



DETERMINATION OF MERGER NOTIFICATION M/23/045 – PROXIMUS OPAL/ROUTE MOBILE

Section 21 of the Competition Act 2002

Proposed acquisition by Proximus Opal S.A./N.V. of sole control of Route Mobile Limited

Dated 27 October 2023

Introduction

1. On 25 August 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition, whereby Proximus Opal S.A./N.V. (“Proximus Opal”) would acquire sole control of Route Mobile Limited (“Route Mobile”) (the “Proposed Transaction”).¹

The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement dated 17 July 2023 between the sellers of the shares of Route Mobile,² Proximus Opal, and the guarantor³ (the “SPA”). Pursuant to the SPA, Proximus Opal will acquire a majority shareholding of 57.56% and thus sole control of Route Mobile.⁴

The Undertakings Involved

The Acquirer – Proximus Opal

¹ In this determination, together Proximus Opal and Route Mobile are referred to as the “Parties”.

² The sellers are private individuals and are listed in Schedule 1 of the SPA as: [...].

³ The Guarantor is listed in the SPA as Proximus SA De Droit Public.

⁴ In the notification, the Parties note (para 1.1) that following the implementation of the SPA, there will be a reinvestment by some of the founding shareholders of Route Mobile for up to 14.5% of the shares of Proximus Opal, but that this reinvestment will not lead to any change in control over Proximus Opal, which will remain under the control of Proximus.



3. Proximus Opal is a public limited liability company under the laws of Belgium and is a 100% owned and controlled subsidiary of Proximus S.A./N.V. (“Proximus”).
4. Proximus is a telecommunications operator incorporated in Belgium. It is active in a full range of electronic communications services providing wholesale and retail services, fixed and mobile telecommunications, and voice and data services, mainly at a national level in Belgium.
5. Proximus is also active, through its wholly owned and controlled subsidiaries Belgacom International Carrier Services (“BICS”) and Telesign Corporation (“Telesign”) (itself a wholly owned and controlled subsidiary of Proximus Opal), in Communications Platform as a Service (“CPaaS”), digital identity services, and international wholesale carrier telecommunications services in the State.
6. For the financial year ending 31 December 2022, Proximus’ worldwide turnover was approximately €5,914 million, of which approximately [...] was generated in the State.

The Target – Route Mobile

7. Route Mobile (formerly “Routesms Solutions Ltd”) is an Indian company listed on the National Stock exchange and the Bombay Stock Exchange in India. Route Mobile is active in the State in CPaaS; specifically, the supply of omnichannel communications solutions, including automated SMS or WhatsApp notifications for order updates, appointment reminders and promotions, as well as voice-based and email solutions. Route Mobile also offers Artificial Intelligence (“AI”) based firewall analytics solutions to mobile network operators.
8. In the State, Route Mobile is active in CPaaS and international wholesale carrier telecommunications services.
9. For the financial year ending 31 March 2023, Route Mobile’s worldwide turnover was €413 million, of which [...] was generated in the State.

Rationale for the Proposed Transaction



10. The Parties state in the notification that:

[...] ⁵

Contact with the Undertakings Involved

11. On 19 September 2023, the Commission served a Requirement for Further Information (“RFI”) on Proximus Opal pursuant to section 20(2) of the Act. On 22 September 2023, the Commission also served a RFI on Route Mobile pursuant to section 20(2) of the Act. The service of these RFIs adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.
12. Upon receipt of full responses from both Proximus Opal and Route Mobile, the “appropriate date” ⁶ (as defined in section 19(6)(b)(i) of the Act) became 2 October 2023.

Third-Party Submissions

13. No third-party submissions were received.

Industry Background – Communications Platform as a Service

14. CPaaS is a cloud-based platform which allows developers to add voice, video, and messaging functionalities to an application without the need to build a real-time communications stack. This represents a technological advancement from pure application to person (“A2P”) SMS ⁷ into multi-channel communications. Its primary value derives from the fact that, as a multi-layered cloud-based middleware, it enables developers to embed numerous communications capabilities into software applications with a few lines of code via application programming interfaces (“APIs”).

⁵ Merger notification form, paragraph 2.7.

⁶ The “appropriate date” is the date from which the time limits for making Phase 1 or Phase 2 determinations begin to run.

⁷ Examples of A2P SMS services include two-factor authentication (2FA), weather warnings via SMS, or appointment reminders from doctors. A2P SMS services stand in contrast to person to person (“P2P”) SMS services.



15. While initially focused on SMS-messaging, CPaaS now encompasses many other channels.⁸ Accordingly, CPaaS is currently evolving towards omnichannel products where different kinds of communications channels are combined to the benefit of the purchasers of the services concerned (which tend to be large multinational undertakings).
16. The UK's Competition & Markets Authority ("CMA") has found that CPaaS omnichannel typically includes:
 - a. An omnichannel interface – a single API/web interface that can be used to connect to different communication channels; and
 - b. A range of complementary value-added software (e.g., verification tools, reminders, artificial intelligence ("AI") based services.)⁹

Industry Background – Wholesale International Telecommunications Carrier Services

17. Wholesale International telecommunications carrier services comprise the lease of transmission capacity and the provision of related services to third-party telecommunications traffic carriers and service providers. Providers of these services act as intermediaries between different telecommunications traffic carriers and services providers.

Competitive Analysis

Horizontal Overlap

18. There are horizontal overlaps between the Parties in respect of: (i) the provision of CPaaS in the State; and (ii) the provision of international wholesale carrier telecommunications services in the State.

Market Definition

⁸ Specifically: email; in-app push notifications; MMS; Mobile & Online Chatbots; Rich Communications Services ("RMS") Business Messaging; Social Media, OTT Business Messaging; Video Services; and Voice Services.

⁹ CMA, Decision ME/6890.20 *Anticipated acquisition by Sinch Holding AB of the SAP Digital Interconnect Unit from SAP SE*, para 51.



Relevant Product Market - CPaaS

19. The Commission has not considered the provision of CPaaS in a previous determination.
20. The Parties state that the relevant product market is the CPaaS omnichannel market. This is supported by the approach of the CMA in its decision of October 2020 regarding the anticipated acquisition by Sinch Holding AB of the SAP Digital Interconnect Unit from SAP SE.¹⁰ The European Commission (“EC”), in its decision in *Meta (Formerly Facebook) / Kustomer*,¹¹ did not conclude on the CPaaS market, but noted that “CPaaS solutions do not form part of either the market for the supply of customer service and support CRM software or the overall market for the supply of customer relationship management (“CRM”) software”.
21. While the EC did not consider the CPaaS channel segment directly in *Meta / Kustomer*, it indicated that CPaaS solutions likely do not form part of the market for the supply of customer service and support CRM software, or the overall market for the supply of customer relationship management (“CRM”) software. The CMA in *Sinch / SAP Digital Interconnect Unit* further distinguished, on a preliminary basis, the provision of CPaaS from the supply of application to person (“A2P”) SMS Interconnection without deeming it necessary to conclude on the product market definition.
22. In the present case, the Commission further considered whether it would be appropriate to further segment any potential product market for CPaaS by communication channel(s) offered. The Parties acknowledge that the EC, in its May 2013 decision in *Syniverse / MACH*, considered two separate product markets for two types of SMS messaging services – (1) A2P SMS services and (2) person to person (“P2P”) SMS services – on the basis that customers of A2P SMS services are companies seeking to address their messages to groups of individuals, whereas those of P2P SMS services are mobile network operators (“MNOs”), whose end-users seek to send an individual message to another individual user.¹²

¹⁰ Decision ME/6890.20 *Anticipated acquisition by Sinch Holding AB of the SAP Digital Interconnect Unit from SAP SE*, para 5.

¹¹ Case M. 10262 *Meta (Formerly Facebook) / Kustomer*, para 34.

¹² Case No COMP/M.6690 - *Syniverse/MACH*, paras 152-154.



23. However, the Commission takes the preliminary view that, in light of the evolution of CPaaS in the time since *Syniverse / MACH*¹³ towards an integrated omnichannel offering¹⁴, to further segment a potential product market for the provision of CPaaS omnichannel by channel offering may not be appropriate.
24. The Commission does not need to come to a definitive view on the precise relevant product market in this instance, as doing so will not alter the Commission's assessment of the competitive effects of the Proposed Transaction. Accordingly, for the purpose of its competitive assessment of the Proposed Transaction, the Commission sees no reason to depart from the approach taken by the EC and CMA and has therefore assessed the likely competitive impact of the Proposed Transaction by reference to the potential product market for the provision of CPaaS omnichannel.

Relevant Geographic Market – CPaaS omnichannel

25. The Parties submit that the relevant geographic market for CPaaS is global in scope.
26. In *Syniverse / MACH*, the EC considered that the A2P SMS market – which the Parties state is related to the CPaaS omnichannel market – could be wider than national and possibly worldwide in geographic scope.¹⁵ By contrast, however, the CMA in *Sinch / SAP Digital Interconnect Unit* examined the supply of CPaaS on a national basis.¹⁶
27. The Parties seek to distinguish the Proposed Transaction from *Sinch / SAP Digital Interconnect Unit* by noting the fact that the notifying parties in that case focused on domestic markets, which is not the case in the context of the Proposed Transaction. In addition, the Parties state that the notifying parties' internal documents in that case referenced competition in the supply of CPaaS by reference to individual countries or geographic regions, which is not the case in respect of the Proposed Transaction.

¹³ This evolution is further evidenced by sector reports referenced by the Parties in the notification and subsequently provided at Annex 15 to the Parties' response to the RFIs of 19 and 22 September 2023.

¹⁴ The CPaaS omnichannel market has evolved towards an integrated omnichannel offering by including a variety of additional communication channels.

¹⁵ Case M. 6690 Case No COMP/M.6690 – *Syniverse / MACH*, 29 May 2013.

¹⁶ CMA, Decision ME/6890.20 *Anticipated acquisition by Sinch Holding AB of the SAP Digital Interconnect Unit from SAP SE*, 21 October 2020, para 84.



Finally, the Parties acknowledge that the expert report on which the Parties' rely still follows an approach based on regions,¹⁷ but state that *"it is relatively clear that this relevant market is in reality clearly evolving to a wider international and as a matter of fact worldwide dimension, given that the suppliers active on this market constantly seek to broaden the geographic reach of their product portfolio and their customer basis."*

28. The Commission does not need to come to a definitive view on the precise relevant geographic market in this instance, as doing so will not alter the Commission's assessment of the competitive effects of the Proposed Transaction. The Commission has assessed the likely competitive impact of the Proposed Transaction by reference to the supply of CPaaS omnichannel on a national, as well as worldwide, basis.

Relevant Product Market – international wholesale carrier telecommunications services

29. The EC has defined the relevant product market for international wholesale carrier telecommunications services very broadly,¹⁸ encompassing international voice services, international wholesale data communication, international capacity services, international managed data services, and international wholesale mobile data products. These services, when supplied at a wholesale level, comprise: (i) the lease of transmission capacity; and (ii) the provision of related services to third-party telecommunication traffic carriers and service providers.¹⁹
30. The Commission does not need to come to a definitive view on the precise relevant product market in this instance, as doing so will not alter the Commission's assessment of the competitive effects of the Proposed Transaction. Accordingly, for the purpose of its competitive assessment of the Proposed Transaction, the Commission sees no reason to depart from the approach taken by the EC and has assessed the likely competitive impact of the Proposed Transaction with reference to the potential product

¹⁷ Submitted as Annexes 15 and 16 to the Parties' response to the RFIs of 19 and 22 September 2023.

¹⁸ Case IV/JV.15 *BT/AT&T*, 30 March 1999, para. 68 and following; Case M.3752 *Verizon/MCI*, 7 October 2005, paras. 46 and following; Case M.3764 *Belgacom/Swisscom/JV*, 19 May 2005, paras. 10 to 18; Case M.5148 *Deutsche Telekom/OTE*, 2 October 2008, paras. 14 and 41 and following; Case M.5584 *Belgacom/BICS/MTN*, 26 October 2009, paras. 15 to 19; Case M.6584 *Vodafone/Cable & Wireless*, 3 July 2012, paras. 32 to 34; Case M.7109 *Deutsche Telekom/GTS*, 14 April 2014, paras. 10 to 14; Case M.7978 *Vodafone/Liberty Global/Dutch JV*, 3 August 2016, para. 23; Case M.8792 *T-Mobile NL/Tele2 NL*, 27 November 2018, paras. 309 to 313.

¹⁹ *T-Mobile NL/Tele2 NL* para 310.



market for the overall supply of international wholesale carrier telecommunications services.

Relevant Geographic Market – international wholesale carrier telecommunications services

31. The EC has previously considered the supply of international wholesale carrier telecommunications services on an EU-wide and worldwide geographic basis. This is supported by the fact that a provider of these services needs to be able to convey the traffic of its users to all possible destinations.
32. It is not necessary to define the precise relevant geographic market in this instance, as doing so will not alter the Commission's assessment of the competitive effects of the Proposed Transaction. Accordingly, the Commission sees no reason to depart from the general approach taken by the EC²⁰ with respect to the potential geographic market and has assessed the likely competitive impact of the Proposed Transaction with reference to the overall supply of international wholesale carrier telecommunications services on a worldwide basis.

Conclusion on relevant markets

33. For the purposes of carrying out its competitive assessment of the Proposed Transaction, the Commission has assessed the competitive impacts of the Proposed Transaction by reference to the following potential relevant markets:
 - a) the provision of CPaaS omnichannel worldwide;
 - b) the provision of CPaaS omnichannel in the State; and
 - c) the provision of international wholesale carrier telecommunications services worldwide.

²⁰ European Commission precedents: Case IV/JV.15 BT/AT&T, 30 March 1999, paras. 89 and following; Case M.3752 Verizon/MCI, 7 October 2005, paras. 53 and following; Case M.3764 Belgacom/Swisscom/JV, 19 May 2005, paras. 19 to 21; Case M.5148 Deutsche Telekom/OTE, 2 October 2008, paras. 15 and 41 and following; Case M.5584 Belgacom/BICS/MTN, 26 October 2009, paras. 20 to 26; Case M.6584 Vodafone/Cable & Wireless, 3 July 2012, paras. 32 to 34; Case M.7109 Deutsche Telekom/GTS, 14 April 2014, paras. 15 to 18; Case M.7978 Vodafone/Liberty Global/Dutch JV, 3 August 2016, paras. 21 and 25; Case M.8792 T-Mobile NL/Tele2 NL, 27 November 2018, paras. 314 to 316.



Competitive Analysis – Horizontal

Provision of CPaaS omnichannel worldwide

34. The Parties' estimated shares, and those of their five largest competitors, in the supply of CPaaS omnichannel worldwide in 2022 are listed in Table 1 below.

Table 1: Estimated shares for the supply of CPaaS omnichannel by revenue worldwide in 2022

Supplier	Revenue (€m)	Share(%)
Proximus Opal	[...]	[0-5]%
Route Mobile	[...]	[0-5]%
Combined	[...]	[0-5]%
Twilio	n/a	[35-40]%
Vonage	n/a	[10-15]%
Sinch	n/a	[5-10]%
Bandwith	n/a	[5-10]%
MessageBird	n/a	[5-10]%
Others	n/a	27.1%
TOTAL	€15000m	100%

Source: Merger Notification, para 5.2.

35. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in relation to the provision of CPaaS omnichannel worldwide for the following reasons:
36. First, as set out in Table 1, Proximus Opal and Route Mobile's shares in the provision of CPaaS omnichannel worldwide were [0-5]% and [0-5]%, respectively, in 2022. Thus, following the implementation of the Proposed Transaction, with an increment of



approximately [0-5]%, Proximus Opal would hold an estimated [0-5]% share in respect of the provision of CPaaS omnichannel worldwide.

37. Second, as the Parties stated in the notification, the provision of CPaaS omnichannel worldwide is highly fragmented and characterised by the presence of large competitors, including Twilio, Vonage, Sinch, Bandwidth, and MessageBird, each of whom hold a larger estimated share in CPaaS omnichannel worldwide and will continue to exert a competitive constraint on Proximus Opal in the supply of CPaaS omnichannel worldwide following implementation of the Proposed Transaction. An expert report provided by the Parties notes that at least 38 CPaaS providers were active in the market worldwide between 2020 and 2022.²¹
38. Accordingly, as noted above, there are multiple competitors that will continue to exert a competitive constraint on Proximus Opal with respect to the supply of CPaaS omnichannel worldwide, the Parties' worldwide shares are comparatively low compared to those of their competitors, and on implementation of the Proposed Transactions the Parties will gain a share increment of approximately [0-5]%. The Commission therefore considers that the Proposed Transaction does not raise any horizontal competition concerns in the supply of CPaaS omnichannel worldwide.
39. In light of the above, the Commission considers that the Proposed Transaction will not result in a substantial lessening of competition in respect of the provision of CPaaS omnichannel worldwide.

Provision of CPaaS omnichannel in the State

40. The Parties also provided their estimated shares (but not those of their competitors) in the provision of CPaaS omnichannel in the State, as set out in Table 2 below.

²¹ Submitted as Annex 16 to the Parties' response to the RFIs of 19 and 22 September 2023, p 9.



Table 2: Estimated shares for the supply of CPaaS omnichannel by revenue (based on communication/message termination) in the State in 2022

Supplier	Revenue (€m)	Share(%)
Proximus Opal	[...]	[0-5]%
Route Mobile	[...]	[0-5]%
Combined	[...]	[0-5]%
Others	n/a	[95-100]%
Total	€30m	100%

Source: Merger Notification, para 5.2.

41. The Parties note that the overall market size and share estimates provided in Table 2 are based on market data relating to the country where the communication/message concerned is terminated, as opposed to market data relating to the country in which the customer concerned is located. This means that the estimates provided refer to revenue generated by the Parties from routing and delivering calls, SMS messages or data to intended recipients in the State, from users of the Parties' CPaaS services who may or may not be located in the State.
42. The Parties submit that it would be impossible to provide estimated shares based on customer location as, to the best of their knowledge, there are no third-party statistics or industry reports which estimate market size based on customer location, as opposed



to termination of traffic. The industry reports relied upon by the Parties provide market size estimates on the basis of termination of traffic. The Parties state that calculating share estimates on the basis of customer location would therefore likely result in inaccuracies and/or distortions, as there exist no estimates as to the total market size of a potential market for CPaaS omnichannel based on customer location in the State.

43. The Commission is satisfied that, in the absence of any third-party or industry reports providing estimates as to market size in the State on the basis of customer location, turnover data relating to termination of traffic is a sufficient basis for an assessment of the competitive effects of the Proposed Transaction on the potential market for CPaaS omnichannel in the State. This is a result of Proximus and Route Mobile's very low turnover in CPaaS in the State on the basis of customer location and termination respectively (Proximus generated [...] in the State on the basis of customer location in 2022, and Route Mobile generated [...] in the State on the basis of termination of traffic in 2022.) Accordingly, regardless of which market data is used for the assessment of share estimates, upon implementation of the Proposed Transaction the Parties will enjoy only a very marginal positive share increment in the potential market for the provision of CPaaS omnichannel in the State.
44. Accordingly, based on the estimates provided by the Parties, Proximus Opal and Route Mobile's estimated share on the basis of termination of traffic in the potential market for CPaaS omnichannel in the State is [0-5]% and [0-5%] respectively. This means that, following implementation of the Proposed Transaction, Proximus Opal will see an increment of approximately [0-5]%. In addition to this, post-Proposed Transaction there will exist several alternative suppliers of CPaaS omnichannel in the State, including large competitors such as Twilio, Vonage, Sinch, and CM.com. Furthermore, no customers or competitors contacted by the Commission raised any competition concerns about the Proposed Transaction.



45. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the provision of CPaaS omnichannel in the State.

Provision of international wholesale carrier telecommunications services worldwide

46. Table 3 below sets out the estimated shares of the Parties in the worldwide market for international wholesale carrier telecommunications services.

Table 3: Estimated shares for the provision of international wholesale carrier telecommunications services by revenue worldwide in 2022

Supplier	Revenue (€ billion)	Share(%)
Proximus Opal	[...]	[0-5]%
Route Mobile	[...]	[0-5]%
Combined	[...]	[0-5]%
Others	n/a	[95-100]%
Total	€61.50	100%

Source: Merger Notification, para 5.2.

47. The Commission notes that the Parties' combined market share post-Proposed Transaction would be [0-5]%, Proximus Opal will see an increment of only [0-5]%. Further, the Parties will face significant competitive constraint from competitors, including Arelion; Comfone; Deutsche Telekom Global; Orange International Carriers;



PCCW Global; Syniverse; Tata Communications; Telecom Italia Sparkle; Telefonica Global Solutions; and Tofane.

48. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the provision of international wholesale carrier telecommunications services worldwide.

Vertical Relationship

49. The Parties state in the notification that there is a possible vertical relationship between the business activities of Proximus Opal and Route Mobile, as CPaaS services use certain international wholesale carrier telecommunications services as an input. Specifically, international wholesale messaging services are needed for the technical provision of CPaaS services based on communications by SMS that are addressed to mobile users that are connected to a mobile network of one of the mobile operators in the world.
50. In light of the minimal shares of the Parties in both the upstream and downstream potential markets, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns relating to input or customer foreclosure in the State.

Conclusion of Competitive Analysis

51. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

52. The Parties submitted that a non-compete and non-solicitation deed entered into on 17 July 2023²² contains arrangements constituting restrictions which are directly related and necessary to the implementation of the Proposed Transaction.

²² Annex H to the Notification.



53. A non-compete clause is imposed on Route Mobile for a period of 24 months post-completion of the Proposed Transaction. The clause states that for that period, Route Mobile “[...]”. The Commission considers this restriction to be directly related to, and necessary for, the implementation of the Proposed Transaction insofar as it relates to the State.²³

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the Proposed Transaction whereby Proximus Opal S.A./N.V. would acquire sole control of Route Mobile Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission

²³ In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” [2005] OJ C56/24, available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52005XC0305%2802%29>.