



Commission opens in-depth foreign subsidies investigation into e&'s acquisition of parts of PPF Telecom

Brussels, 10 June 2024

The European Commission has opened an in-depth investigation to assess, under the Foreign Subsidies Regulation ('FSR'), the acquisition by the **Emirates Telecommunications Group Company PJSC** ('e&') of sole control of **PPF Telecom Group B.V.** ('PPF'), excluding its Czech business. The Commission has preliminary concerns that e& may have been granted foreign subsidies that could distort the EU internal market.

e& is a State-controlled telecommunication operator based in the United Arab Emirates ('UAE'). **PPF** is a European telecommunication operator and a subsidiary of the PPF Group.

The Commission's preliminary concerns

The preliminary investigation indicates that there are sufficient indications that e& **has received foreign subsidies distorting the EU internal market.**

The alleged subsidies notably take the form of an unlimited guarantee from the UAE and a loan from UAE-controlled banks directly facilitating the transaction. Such subsidies are among the most likely to distort the internal market as set out in the Foreign Subsidies Regulation. The Commission has concerns that such subsidies may have improved e&'s capacity to perform the acquisition as well as the competitive position of the merged entity in the EU going forward, notably by improving its capacity to finance its EU activities at preferential terms.

During its in-depth investigation, the Commission will assess whether:

- The foreign subsidies lead to actual or potential **negative effects** on the **acquisition process**. In particular, if the support has altered the outcome of that process by allowing e& to deter or outbid other parties interested in the acquisition and/or by allowing e& to perform the acquisition in the first place.
- The foreign subsidies lead to actual or potential **negative effects in the internal market** with respect to the merged entity's activities.

The transaction was notified to the Commission on 26 April 2024. The Commission has now 90 working days, until **15 October 2024**, to take a decision. The opening of an in-depth investigation does not prejudice the outcome of the investigation.

Companies

e&, headquartered in the UAE, is a State-controlled telecommunication operator providing telecommunication services such as mobile phone service.

PPF, headquartered in Czechia, is a telecommunication operator in Czechia, Bulgaria, Hungary, Serbia (Yettel) and Slovakia (O2). Those activities include telecom companies and the underlying infrastructure. In total, PPF serves more than 10 million customers in that sector.

The procedure under the Foreign Subsidies Regulation

The [FSR](#) started to apply on 12 July 2023. The Regulation new set of rules enables the Commission to address distortions caused by foreign subsidies, and thereby allows the EU to ensure a level playing field for all companies operating in the internal market while remaining open to trade and investment.

According to the FSR, companies must notify concentrations to the Commission when at least one of the merging companies, the acquired company or the joint venture is established in the EU and generates an EU turnover of at least €500 million, and when the parties were granted at least €50 million in combined aggregate foreign financial contributions from third countries in the three years prior to the concentration.

At the end of its in-depth investigation the Commission may (i) accept commitments proposed by

the company if they fully and effectively remedy the distortion, (ii) prohibit the concentration, or (iii) issue a no-objection decision.

More information will be available on the Commission's competition [website](#), in the Commission's public case register under the case number FS.100011.

IP/24/3166

Quotes:

"Today we open our first in-depth investigation into a concentration under the Foreign Subsidies Regulation - Emirates Telecommunications' acquisition of parts of PPF Telecom. The FSR allows us to tackle distortive support from third countries for the acquisition of businesses in the EU. Our investigation will also assess whether e& may have received foreign subsidies that could distort fair competition in the telecom sector."

Margrethe Vestager, Executive Vice-President in charge of competition policy - 10/06/2024

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