

The CNMC initiates disciplinary proceedings against Telefónica for possible breach of the commitments acquired in the acquisition of DTS

- Telefónica has allegedly breached its reporting obligations, thus evading • one of the commitments acquired in 2015.
- It is imperative to verify the effective replicability by Telefónica's competitors of retail package deals including premium TV channels.

Madrid, 17 June 2022. - The CNMC has initiated disciplinary proceedings against Telefónica de España SA Unipersonal (Telefónica) for possible breach of the commitments acquired within the framework of the merger TELEFONICA/DTS in April 2015. (VC/0612/14).

This resolution is part of the surveillance work carried out by the CNMC to verify that Telefónica complies with the commitments offered for the approval of the exclusive takeover of DTS (formerly Sogecable). The obligations assumed by Telefónica are intended to preserve competition in the markets affected by the merger.

Commitments acquired in 2015.

On 22 April 2015, the CNMC authorised the merger operation, subject to Telefónica's compliance with a series of commitments, which were extended for an additional period of 3 years as per the Resolution of 9 July 2020. Among the obligations imposed on Telefónica is the submission of information under the terms set out in Commitment 4 and Annex 2.2 of the Resolution.

Scope of the disciplinary proceedings.

The initiation of the sanctioning proceedings occurred because the CNMC, in its Resolution of 28 July 2021, declared the existence of evidence of non-compliance with the obligation to submit information. In this case, the information was essential to verify compliance with Commitment 2.9.j), which guarantees the effective replicability by third-party pay-TV operators of retail offers including Telefónica's premium channels which are the subject of the wholesale offer.

The initiation of these proceedings does not prejudice the final outcome of the investigation and the CNMC will now have a maximum period of 3 months to investigate and resolve the case.

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