



Case M1396J

Proposed acquisition of certain assets of JT (Jersey) Limited by Yabsta Limited

Decision

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Summary

1. Yabsta (Guernsey) Limited (**Yabsta**) proposes to acquire directory services assets of JT (Jersey) Limited (**JT**), which operates in Jersey. The transaction has been notified to the Jersey Competition Regulatory Authority (**JCRA**) for approval pursuant to Article 21 of the Competition (Jersey) Law 2005 (the **2005 Law**).
2. The JCRA has determined that the proposed acquisition will not lead to a substantial lessening of competition in any relevant market and hereby approves the notified transaction.

The Notified Transaction

3. On 29 June 2018, the Channel Islands Competition and Regulatory Authorities¹ (**CICRA**) received a joint application from Yabsta (the **Purchaser**) and JT (the **Seller**) for the proposed acquisition by the Purchaser of certain directory service assets of JT.
4. As a result of the transaction, Yabsta will acquire 100% of the JT Directory Services assets (the **Target Assets**) consisting of:
 - Customer contracts (businesses in Jersey advertising in print and/or online) and associated billing information
 - Copies of all existing lineage entries and display adverts created for customers
 - Existing directory supplier relationships
 - Ownership of www.jtdirectory.com
 - Ownership of www.jtquote.com
5. On completion of the asset purchase, Yabsta will enter into a licence and support agreement with JT, allowing Yabsta the following for a period of three years, with the option to extend for a further year:
 - Use of the JT directory brand under licence
 - Use of JT's white page data for continued publication in print and online at a dedicated directory website
 - JT's billing and collection services
 - Product management consultancy in the form of JT resource
 - Use of JT office space and storage facilities
6. CICRA registered the application on its website with a deadline for comments of Friday 13 July 2018. No submissions were received.

The Parties

7. Yabsta Limited is a Guernsey registered company (Company Number 60871). Yabsta provides a full range of traditional print media and digital services including advertisement design, copywriting, social media, web design, hosting, security, video and email marketing. It operates

¹ The JCRA and GCRA co-ordinate their activities with respect to competition law enforcement in the Channel Islands. For the purposes of this document, the JCRA and GCRA are together referred to as CICRA, and all references to CICRA should therefore be read as references to each of the JCRA and GCRA unless the context otherwise requires.

online with its Guernsey website (www.yabsta.gg) which provides an online portal service and directory listings / business advertising service. Yabsta currently provides the 'Yabsta platform' as a managed service to JT on which the JT directory website (www.jtdirectory.com) is hosted.

8. JT is a Jersey registered company (Company number 83487). JT is the incumbent telecommunication provider in Jersey and has been providing fixed line telecommunication services in Jersey since 1895. JT is 100% owned by the States of Jersey. JT provides mobile, fixed line, broadband, leased line telecommunication services, directory and data centre services to consumers and businesses located in Jersey, and operates under a Class III licence issued by the JCRA.
9. JT also operates online with its websites www.jerseyinsight.com which provides an online community portal service and www.jtdirectory.com which provides directory listings and classified advertising for businesses in the Channel Islands.

Jersey: Requirement for JCRA Approval

10. Under Article 2(1)(b) of the 2005 Law, a merger² occurs where a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking. On completion of the notified transaction, Yabsta will acquire control of the Target Assets. The notified transaction therefore constitutes a merger as defined by the 2005 Law.
11. According to Article 20(1) of the 2005 Law, a person must not execute certain mergers or acquisitions except with and in accordance with the approval of the JCRA.
12. Article 4 of the Competition (Mergers and Acquisitions) (Jersey) Order 2010 (the **Order**) provides that if one or more of the parties to the proposed merger or acquisition has an existing share of 40% or more of the supply or purchase of goods or services of any description supplied to or purchased from Jersey (unless it falls within one of two exceptions), then the merger must be notified to the JCRA for approval under Article 20(1) of the 2005 Law.
13. According to information provided by the parties to the transaction, JT has a share of more than 40% in the supply of mobile, fixed line, broadband, directory and leased line telecommunications services in Jersey. The notified transaction therefore requires the approval of the JCRA prior to its execution.

Market Definition

14. Under Article 22(4) of the 2005 Law, the JCRA must determine if the merger would substantially lessen competition in Jersey or in any part of Jersey. To this end, CICRA will identify the markets which are likely to be affected by the merger and then assess whether competition in these markets will be substantially lessened³.

² For brevity, mergers and acquisitions are referred to as 'mergers' in this document.

³ In many cases, a market may already have been investigated and defined by CICRA or another competition authority. CICRA may take note of market definitions applied by other competition authorities, although these are not precedents. Competition conditions may change over time, changing the market definition. Market definition will always depend on the prevailing facts.

Views of the Parties

15. The parties consider the relevant product market to be print and on-line directory services in the geographic market of Jersey. JT is the only supplier of a printed directory in Jersey. Whilst there have been a small number of Jersey focussed online business directories, there are currently only two locally based service providers. There are potentially a number of national online business directories which contain data for Jersey based businesses.

CICRA Consideration

16. For the purpose of this decision, the precise market definition can be left open since, for the reasons outlined below the proposed acquisition would not result in a substantial lessening of competition on any reasonable basis.

Effect on Competition

17. Pursuant to Article 22(2) of the 2005 Law, the JCRA must determine if the proposed acquisition would substantially lessen competition in Jersey or any part of it.

18. There is no horizontal overlap between the activities of the parties. Since the parties do not currently compete in Jersey, the acquisition will not substantially lessen competition in this regard.

19. The acquisition will not give rise to anti-competitive foreclosure in Jersey since neither party is active in a market upstream or downstream of a market in which the other is active.

20. The notified transaction will therefore not give rise to a substantial lessening of competition on any reasonable basis.

Decision

21. Based on the preceding analysis, the JCRA concludes that the acquisition will not substantially lessen competition in Jersey or any part of Jersey.

22. The merger is therefore approved under Article 22(1) of the 2005 Law.

20 July 2018

By Order of the Board of the JCRA