

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

Notice of proposal to accept undertakings given to the Competition and Markets Authority by Cellnex UK Limited, Cellnex Telecom S.A. and CK Hutchison Networks Europe Investments S.À R.L. pursuant to sections 41 and 82 and 90 of and Schedule 10 to the Enterprise Act 2002 and public consultation on the proposed undertakings

Background

1. On 27 July 2021, the CMA, in exercise of its duty under section 33(1) of the Enterprise Act 2002 (the Act), referred the anticipated acquisition by Cellnex UK Limited, a subsidiary of Cellnex Telecom S.A. of the passive infrastructure assets in the UK of CK Hutchison Networks Europe Investments S.À R.L., a subsidiary of CK Hutchison Holdings Limited (together, the Parties) for further investigation and report by a group of CMA panel members.
2. On 4 March 2022, the CMA published its report entitled ‘Anticipated acquisition by Cellnex UK Limited of the passive infrastructure assets of CK Hutchison Networks Europe Investments S.À R.L.’ (the Report).
3. The Report concluded, *inter alia*, that the anticipated acquisition (the Merger) by Cellnex UK Limited, part of the Cellnex group (Cellnex) of the passive infrastructure assets in the UK of the CK Hutchison group (CK Hutchison) may be expected to result in a substantial lessening of competition (SLC) as a result of horizontal unilateral effects arising from overlaps between the Parties in the supply of access to developed macro sites and ancillary services to mobile network operators (MNOs) and other wireless communication providers in the UK.
4. As set out in the Report, the CMA has decided that a divestiture by Cellnex of its existing macro sites and ancillary services that geographically overlap with the CK Hutchison sites to be acquired as a result of the Merger would be an effective

and proportionate remedy to address the SLC and the resulting adverse effects that the CMA has found.

5. The CMA has reached agreement with Cellnex and CK Hutchison on the terms of the proposed undertakings to remedy the SLC identified in the Report and the adverse effects which may be expected to flow from it, and the proposed undertakings are attached to this Notice.

Notice of proposal to accept undertakings

6. The CMA now gives notice of the proposed undertakings under section 82 of and paragraph 2 of Schedule 10 to the Act that:
 - a) The CMA proposes to accept the proposed undertakings;
 - b) The proposed undertakings seek to address the SLC identified in the Report and the adverse effects which may be expected to flow from it.
7. The CMA invites written representations on the proposed undertakings from any person or persons who wish to comment. Representations should reach the CMA by 25 April 2022 (15 days from the date of publication of this notice) and should be emailed to cellnex.ckhuk@cma.gov.uk
8. The CMA will consider any written representations made in accordance with this Notice and may make modifications to the proposed undertakings as a result. In the absence of any written representations, or in the event that the CMA decides, on consideration of representation made and not withdrawn, not to amend the proposed undertakings, the CMA proposes to accept the undertakings in their present form pursuant to section 82 of the Act. If the CMA considers that any written representation necessitates any material change to the proposed undertakings, the CMA will give notice of the proposed modifications.
9. Once accepted, the Final Undertakings may be varied, superseded or released by the CMA under section 82(2) of the Act.
10. This Notice and a non-confidential version of the proposed undertakings will be published on the CMA website.

Signed by authority of the CMA

Richard Feasey

Group Chair

8 April 2022