Decision

Proposed Acquisition of Shares in Arqiva Group Limited by Mendip Ltd (C-085)

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Jersey Competition Regulatory Authority
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1. Summary

1.1 Mendip Ltd (the **Purchaser**) proposes to acquire 26.54% (the **Target Assets**) of the issued share capital of Arqiva Group Limited (**Arqiva).** The 26.54% shareholding being sold is currently owned by MEIF II Luxembourg Communications S.à.r.l. (the **Seller**) (the **Proposed Transaction**).

1.2 The Proposed Transaction has been notified to the Jersey Competition Regulatory Authority (the **JCRA**) for approval pursuant to Article 21 of the Competition (Jersey) Law 2005 (the **2005 Law**). The JCRA has determined that the Proposed Transaction will not lead to a substantial lessening of competition in any relevant market and hereby approves the Proposed Transaction.

2. The Application

2.1 The application in respect of the Proposed Transaction, submitted on a joint basis by the Purchaser and the Seller, has been progressed in accordance with the JCRA's published guidelines on mergers and acquisitions.[1]

2.2 On 15 December 2025, a Notice of Application was published on the JCRA website[2] and in the Jersey Gazette.[3] This initiated a 10-day public consultation which closed on 6 January 2026. One response to the consultation was received and this is summarised in section 7.

2.3 The Proposed Transaction has also been notified to the Competition and Markets Authority (**CMA**) in accordance with the Undertakings (the **Undertakings**) to which the Seller is subject. The Undertakings were given by Arqiva and the Macquarie Funds in respect of the acquisition of National Grid Wireless to the Competition Commission (the then CMA), which were accepted on 1 September 2008.[4] Key measures in the Undertakings include appointing an independent Adjudicator for dispute resolution, ensuring cost-oriented pricing for services, and ongoing regulatory reporting. [REDACTED]

2.4 The transaction has also been notified to the UK Investment Security Unit (part of the Cabinet Office) under the National Security and Investment Act 2021.

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[1] Guideline 8 - Mergers & Acquisitions
[2] Mendip Ltd, MEIF II Luxembourg Communications (Arqiva Group) - Notice of Application | JCRA
[3] Notice of Application: Mendip Ltd, MEIF II Luxembourg Communications (Arqiva Group)
[4] See: https://assets.publishing.service.gov.uk/media/551949e7e5274a142b000238/notice_undertakings.pdf

3. The Parties

The Purchaser

3.1 Mendip Ltd, incorporated in Jersey with registered number 162906 is an investment vehicle established solely to hold the Arqiva shareholding in connection with this acquisition. The company has no assets or operations of its own and functions exclusively as a holding entity.

3.2 [REDACTED]

3.3 [REDACTED]

Arqiva

3.4 Arqiva Group Limited (**Arqiva**) is a company incorporated in England and Wales under registered number 05254001. It is engaged in the provision of network and communications services. Arqiva owns and operates the UK national terrestrial television broadcast towers network, and its national radio broadcasting towers network. In addition, it holds ownership of two UK national commercial 'multiplex' (i.e., bundles of digital television channels broadcast on the same frequency bands).

3.5 In Jersey, Arqiva owns and operates the main radio and television transmission towers. Arqiva's direct revenue linked to Jersey is from two contracts (for [REDACTED] and [REDACTED]), totalling [REDACTED] per annum.

3.6 Arqiva also holds a Class I Telecoms Licence, granted by the JCRA, pursuant to the Telecommunications (Jersey) Law 2002.[5]

3.7 The JCRA has previously considered transactions involving Arqiva. In case C-050 Digital 9 Infrastructure (**Case C-050**)[6], D9 Wireless OpCo Limited, a Jersey subsidiary of Digital D9 Infrastructure Plc, acquired 48.02% of Arqiva's voting shares from Frequency Infrastructure Communications Assets Limited. This change of control transaction was approved, as the JCRA concluded that it would not substantially lessen competition.

The Target Assets

3.8 The Target Assets are a 26.54% shareholding of Arqiva Group Limited, currently held by the Seller.

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[5] See: Class I-licence-arqiva-limited.pdf. The JCRA notes that the threshold for the change of control to be notified under the Telecoms Licence is not met by the Proposed Transaction.

[6] C-050- d9-wireless-arqiva-decision.pdf

The Seller

3.9 The Seller, MEIF II Luxembourg Communications S.à.r.l. is a holding company incorporated in Luxembourg with registered number B137826. The Seller is ultimately indirectly controlled by Macquarie Group Limited ("**Macquarie Group**").

3.10 The Macquarie Group Limited is a publicly listed company on the Australian Securities Exchange with registration number LP011265. Its ownership structure is widely dispersed among a broad base of shareholders, comprising both retail investors and institutional investors globally. The company's most substantial shareholdings are held by a large investment funds, and asset management companies.

3.11 The Seller is a special purpose vehicle within the Macquarie Group, established by Macquarie Asset Management to facilitate and execute transactions in respect of designated assets within the Group's infrastructure and private equity portfolios.

3.12 The Seller's turnover for the last financial year was [REDACTED] of which [REDACTED] (approximately [REDACTED]) was generated in Jersey.

Reasons for the Proposed Transaction

3.13 The Proposed Transaction is a financial, rather than a strategic, transaction involving the substitution of one financial investor, for another.

3.14 [REDACTED]

3.15 For the Seller the Proposed Transaction was announced to the market by way of a formal press release.[7]

4 Requirement for Authority approval

4.1 Under Article 2(1)(b) of the Law, a merger or acquisition (referred to in this paper as a 'merger') occurs where a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking.

4.2 Control in relation to an undertaking is taken to exist if decisive influence is capable of being exercised with regard to the activities of the undertaking.[8] In determining if that influence exists, the JCRA will take into account all circumstances, including any rights or contracts which confer decisive influence on the composition, voting or decisions of an undertaking.

[7] Macquarie Asset Management agrees to sale of interests in Arqiva | Macquarie Group
[8] Competition (Jersey) Law 2005, Article 2(2) and (3)

4.3 On completion of the Proposed Transaction, the Purchaser, will have veto rights over the appointment of senior management and to amendments to the long-term business plan. Therefore, the Proposed Transaction constitutes a merger as defined by the Law.

4.4 According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except and in accordance with the approval of the JCRA. Article 4 of the Mergers and Acquisitions (Jersey) Order 2010[9] (the **Order**) states that a merger is notifiable if one or more of the parties to a merger 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 persons in Jersey and neither of the exemptions apply.[10]

4.5 As a result of the Proposed Transaction, Arqiva satisfies the threshold specified in Article (4) of the Order, in that it holds an existing share of 40% or more of the supply of radio and television broadcasting services to persons in Jersey. The Proposed Transaction therefore requires the approval of the JCRA prior to its execution.

5 Market definition

Approach

5.1 Under Article 22(4) of the Law, the JCRA must determine if a merger would substantially lessen competition in Jersey or in any part of Jersey. As an initial step, the JCRA will identify the markets which are likely to be affected by a merger since market definition provides a framework within which the competitive effects of a merger can be assessed.

5.2 When defining a market, the JCRA may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. These previous decisions are not precedents and are not binding, either on the merging parties or on the JCRA. Competition conditions may change over time, changing the market definition, and market definition will always depend on the prevailing facts.[11]

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[9] Competition (Mergers and Acquisitions) (Jersey) Order 2010

[10] Set out at Article 4(a) and 4(b) of the Order.

[11] This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Article 60 of the Law requires the JCRA to attempt to ensure that as far as possible questions arising in relation to competition are dealt with in a manner that is consistent with the treatment of corresponding questions arising under European Union law in relation to competition within the European Union.

Views of the Parties

5.3 The parties proposed that there is no relevant economic market as the Proposed Transaction does not give rise to any plausible horizontal or vertical link in any market in Jersey. Nevertheless, the Parties provided market background, drawing CMA precedent.

Relevant market background

5.4 The CMA examined UK broadcasting markets, comparable to those in Jersey, in its 2008 review of the merger creating Arqiva (Macquarie UK Broadcast Ventures Ltd/ National Grid Wireless Group[12]). Unlike that case, the Proposed Transaction involves no overlap, as the Purchaser has no presence in the sector. Nevertheless, the CMA concluded:

- Managed Transmission Services (**MTS**)/Network Access (**NA**) to television broadcasters (analogue, low-power digital and high-power digital) form one product market.
- The geographic market for terrestrial television MTS/NA is the UK.
- MTS/NA to national radio broadcasters (Analogue and Digital Audio Broadcasting) form one product market.
- MTS/NA to national, regional/metropolitan, and local radio stations (from regulated sites, purchased centrally) from one product market (the relevant radio market.
- The geographic market for radio MTS/NA is the UK.
- Radio MTS/NA is distinct from television MTS/NA.
- Satellite and cable are not substitutes for terrestrial television transmission.

5.5 The Parties propose that, since UK-based broadcasters (such as those serviced by Arqiva) operate in Jersey and the Channel Islands, the UK and Channel Islands should be treated as a single geographic market. However, they note that a definitive market definition is unnecessary for this notification, as the Proposed Transaction will not materially lessen competition in Jersey, the Channel Islands, or the UK regardless of how the market is defined.

JCRA consideration

5.6 The relevant product market is defined primarily by reference to the likely response of consumers and competitors.[13] It will comprise products and/or services which are regarded

[12] Macquarie Inquiry: Final Report- Paragraphs 4.8-4.26
[13] JCRA Guideline 7 - Market Definition

as interchangeable or substitutable by the consumer, by reason of the product's characteristics, prices and intended use. An undertaking cannot have a significant impact on the prevailing conditions of a market if customers can easily switch to other service providers.

5.7 The JCRA agrees with the Parties that it is not necessary to reach a definitive conclusion on the precise market definition. This is because, as outlined below, the Proposed Transaction would not result in a substantial lessening of competition in Jersey on any reasonable basis. The JCRA further notes that this is consistent with its approach in Case C-050 where a change in control of Arqiva was last considered.

6 Effect on Competition

6.1 The analysis of a Proposed Transaction will consider whether the merger creates or enhances the ability or incentive to exercise market power, either unilaterally or in co-ordination with competitors, and whether other market forces (such as the entry of new competitors or countervailing power of customers will eliminate these potential effects and risks. The assessment will also consider any pro-competitive effects or efficiencies that may result from the merger.

6.2 When considering the effect on competition, the JCRA has regard to the guidelines produced by the European Commission[14] (**European Guidelines**). It may also consider the substantive merger guidelines applied by the Competition and Markets Authority in the UK, as well as those of other competition authorities.

6.3 After determining the appropriate market definition or frame of reference within which to assess the transaction, the JCRA estimates the respective positions of both before and after the proposed transaction. This can be used as an indication of the overall level of market concentration, as a result of the merger.

Views of the Parties

6.4 The Parties submit that, given the services provided in Jersey will remain unaffected and the Purchaser and its wider group has no overlapping activities in Jersey, the Proposed Transaction cannot reasonably be expected to give rise to a substantial lessening of competition in Jersey.

[14] https://op.europa.eu/en/publication-detail/-/publication/19597169-c020-4a72-816a-0b15416119f7

JCRA consideration

6.5 The JCRA notes there are no horizontal overlaps between the services provided by the Parties. There is also no vertical relationship.

6.6 Conglomerate mergers are mergers between firms that are in a relationship which is neither purely horizontal (as competitors in the same relevant market) nor vertical (as supplier and customer). In practice, the focus is on mergers between companies that are active in closely related markets (e.g. mergers involving suppliers of complementary goods or of products which belong to a range of products that is generally purchased by the same set of customers for the same end use).

6.7 The main concern in the context of conglomerate mergers is that of foreclosure. The combination of products in related market may confer on the merged entity the ability and incentive to leverage a strong market position from one market to another by means of tying or bundling or other exclusionary practices. These may not be anticompetitive as they may provide customers with better or more cost-effective products or services. However, in certain circumstances, they may lead to a reduction in rivals' ability or incentive to compete.

6.8 With regard to the Proposed Transaction, whilst Arqiva has a high market share in respect of its radio and television broadcasting services, there would be no change to this as a result of the Proposed Transaction. Given that the Purchaser is an investment company with no upstream/downstream activities related to broadcasting, there is no means to condition sales in a way that links products in separate markets together (through tying or bundling). Therefore, the Proposed Transaction will not lead to any reduction in competition between them in Jersey.

6.9 Notwithstanding the above, the JCRA has also considered the potential change in incentives arising from the change in control. This consideration is important given that Arqiva is the key supplier of radio and television broadcasting services to persons in Jersey and, as a result of the change in control, could have an incentive to increase prices. However, even if such an incentive were to exist, the JCRA notes that Arqiva would not have the ability to unilaterally increase prices. This is because the Undertakings (explained in paragraph 2.3) apply to these services.[15] Further, the JCRA notes that, in respect of new services in Jersey, a prescribed process must also be followed under the Undertakings.

[15] The Undertakings cover the use of sites and the technical equipment provision and operation of the broadcast service. [CONFIDENTIAL]

7 Third party views

7.1 One response was received to the consultation from Tindle Radio.

7.2 The response noted that while this transaction is for a minority stake in Arqiva, given the scale and importance of these services, assurance was sought that the new owners will continue to maintain the existing broadcast sites on the same basis as is currently provided by Arqiva. The importance of radio for Islanders was also noted, alongside the challenges faced by commercial operators.

7.3 The respondent further noted its concern around any future switch-off of Digital Terrestrial Television and the potential financial impact of this (if this was to result in the full costs of the broadcasting sites falling on the remaining broadcast user(s)). It was noted that while there is ongoing work on this, including consideration of subsidy, facilitated by the UK Department of Culture Media and Sport, Jersey is outside these discussions. This in the respondents view therefore increases the importance of regulatory oversight and long-term certainty.

7.4 The JCRA has considered the response when assessing the Proposed Transaction. The JCRA notes that the Parties are clear that operationally the Arqiva operation will remain unchanged. Further, as set out above the Undertakings (which govern Arqiva's operations) will remain in place.

7.5 The JCRA notes the concern around the impact of the future switch-off of Digital Terrestrial Television. However, future policy considerations around digital television switch off sit outside of the JCRA's remit for consideration in relation to the Proposed Transaction.

8 Decision

8.1 On this basis, the JCRA concludes the Proposed Transaction will not substantially lessen competition in Jersey or any part of Jersey and is therefore approved under Article 22(1) of the Law.

02 February 2026 **By Order of the Jersey Competition Regulatory Authority**