

Anticipated acquisition by Cellnex UK Limited of the passive infrastructure assets of CK Hutchison Networks Europe Investments S.À R.L

Terms of reference

1. In exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:

(a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, in that:

(i) enterprises carried on by Cellnex UK Limited, a subsidiary of Cellnex Telecom S.A., will cease to be distinct from the following enterprises comprising certain passive infrastructure assets in the UK (the **Transaction Sites**) which CK Hutchison Holdings Limited and its subsidiaries (the **CK Hutchison group**) holds or has an interest in:

1. the approximately [X] passive infrastructure sites and related assets in the UK, including 2,600 sites to host Hutchison 3G UK Limited (**3UK**) active wireless telecommunications equipment that are under construction, held by CK Hutchison Networks (UK) Limited;
2. the approximately 7,500 passive infrastructure sites used by 3UK that sit within the Mobile Broadband Network Limited Joint Venture (**MBNL JV**); and
3. the passive infrastructure sites (subject to a minimum of 3,000 and a maximum of approximately 3,750) and related assets that 3UK will receive upon dissolution of the MBNL JV.

(ii) the condition specified in section 23(1)(b) of the Act is satisfied; and

(b) the creation of that situation may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including in the supply of access to

developed macro sites and ancillary services to wireless communication providers in the UK.

2. Therefore, in exercise of its duty under section 33(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 10 January 2022, on the following questions in accordance with section 36(1) of the Act:
 - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

Mike Walker
Chief Economic Adviser
Competition and Markets Authority
27 July 2021