



Proposed purchase by Sure (Guernsey) Limited of
Guernsey Airtel Limited and Jersey Airtel Limited

Information Note

Guernsey Competition & Regulatory Authority

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Guernsey Competition and Regulatory Authority
Suite 4, 1st Floor, La Plaiderie Chambers
La Plaiderie, St Peter Port
Guernsey, GY1 1WG
Tel: +44 (0)1481 711120
Web: www.gcra.gg

Introduction

Mergers generally create positive effects for consumers and for the wider economy as well as for the merging parties themselves. Mergers may generate efficiencies, which allow companies to produce their products more cost-effectively. They may also enable companies to innovate to produce new and improved products. These benefits are then passed on to consumers, who enjoy improved quality, choice and more competitive pricing.

However, in a small number of cases, mergers may lead to a significant reduction in competition between businesses, which can be harmful to consumers and to the economy. In order to prevent these harmful effects, and in common with most developed economies, Guernsey operates a system of merger control rules. These rules, which are set out in the Competition (Guernsey) Ordinance, 2012 (**2012 Ordinance**), require merging companies to notify their mergers to the Guernsey Competition and Regulatory Authority (**GCRA**) if their individual and combined turnover in Guernsey and the Channel Islands, respectively, exceeds certain thresholds¹. Companies may not complete notifiable mergers until the GCRA has given formal clearance.

As an exception to the requirement to notify “above threshold” mergers to the GCRA, the 2012 Ordinance provides that the Committee *for* Economic Development (**Committee**) may exempt a merger that would otherwise be notifiable to the GCRA if the States of Guernsey specifies by Resolution that there are “exceptional and compelling reasons of public policy making it desirable to do so”². Before the Committee exempts such a merger, it may consult the GCRA as to the terms of the exemption and the GCRA must publish the advice it gives to the Committee³.

Proposed Sure/Airtel merger

On 9 November 2022, the Committee wrote to the GCRA informing it that Sure (Guernsey) Limited (**Sure**) intended to purchase Airtel in the Channel Islands⁴ (**Airtel**) and that Sure had requested from the Committee an exemption from the requirement to obtain clearance from the GCRA for the proposed merger (**Proposed Merger**). In that letter, the Committee requested that the GCRA provide advice on the Proposed Merger, pursuant to s.14 of the 2012 Ordinance. The GCRA responded on 24 November 2022. It is required by law to publish that advice⁵, a copy of which it has placed on its website. The advice is annexed to this information note.

On 6 April 2023, the Committee wrote again to the GCRA, requesting its advice on a revised proposed set of commitments it had received from Sure. The GCRA responded on 22 April 2023. It is required

¹ Mergers are notifiable if each of at least two of the merging parties has turnover of at least £2 million in Guernsey and if the merging parties together have turnover in excess of £5 million in the Channel Islands.

² 2012 Ordinance, s.14(2).

³ 2012 Ordinance, s.14(2).

⁴ Guernsey Airtel Limited and Jersey Airtel Limited

⁵ 2012 Ordinance, s.14(3)(a)

by law to publish that advice, a copy of which it has also placed on its website. The advice is annexed to this information note.

Subsequent to these exchanges Sure offered commitments in the form of draft licence conditions to the Committee for Economic Development, which were given to assure the Committee that consumer interests would be adequately protected. The GCRA has proposed alternatives to a standard that a utility regulatory authority was likely to require to ensure that any commitments made were enforceable both legally and practically for the Committee to consider.

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