6%	2.3%
Others	0.3%	0.7%

- 2) PTCL's share in the DPLL market is (41.2%) for the years 2023 and 2024. The market remains concentrated, with three operators (PTCL, Wateen, LDN) jointly controlling over (93%) of market.
- 3) PTCL's acquisition of TLDI will result consolidating PTCL's position to (42.4%). While TLDI's limited infrastructure and dependence may not significantly impact competition. There are concerns that PTCL could replace services of other wholesale service providers to TP / TLDI, resulting in lessening of competition in the market.
- 4) After the Proposed Transaction, there could be preferential treatment by PTCL to its affiliated operators, due to its extensive infrastructure footprint in the country. This requires necessary regulatory safeguards to protect the interest of other telecom operators and to maintain fair and non-discriminatory prices in wholesale market to make broadband services affordable and competitive in the country.

8.1.2 **LDI Fixed Line Telecommunication Market**

- a. LDI license authorizes the licensee to provide the Long Distance and International Services and to establish, maintain and operate its telecommunication system. For

assessing the total market size and operators market share, the Authority has considered incoming and outgoing international traffic and revenues from LDI services. Pursuant to its determination dated 17th August, 2021 the Authority has already declared PTCL as an SMP in the Retail LDI Fixed Line Telecom Market of Pakistan for the provision of long distance and international call services. Whereas, SCO is an SMP in AJ&K and GB through the Authority’s determination dated 21st May, 2021.

- b. **Total Revenue of LDI Licensees.** - In terms of market share in overall revenues of LDI sector, PTCL (27.6%), LDN (27.8%), CMPak (10.2%), TLDI (7.8%), TWA (9.9%) and Wateen (9.4%) are the major players. PTCL and TLDI collectively maintain the largest share of LDI revenue i.e., (39.6%) in 2023 and (35.4%) in 2024. PTCL’s acquisition of TLDI will further consolidate their market position, resulting in market dominance. The table below shows total LDI revenue share of major LDI operators for the year 2023 and 2024.

Table XII - Overall LDI Revenue Share % (Pakistan)

Operator(s)	2023	2024
PTCL	30.0%	27.6%
Telenor LDI	9.6%	7.8%
Combined	39.6%	35.4%
LDN	27.6%	27.8%
CMPak	10.4%	10.2%
Wateen	7.6%	9.4%
Worldcall	2.4%	3.6%
TWA	8.5%	9.9%
Others	3.9%	3.7%

- c. **International Incoming Traffic by LDIs.** - The table below presents the distribution of international incoming traffic among LDIs from 2021 to 2024 offering insights to the market dynamics and performance of major players.

Table XIII – International Incoming Traffic Share %

Operator	2021	2022	2023	2024
PTCL	18.7%	19.6%	21.0%	18.3%
TLDI	10.6%	9.7%	6.7%	3.3%
Combined	29.3%	29.3%	27.7%	21.6%
LDN	27.7%	28.1%	30.0%	31.1%
CMPak	17.2%	16.9%	16.5%	19.6%
Others	25.8%	25.7%	25.8%	27.7%

The data indicates that the combined market share of PTCL and TLDI declined from (29.3%) in 2021–2022 to (21.6%) in 2024, primarily driven by a sharp drop in TLDI’s share from (10.6%) in 2021 to (3.3%) in 2024. This reduction is largely attributed to

the growing volume of call terminations to TP being routed through other LDI operators. PTCL may divert the business of international incoming traffic to TP from other LDIs to its own LDI operations, resulting in increasing market share and lessening competition.

- d. **Revenue of International Incoming Voice by LDIs.** - The market shares of LDIs in terms of their revenues from international incoming minutes are similar to their respective market position in terms of their international incoming traffic i.e. LDN is the market leader followed by PTCL (18.2%) and CMPak (17.1%). Worldcall being the key player for bringing international traffic for TP has fourth largest revenue share (10.4%) in market. PTCL's acquisition of TLDI will result in a combined international incoming voice revenue share of 22.7% as of 2024. The table below shows the international LDI traffic revenue among major LDI operators for 2023 and 2024.

Table XIV - International Incoming Voice Revenue Share% (Pakistan)

Operator	2023	2024
PTCL	18.3%	18.2%
TLDI	6.6%	4.5%
Combined	24.9%	22.7%
LDN	37.5%	35.9%
CMPak	16.3%	17.1%
Worldcall	6.1%	10.4%
Wateen	6.3%	6.6%
Others	8.9%	7.4%

- e. **International Outgoing Traffic by LDIs.** - The following data outlines how international outgoing traffic was distributed among LDI operators from 2021 to 2024, clearly showing dominance of PTCL.

Table XV - International Outgoing Traffic Share %

Operator	2021	2022	2023	2024
PTCL	51.7%	50.1%	54.5%	45%
Telenor LDI	11.7%	10.6%	6.0%	6.0%
Combined	63.4%	60.7%	60.5%	51.0%
CMPak	17.7%	20.7%	26.2%	27.0%
LDN	15.5%	16.6%	11.7%	19.0%
Others	3.4%	2.0%	1.6%	3.0%

PTCL has consistently dominated international outgoing traffic, with its share fluctuating slightly from 51.7% in 2021 to 45% in 2024. In contrast, TLDI has undergone a sharp decline, falling from 11.7% to just 6.0% over the same period. This drop contributed to a decrease in the combined market share of PTCL and TLDI from

63.4% in 2021 to 51% in 2024. CMPak LDI has emerged as a strong player, with its market share increasing from 17.7% in 2021 to 27% in 2024, signaling a significant shift in market dynamics. Meanwhile, LDN has also seen its share increased from 15.5% to 19% in 2024 reflecting a substantial growth. Despite increasing shares of CMPak LDI and LDN, dominant position of PTCL will continue in the outgoing international traffic market.

- f. In the long-distance and international market, dominant position of PTCL requires necessary regulatory safeguards to protect the interest of other telecom operators and to impose certain conditions on the conduct of PTCL and MergeCo to avoid any unfair, anti-competitive and unreasonable conduct.

8.1.3 Tower Infrastructure Market. - Currently approximately 19,000 towers are owned by tower companies (such as Deodar, Engro Enfrashare, EDOTCO Towers Pakistan, Associated Technologies, Tower Power (Pvt.) Limited etc.) and infrastructure providers. However, it is noted that OT is not operational, hence, Proposed Transaction will not have any impact on the current market.

9. **Interconnection.** - Interconnection refers to the physical and logical linking of two operators' networks, enabling customers of one network to communicate with customers of another network or access services offered by another operator. It plays a critical role in promoting fair competition by preventing dominant operators from restricting access to their networks or engaging in discriminatory practices. Fair interconnection arrangements safeguard the interests of both operators and consumers by ensuring transparent, cost-based, and non-discriminatory access. To maintain these standards, it is important that Reference Interconnection Offers (RIOs) and interconnection arrangements have regulatory oversight, ensuring that interconnection conditions covering technical, commercial, and pricing aspects are reasonable, non-exclusionary, and compliant with applicable laws and regulatory frameworks.
10. **Technical Efficiencies.** - The Proposed Transaction is likely to generate significant efficiencies, including expanded network coverage, improved QoS and cost reductions.

10.1 Network Integration

- a. Based upon the information received from the Notifying Parties, it has transpired that post acquisition, PTCL intends to integrate TP and PTML cellular mobiles networks in Pakistan, AJ&K and GB, for network optimization, efficient spectrum utilization and capital synergies that deliver tangible benefits. In this regard, site decommissioning may also be undertaken. The MergeCo will be required to maintain its pre-merger network coverage footprint and services across the country.
- b. MergeCo's increase in spectrum is proportionate to its subscriber share for provision of optimum QoS to its customers. The synergies/efficiencies forecasted during next

years can be met subject to acquisition of additional spectrum specially in mid-bands and deploy new technologies.

10.2 Quality of Service.- The amalgamation of PTML and TP will result in the combined availability of cellular services to approximately 70 million subscribers. As a result, TP and PTML/ MergeCo has to ensure compliance with all QoS standards and KPIs set forth under the licenses as well as any QoS KPIs as prescribed through regulations.

10.3 Infrastructure Sharing.- TP has contractual obligations with various LDIs / TowerCo / Infrastructure providers. It is expected that in order to enhance operational efficiencies, PTCL will gradually re-configure the network capacities and utilize its own OFC / backhaul infrastructure for cost and technical efficiencies. However, in order to protect all stakeholders and consumers, certain conditions may be imposed by the Authority.

11. National Dialing Code

- a. The Authority allocates the numbering resources according to the criteria laid down in Numbering Allocation & Administration Regulations, 2018 (“NAAR”). As per regulation 8 of NAAR, the Authority may consult on application for a change of use of an existing allocation. Furthermore, sub-regulation (3) of regulation 14 of NAAR requires the recipient of Primary Assignment not to transfer or sell their assigned resources, except in exceptional circumstances and with prior authorization of the Authority. More so, sub-regulation (5) of regulation 14 of NAAR, provides that the licensee shall not translate, alter or delete the telephone number or other identification associated with its subscribers.
- b. Considering the number being a scarce resource the Authority for the efficient utilization of the numbers as a consequence of merger as well as amalgamation as the case may be may impose conditions to protect the interest of stakeholders.

12. Conclusion

12.1 The Authority has evaluated the Proposed Transaction and the same is considered in line with the applicable legal and regulatory framework. However, the Authority is of the view that it would be appropriate to impose certain safeguards to protect the rights of consumers and other licensees as well as address concerns expressed by stakeholders.

12.2 The order of the Authority herein below also encompasses the presumption that consequent upon completion of the acquisition process, PTML and TP (herein after collectively referred as “MergeCo”) shall subsequently initiate the process of amalgamation, subject to fulfilment of requisite regulatory requirements of the Authority. It is anticipated that PTML will be the surviving entity. However, accordingly, the conditions contained in para 13 below shall also be applicable on PTML and MergeCo, where applicable.

13. Order of the Authority. - In view of the above, following are the conditions in relation to the Proposed Transaction:

- 13.1 The Notifying Parties and PTML/ MergeCo shall continue to establish, maintain and operate the Licensed Systems and provide the Licensed Services in compliance with the license conditions and applicable legal framework in Pakistan, AJ&K and GB;
- 13.2 The Notifying Parties and PTML shall continue to operate as separate legal entities, till the decision on the application for amalgamation of TP and PTML by the Authority and as per applicable law;
- 13.3 Till the conclusion of the amalgamation between PTML and TP, both licensees will adhere to the respective terms and conditions of each license and shall individually be responsible for compliance of their respective license terms and conditions;
- 13.4 PTCL shall unconditionally accept and own all the liabilities and obligations with respect to compliance of terms and conditions of all respective licenses granted to TP, TLDI and OT as mentioned in para 1.4 (a), (b) and (c) respectively of this order;
- 13.5 TP, TLDI and OT shall provide duly certified copies of updated Form - 9, Form - 7 and Form - A, issued by SECP/Registrar of companies in Pakistan, AJ&K and GB, respectively within thirty (30) days from the date of issuance of No Objection Certificate (NOC) by the Authority;
- 13.6 The Notifying Parties and PTML/MergeCo individually and collectively shall not introduce or modify brand names without prior written approval of the Authority. In this regard, at least thirty (30) days prior application be submitted to the Authority;
- 13.7 The NOC shall be subject to clearance of all outstanding regulatory dues (with the exception of any restraining order from the Court);
- 13.8 The Notifying Parties and PTML/MergeCo shall adopt a fair and transparent competitive process for all telecom related arrangements/agreements with the licensees on non-discriminatory basis;
- 13.9 The Notifying Parties and PTML/MergeCo shall ensure non-discriminatory, transparent and fair access to its infrastructure and bandwidth provisioning to all telecom licensees;
- 13.10 PTCL shall not enter into agreements, directly or indirectly, having the effect of imposing exclusive deals or resale restrictions which otherwise prevent other licensees from procuring bandwidth from PTCL and offering services to their own customers;

13.11 The Notifying Parties and PTML/MergeCo where applicable, shall not enter into any arrangements for acquiring telecom related services unless such transactions are conducted at arm's length basis;

13.12 The Notifying Parties and PTML/ MergeCo shall be obligated to provide any information as and when required by the Authority.

13.13 Accounting Separation

a. The Notifying Parties and PTML/ MergeCo shall maintain separate accounts for all business units as required by the Authority;

b. The Notifying Parties and PTML/ MergeCo shall submit separate accounts to the Authority on annual basis, sufficiently detailed to the satisfaction of the Authority.

13.14 Interconnection

a. The Notifying Parties and PTML/ MergeCo shall comply with the Interconnection Guidelines, 2004 and any direction(s) of the Authority from time to time;

b. PTCL, TP, TLDI and PTML/ MergeCo shall not discriminate among the licensees as to the terms of interconnection including international termination;

c. PTCL, TP, TLDI and PTML / MergeCo shall submit all RIO(s) to the Authority for approval within three (03) months from the date of issuance of NOC and subsequent amalgamation, respectively;

d. Any modification in existing interconnection agreement(s) signed by PTCL, TP, TLDI and PTML/ MergeCo shall be subject to prior approval of the Authority;

e. PTCL, TP, TLDI and PTML/ MergeCo shall subject to available capacity, ensure non-discriminatory and fair access to interconnection capacity for all telecom licenses;

f. PTCL, TP, TLDI and PTML/ MergeCo shall offer interconnection capacities on similar terms, to all other licensees, as offered to its affiliates/subsidiaries;

g. PTCL, TP, TLDI and PTML/ MergeCo shall not reduce interconnection capacity allocated to other telecom licensees without prior approval of the Authority. Interconnect capacities and/or their pricing shall not be used in a manner to impede or restrict other operators' access to the customers of the PTCL, TP, PTML/ MergeCo;

- h. Interconnection agreements between TP and other licensees will stand transferred to PTML/ MergeCo, pursuant to the amalgamation;
- i. PTCL, TP, TLDI, PTML/ MergeCo shall provide interconnection and related services and facilities on the basis of unbundled network elements and charge accordingly;
- j. PTCL and MergeCo shall submit complete details of co-location services/ exchanges and its occupancy/ availability for other operators on bi-annual basis. No preferential treatment shall be given by PTCL and MergeCo to its affiliates/ subsidiaries for its colocation services/ exchanges;
- k. PTCL shall not engage in any conduct that constitutes an unfair or unreasonable impediment to access infrastructure or bandwidth resale that limits the commercial operations of competing licensees.

13.15 Tariffs

- a. PTCL, TP, TLDI and PTML/ MergeCo shall ensure that tariffs shall not be predatory, unfair or burdensome for all licensed services;
- b. PTCL, TP, TLDI, and PTML/ MergeCo shall not introduce/ levy/ impose/ offer/ change any tariffs for wholesale and retail services including but not limited to LL, LDI, CMO, Retail Broadband, Broadband Access, IP Bandwidth, Interconnection including Co-location, DPLL, IPLL, Call Transit, Wholesale Call Termination without prior approval of the Authority. In this regard, PTCL, TP, TLDI, and PTML/ MergeCo shall furnish existing tariff in the manner as and when required by the Authority.

13.16 Prohibition of Cross-Subsidization

- a. The Notifying Parties and PTML/ MergeCo shall maintain transparent pricing structure for their wholesale and retail services to prohibit cross-subsidization;
- b. PTCL shall not cross-subsidize its retail or downstream services through revenues derived from its upstream services, or otherwise offer unreasonably low or predatory prices in any market with the intent or effect of foreclosing competition.

13.17 Retention of Existing Contract Tenure

- a. The Notifying Parties and PTML/ MergeCo shall not terminate any of the existing telecom related contracts with other telecom licensees (excluding arrangements as provided in para 13.19 b of this Order), for the remaining period of the contract or

three (3) years or upon expiry of contracts whichever is earlier, from the date of issuance of NOC, unless mutually agreed between the licensees;

- b. The Notifying Parties and PTML/MergeCo shall ensure to continue IRU arrangements with other telecom licensees for at least a period of five (5) years or upon expiry of arrangement, whichever is earlier. However, considering the importance of essential requirements for connectivity and availability of telecommunication services across the country, the existing IRU arrangements shall not be terminated without plausible legal justification. Early termination of the IRU arrangements shall be subject to mutual agreement.

13.18 Consumer Protection

- a. PTCL, TP, PTML/ MergeCo shall ensure that latest telecom services/ modern technologies are also provided to its consumers;
- b. The Notifying Parties and PTML/ MergeCo will ensure protection of consumer rights;
- c. The Notifying Parties and PTML/ MergeCo shall submit Code of Commercial Practice (CCP) and Standard Contract of Service (SCoS) for approval of the Authority afresh within ninety (90) days from the date of issuance of NOC and subsequent amalgamation, respectively.

13.19 Technical Aspects

- a. The Notifying Parties and PTML shall not merge their networks, share spectrum and decommission any sites in Pakistan, AJ&K and GB, without prior approval of the Authority.
- b. **Decommissioning/ Dismantling of BTS Sites Rendered Surplus**
 - 1) The Authority may restrict decommissioning/ dismantling of BTS sites consequent to amalgamation of TP and PTML;
 - 2) All BTS sites of PTML and TP shall continue to remain operational and will not be decommissioned / dismantled for a minimum of four (04) months' period from the date of the Authority's approval of such decommissioning/ dismantling request;
 - 3) The MergeCo shall give first right to guest(s) licensee to acquire BTS Site/ Tower. In case, the guest licensee refuses to acquire the BTS Site/ Tower, the MergeCo, subject to fulfilment of all legal requirements may transfer tower to other telecom licensees including Tower/Infrastructure licensees in order to avoid possible dismantling. In case, the MergeCo and the guest licensee are

unable to resolve the issue they shall approach the Authority and the decision of the Authority shall be binding;

- 4) PTCL/ PTML/ TP/ MergeCo shall share detailed access, transmission, core network integration plan sixteen (16) weeks in advance to the Authority;
- 5) The Authority, after analyzing the request on site-by-site basis, if needed shall direct MergeCo to retain a minimum number of sites to ensure existing coverage remains uninterrupted. The same shall be implemented in strict compliance and in accordance with the Authority's approval;
- 6) MergeCo shall maintain the aggregate FTTS percentage which is existing in independent networks at the time of acquisition of TP;
- 7) MergeCo shall ensure uninterrupted service with required QoS to all consumers during the process of and subsequent to decommissioning/ dismantling of BTS sites. Decommissioning/ dismantling of BTS sites shall not reduce the pre-merger capacity and coverage areas of the services by PTML and TP both;
- 8) TP and PTML/ MergeCo shall provide updated coverage maps (before and after amalgamation) as and when required by the Authority and the same shall also be made available on their respective website;
- 9) MergeCo shall ensure that record of all decommissioned/ dismantled BTS sites and backhaul links is updated with the Authority and FAB. Revised site database will be updated and reconciled with the Authority and FAB;
- 10) Decommissioning/ dismantling plan shall not include and impact any USF Co projects;
- 11) Voice only sites to be upgraded for provisioning of Mobile Broadband Services on priority.

c. Radio Spectrum

- 1) MergeCo to ensure efficient utilization of access spectrum and microwave backhaul spectrum after the amalgamation and return unused/ underutilized microwave spectrum as determined by FAB;
- 2) MergeCo shall reasonably re-adjust / re-arrange spectrum assignments as and when required by the Authority in consultation with FAB and MoIT&T, on industry wide basis, in accordance with applicable legal framework;

- 3) PTML/ TP or MergeCo shall participate in upcoming spectrum award to ensure coverage enhancement and resolve capacity issues at par with other operators and international best practices.

d. **Quality of Service (QoS)**

- 1) TP and PTML / MergeCo shall meet or exceed the prevailing QoS standards/KPIs being availed by the consumers. MergeCo will fully comply with any enhanced QoS standard as well as any other standards or indicators prescribed by the Authority or through regulations from time to time;
- 2) All QoS tools as already provided to the Authority by TP and PTML shall be supported for necessary upgrades. Any changes in agreements and SLAs with the vendor shall be communicated to the Authority beforehand;
- 3) TP, PTML/ MergeCo shall ensure online access of OSS KPIs to the Authority, facilitating real-time network monitoring and fault rectification and facilitation of online survey mechanism.

13.20 **National Destination Codes and Numbering Series**

In case MergeCo opts not to renew any of the cellular mobile licenses (either in Pakistan or AJ&K and GB) of existing entities (i.e. PTML, TP), MergeCo shall be required to make the following payment (s):

- a. For Pakistan, Allocation Fees for NDC (034 or 033) = US\$ 5 million (or equivalent Pak Rupees). This will be upfront payment and will be charged once;
- b. For AJ&K and GB, Allocation Fees for NDC (034 or 033) = US\$ 0.5 million (or equivalent Pak Rupees). This will be upfront payment and will be charged once;
- c. Annual Number Fees of MSISDN will be as per the provisions of Numbering Allocation & Administration Regulations, 2018.

13.21 **Renewal of Licenses**

The renewal process shall be initiated by the Notifying Parties and PTML/ MergeCo as per the terms and conditions of the licenses, the Rules, the Regulations, the Act, Policy Directives of the Federal Government at the relevant time.

13.22 **Terms and Conditions of License(s) of Pakistan, AJ&K and GB**

- a. Relevant licenses of Notifying Parties and PTML/ MergeCo shall be amended and harmonized with other most recently issued licenses of same category. Further, requisite amendments to be incorporated in PTCL's Integrated License is attached as **Annex-A**;

- b. Subject to the conditions contained in this Order, the terms and conditions of the respective licenses shall be complied with in true letter and spirit.

13.23 National Roaming Obligations

The MergeCo shall be obliged to permit mobile operators to roam on MergeCo's network on mutually agreed commercial terms. All pre-merger National Roaming arrangements shall continue to apply;

- 13.24 The Notifying Parties and PTML/ MergeCo, where applicable, shall submit a compliance report to the Authority on a quarterly basis, demonstrating adherence to the conditions stipulated in this Order;

- 13.25 If any information given or documents submitted by Notifying Parties and PTML/ MergeCo are found to be incomplete, incorrect or misleading at a later stage and such information or documents have impact on the proposed transaction, legal action shall be initiated;

- 13.26 In relation to the amalgamation of TP and PTML, the conditions provided in this Order have been set forth for compliance by MergeCo. The Authority may review / impose additional conditions while deciding the application of amalgamation. Hence, all conditions related to amalgamation of TP and PTML are not exhaustive/conclusive at this stage.

14. In view of the above, the Authority shall grant No Objection Certificate for the acquisition / change in substantial ownership of shareholdings of TP, TLDI and OT in favour of PTCL as per request/ notice(s) dated 14th December, 2023 and request(s) dated 13th March, 2024 subject to submission of an unconditional acceptance, by the Notifying Parties and PTML, of above listed conditions within fifteen (15) days of issuance of this Order. This Order, in any manner, directly or indirectly, whatsoever, shall not be considered as a No Objection Certificate.

Note: List of key correspondence/ hearing notices pertaining to this Order is attached as **Annex-B**.

Maj. Gen. Hafeez Ur Rehman (R)
Chairman

Muhammad Naveed
Member (Finance)

Dr. Khawar Siddique Khokhar
Member (Compliance & Enforcement)