

PRESS RELEASE

The CNMC authorises the acquisition by CIRSA of GGSO subject to commitments

- CIRSA undertakes to eliminate the exclusivity clauses in all contracts in the *horeca* channel in Catalonia, in relation to machines and other game types.
- It undertakes to establish a time limit of 5 years for all co-management contracts with exclusivity for arcades in Catalonia, as well as in the rest of Spain, for both the *Horeca* channel and arcades.
- It also commits to closing two bingo halls in the city of Barcelona whose licences may be acquired by competitors.

Madrid, 31 July 2019. The CNMC has authorised CIRSA to purchase GGSO in the first phase. The operation is dependent on the fulfilment of the commitments made by CIRSA. ([C/1035/19](#)).

Specifically, this operation consists of Cirsa Gaming Corporation (CIRSA) acquiring sole control of 100% of the share capital of Giga Game System Operations (GGSO). This operation is taking place in the private gaming sector, in particular, in the presence-based gaming mode.

The operation affects the autonomous communities of Catalonia, Valencia and Aragon. However, the risks to competition, due to the high market share that CIRSA will have after the operation, have been identified in Catalonia. Specifically, in relation to the segments for the management of type B machines in food and drink establishments, as well as in the operation of arcades and bingo halls.

Therefore, the authorisation of the operation is dependent on the fulfilment of a series of commitments considered suitable to resolve the competition problems raised by the operation.

Commitments given by CIRSA

For the food and drink segment, CIRSA is committed to eliminating the exclusivity clauses in all contracts signed in Catalonia, to enhance competition between operators of gaming machines within premises.

In addition, CIRSA will reduce the duration of contracts to five years in both food and drink establishments and arcades. This contributes to increasing the frequency with which operators can switch machines, encouraging greater competition in the market among the holders of operating permits at all times. This commitment has also been extended to contracts signed outside Catalonia, which will boost competition in the market throughout Spain.

CIRSA is also committed to reviewing all contracts with a duration of more than 5 years within a period ranging from 12 to 24 months, depending on the channel affected. The replacement will begin by giving priority to contracts of a longer

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duration, those of 10 years, as those are the most harmful to competition in the sector.

Finally, it will close two bingo halls in Barcelona. Their licences may be acquired by new competitors, which will help reduce the pressure on the current market share.

The CNMC will monitor the fulfilment of the commitments by CIRSA, as a result of which CIRSA is obliged to periodically submit information that demonstrates its effective compliance with these commitments.

More information about the analysis of mergers in [the CNMC Blog](#):

- [At the CNMC we monitor mergers](#) .

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