



**INDEPENDENT CONSUMER &
COMPETITION COMMISSION**

Papua New Guinea's
Consumer &
Competition
Watchdog

DETERMINATION & REASONS

On

Clearance Application

by

DIGITEC ICT LIMITED

in respect of the

Proposed Amalgamation with

ICT HOLDING LIMITED

Commissioners:

Mr. Roy Daggy – Commissioner and Chief Executive Officer
Mr. Jack Timi – Associate Commissioner (Resident)
Mr. Marcus Bezzi – Associate Commissioner (Non-Resident)

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About the ICCC

The Independent Consumer and Competition Commission (**"ICCC"**) is the statutory body established and empowered under the *Independent Consumer and Competition Commission Act 2002* (**"ICCC Act"**). It is Papua New Guinea's consumer protection and competition authority. Its main functions are to promote competition; regulate prices of certain declared goods and services and service standards of regulated entities; protect consumers' interests.

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1. INTRODUCTION

1. This Determination relates to the Clearance Application (“**Application**”) submitted by Digitec ICT Limited (“**Digitec**” or the “**Applicant**”) to the Independent Consumer and Competition Commission (“**ICCC**”) for the proposed amalgamation¹ with ICT Holdings Limited (“**ICTHL**”) (“**Proposed Transaction**”).
2. According to the application, the Proposed Amalgamation involves the transfer of ICTHL’s assets², liabilities, and shareholding interests into Digitec, and Digitec would continue as the surviving entity or the amalgamated company.
3. The ICCC received the Application on 20th October, 2025 from Adadikam Lawyers on behalf of Digitec. The ICCC registered the Application on 23rd October, 2025 and commenced the Clearance process thereafter.
4. Clearance is a statutory process outlined under section 81 of the *Independent Consumer and Competition Commission Act, 2002* (“**ICCC Act**”). Section 81 of the ICCC Act requires that a proposed merger or acquisition that meets either of the mandatory notification thresholds must be notified to the ICCC for a Clearance by the acquirer. The ICCC then assesses the likely competition effects, if any, of the proposed transaction in the relevant market(s). If the ICCC is satisfied that the proposed transaction would not have, or would not be likely to have, the effect of substantially lessening competition in a market, it must give a Clearance for the transaction to proceed. On the other hand, the ICCC must decline to give clearance if it is NOT satisfied that the proposed transaction would not, or would not be likely to, have the effect of substantially lessening competition in a market.
5. The ICCC may, at its own discretion, direct a person giving notice under Section 81 to give notice under Section 82(1) where it reasonably believes the proposed acquisition (which was subject of a Clearance application) needs to go through the Authorization process. The ICCC would give a Direction Letter to the Clearance applicant stating its reasons as to why the proposed transaction should go through the Authorization process.
6. The Proposed Transaction meets the transaction value threshold, hence Digitec submitted the Application for the ICCC’s assessment.
7. If the ICCC gives Clearance, it protects the transaction from being legally challenged for potential breach of the ICCC Act after it is consummated.
8. Clearance is an adjudication process; hence, the onus is on the applicant to satisfy the ICCC that the proposed acquisition would not, or would not be likely

¹ Amalgamation combines two or more companies into one entity

² The primary asset is ICTHL’s 49% shareholding in Digitec

to, have the effect of substantially lessening competition in any market(s) in PNG.

9. It is also important to note that Clearance only applies to *proposed transactions*. If a proposed transaction which was subject of a Clearance application was consummated without the knowledge of the ICCC (or during the time the ICCC was reviewing it), a Clearance given by the ICCC would be considered invalid. The ICCC, therefore, could challenge the transaction if it believes that the acquisition has, or is likely to have, the effect of substantially lessening competition in a market.
10. The ICCC is required by the ICCC Act to give a decision on a Clearance Application within twenty (20) days³ after the date of registration. However, if the ICCC requests further information from the applicant (or as agreed between the ICCC and the Applicant), the ‘clock’ for the 20-day countdown is paused on the date such request was made; and restarted after the day the requested information is provided by the applicant (or on the date as agreed between the ICCC and the Applicant).
11. The ICCC assesses Clearance applications in a public and transparent manner. As such, the ICCC announced the receipt of the Application and invited relevant stakeholders and the public to provide their views and comments on the potential competition impacts the Proposed Transaction may have in any markets in PNG. All relevant comments and submissions received from stakeholders and the public are summarized and discussed under the relevant section of this Determination.
12. The public consultation process also enables the ICCC to test publicly the Applicant’s claims regarding the actual and potential competition impacts the Proposed Transaction would have, or would likely to have, in a relevant market in PNG.
13. For stakeholders who wish to access documents related to this Application and Determination, public copies are placed on the ICCC’s Public Register on its website; www.iccc.gov.pg. Hard copies are also available at the ICCC's Port Moresby Office.

2. BACKGROUND

2.1 The Parties

2.1.1 Applicant – Digitec ICT Limited (“Digitec”)

14. Digitec (IPA Registration No. 1-119129) is a foreign company operating in PNG as a licensed information and communication technology (ICT) service provider.

³ The counting of the 20 days includes public holidays and weekends.

Its core businesses include, cloud-readiness assessments and ICT architecture consulting; managed IT services and data-center hosting; internet service provision (ISP), SD-WAN, cybersecurity and managed print services; as well as the distribution of IT hardware and the licensing and integration of software solutions.

15. Digitec has an issued capital of 10,000 ordinary shares, held as follows:
 - ICT Holding Limited (ICTHL) – 4,900 ordinary shares (49%);
 - Vodafone Fiji Pte Limited (“VFL”) – 5,100 ordinary shares (51%).
16. Post-amalgamation, ICTHL’s 49 percent shareholding will be cancelled and Digitec would be 100 percent directly owned by VFL, the ultimate parent company.

2.1.2 The Target – ICT Holding Limited (“ICTHL”)

17. ICTHL (IPA Registration No. 1-137836) is a passive investment vehicle company registered in PNG as a financial intermediation company and is the wholly owned subsidiary of VFL. ICTHL holds 49 percent of the shares in Digitec, from which it solely derives its income through dividend payments. ICTHL does not carry on any business in PNG and has no employees, assets, or operations beyond this investment.
18. Both Digitec and ICTHL are subsidiaries of the VFL group of companies. VFL, a Fiji-incorporated entity is the ultimate parent company and holds 100 percent of the shares in ICTHL and 51 percent of the shares in Digitec, making it the controlling shareholder of Digitec. The remaining 49 percent of Digitec’s shares are owned by ICTHL.

2.2 The Proposed Amalgamation

19. On 26th September, 2025, an Amalgamation Proposal was signed between Digitec and ICTHL in accordance with Section 235(2) of the companies Act to become effective on 1st November 2025. It is proposed that ICTHL would transfer all of its liabilities, and shareholding interest into Digitec, and Digitec would continue as the surviving company (amalgamated company).
20. Post-Amalgamation, ICTHL’s 49 percent shareholding in Digitec would be cancelled without payment or other consideration. Upon cancellation of the shares held by ICTHL in Digitec, and upon amalgamation becoming effective, VFL would be the sole shareholder, owning 100 percent of the shares in the amalgamated company (Digitec).
21. Given the administrative burden of maintaining the current structure, the respective boards of the related entities above are exploring options to simplify

the corporate structure. Thus, the proposed transaction is internal to the related entities and aim to streamline operations without impacting competition.

22. According to the application, the transaction is not a traditional acquisition involving external parties, but rather an internal corporate restructure under Section 235(2) of the PNG Companies Act 1997, to simplify the corporate structure and improve operational efficiency for the ultimate parent, VFL.
23. While the transaction is an internal restructuring involving the cancellation of shares without monetary consideration, the proportional value of the shares being extinguished is assessed based on a management estimate of the company valuation of Digitec where the estimate value for 49 percent shareholding of ICTHL exceeds the K50 million threshold stipulated under Section 81(1)(a) of the ICCC Act, triggering the requirement for a formal clearance application to be lodged with the ICCC prior to the completion of the transaction.

3. RATIONALE FOR THE PROPOSED ACQUISITION

24. The Applicant submitted that the objective of the Proposed Amalgamation between Digitec and ICTHL is to simplify the corporate structure and improve operational efficiency. The current structure causes administrative burden for the ultimate parent, VFL and incurs ongoing audit and statutory compliance costs for ICTHL, along with complications arising from the intergroup loan arrangement.

4. VIEWS FROM INDUSTRY PARTICIPANTS AND OTHERS

25. The ICCC invited relevant stakeholders and the public to provide their views on the likely competition effects the Proposed Transaction may have on any markets in PNG. Below is the summary of comments and submissions from interested stakeholders. The full submissions can be accessed on the ICCC's website: www.iccc.gov.pg.

4.1 PNG DataCo Limited (“DataCo”)

26. DataCo submitted that it does not object to the Proposed Amalgamation for the following reasons:
 - No change in ultimate ownership or market structure. The amalgamation is an internal restructuring within the VFPL group. Both Digitec and ICTHL are already wholly owned and controlled by VFL. The proposed transaction will not introduce any controlling interests or alter the competitive landscape;

- The amalgamation does not involve the acquisition of any third-party assets or businesses. It is purely a consolidation of existing interest within the group, with no impact on the number or diversity of market participants;
- The transaction will not result in the exit of any competitor from the market, nor will it create barriers to entry for new participants. The market has shown resilience, with previously acquired businesses re-entering and competing again. The presence of the National Transmission Network and the ISP reseller program continues to encourage new entrants and competition; and
- The stated purpose of the amalgamation is to simplify the corporate structure and improve operational efficiency for the parent company. Such internal reorganization can lead to better service delivery and innovation, which ultimately benefits consumers without harming competition.

27. DataCo concluded that the proposed amalgamation will not result in a substantial lessening of competition in the ICT market in PNG.

4.2 Datec PNG Limited (“Datec”)

28. Datec in its submission provided the following pro-competitive and anti-competitive observations;

Potential Pro-Competitive Effects:

29. The amalgamation may achieve operational efficiency as it would streamline decision-making and reduce administrative overhead; and potentially improving service delivery and responsiveness in PNG’s ICT sector.
30. The amalgamation would provide clarity in market engagement. A single operating entity may enhance transparency in commercial dealings and regulatory compliance, benefiting customers and partners.
31. The proposed amalgamation would boost investment confidence since simplifying Digitec corporate structure may signal long-term commitment by VFL to the PNG market, encouraging further investment and innovation.

Potential Anti-Competitive Considerations

32. While the transaction appears to be internal, the consolidation may reinforce VFL’s control over Digitec, which is already a significant player in PNG’s ICT space. If future acquisitions or vertical integrations occur without scrutiny could result to market concentration.
33. The proposed amalgamation would create barriers to entry. Enhance scale and integration may increase competitive pressure on smaller ICT providers,

potentially impacting market diversity if not balanced by open competition policies.

34. Datec concluded that it does not foresee immediate anti-competitive harm given the nature of the transaction and the absence of third-party asset transfer or new share issuances. Datec, however, recommended that the ICCC continue to monitor VFL's strategic movements in PNG to ensure ongoing market fairness and consumer protection.

4.3 PNG Tourism Promotion Authority (“TPA”)

35. TPA submitted that it does not object to the proposed amalgamation and provides the following observations and considerations for the ICCC's review:
- The transaction appears to be internal and does not introduce a new market participant or remove an external competitor.
 - ICTHL does not engage in operational activity in PNG, suggesting minimal immediate impacts to the ICT market.
36. In concluding, TPA encourages the ICCC to continue monitoring to ensure competitive neutrality and ongoing services reliability is sustained and promoted within the PNG ICT sector.

4.4 Telikom Limited (“Telikom”)

37. Telikom highlighted five issues in its submission including:
- a) Status or role of ICTHL in the entire corporate arrangement*
38. ICTHL is not a holding company of Digitec, as it is a minority shareholder. The holding company of Digitec is VFL and not ICTHL as claimed.
- b) Principal business activities of ICTHL*
39. Telikom did not agree with the description of ICTHL's business operations. It suggested that a thorough due diligence by ICCC to determine the nature of the ICTHL business and to ensure full compliance with the relevant laws of PNG.
- c) Assets and liabilities of ICTHL*
40. There is inconsistent information provided to the ICCC by ICTHL. Proper due diligence is required to ascertain which assets and liabilities would be transferred to Digitec.
- d) Regulator's attention*

41. Telikom queried whether the National Information and Communications Technology Authority (NICTA) is aware of this amalgamation. Telikom suggested that the ICCC consult NICTA to ascertain the real nature of the business from both Digitec and ICTHL. Telikom noted that ICTHL is registered as a financial intermediate business, although it carries a company name relating to information technology.

e) Compliance with PNG domestic laws

42. Telikom further submits that the ICTHL's business activities do not correlate with its name, hence suggests that ICCC do a compliance check with the IPA.

43. In summary, Telikom stated that noncompliance with domestic laws by ICTHL should render it incapable of being amalgamated with Digitec. Telikom further stated that the proposed amalgamation may be deliberately misleading and intended to gain an unfair advantage in the retail segment of the telecommunications market. Therefore, Telikom requests ICCC to investigate the proposed amalgamation properly and liaise with other statutory bodies to verify the legitimacy of this proposed amalgamation.

4.5 National Information & Communication Technology Authority (“NICTA”)

44. NICTA submitted that the proposed transaction is an internal statutory amalgamation that will convert an indirect/part-held structure into 100% direct ownership of Digitec by Vodafone Fiji Pte Ltd. There are no third-party assets or competitors are being acquired.

45. NICTA also mentioned that the transaction is unlikely to materially lessen competition in the markets in which Digitec already operates. However, given Digitec's role as a service provider to government and key enterprises and its control of certain hosting/managed services facilities, NICTA recommends to the ICCC that Digitec seeks targeted safeguards to protect wholesale neutrality which includes non-discrimination, service continuity and transparency.

46. According to NICTA, the relevant product markets for Digitec in PNG include: enterprise ICT managed services (systems integration, managed print), data-center/co-location and hosting, ISP (enterprise and retail), SD-WAN and cybersecurity services in PNG.

47. In terms of competition assessment, NICTA provided the following points;

- Horizontal effects: Minimal - ICTHL is a passive shareholder and does not compete in the relevant market operations; no competitor consolidation occurs.

- Vertical/portfolio effects: Possible concerns arise if the re-organized ownership incentivizes preferential treatment, bundling or discriminatory supply terms across group affiliates (regional group offerings) that could affect rivals or wholesale customers.
- Countervailing power and imports: Enterprise customers and import competition provide meaningful constraints; therefore, unilateral price increases or market foreclosure are unlikely, because of the proposed amalgamation.

48. NICTA further highlighted the following sectoral and public interest risks:

- **Service continuity & financial obligations:** extinguishment of intercompany loan and guarantee arrangements could affect creditor relationships or operational contingency if not appropriately managed.
- **Data security & resilience:** changes in governance should not weaken data-protection, disaster recovery, or cybersecurity postures for hosted services used by public bodies.
- **Wholesale access & neutrality:** if Digitec controls scarce infrastructure (co-location, routing, peering), there is a risk of discriminatory access to rivals or customers post-restructure without clear non-discrimination commitments.

49. NICTA also recommended that, ICCC consider either recording the following voluntary undertakings from Digitec (and, where appropriate, Vodafone Fiji) or imposing them as conditions to any clearance:

- **Wholesale non-discrimination:** Undertake that all wholesale access, interconnection, peering, and co-location services will be offered on terms no less favourable to independent access seekers than to any related party for a period of at least 24 months following amalgamation, and to notify ICCC and NICTA of any changes to wholesale tariffs or access policies at least 30 days prior to implementation.
- **Transparency and ring-fencing:** Adopt internal compliance measures (documented ring-fencing and accounting procedures) preventing preferential allocation of capacity, pricing, or technical support to related parties; provide NICTA and ICCC with a short summary of such measures.
- **Service continuity protections:** Provide confirmation to key customers and key creditors (including Bank South Pacific Financial Limited, where relevant) that service SLAs, disaster recovery arrangements and existing guarantees will be managed so as not to impair service continuity; where material changes are necessary, provide transition plans and notification.

- **Data security assurance:** Confirm that amalgamation will not reduce the security standards for hosted government or enterprise data; where any transfer of assets or responsibilities occurs, provide evidence of maintained DR, backup, and cybersecurity controls.
- **Notification of material changes:** Commit to notify ICCC and NICTA of any proposed material changes to commercial arrangements (including bundling practices, exclusive supplier agreements or changes to access policies) for 24 months following the effective date.
- **Record-keeping and audits:** Maintain records demonstrating compliance with the undertakings above and provide, upon request, a concise compliance report to ICCC/NICTA within 12 months.

50. NICTA concluded that the proposed amalgamation is unlikely to substantially lessen competition in any relevant ICT markets given its internal nature.

4.6 Others

51. PNGX does not wish to see any reduction in competition which may affect service levels as a result of the Proposed Amalgamation.

52. IPA supports the Proposed Amalgamation. Primarily because Digitec is a duly registered entity/foreign enterprise in PNG, and that the amalgamation with ICTHL is purely an internal restructuring, that will not have any anti-competitive effects on the market.

53. Similarly, Kumul Consolidated Holdings Limited (KCH) does not see any competition concerns arising from this proposed acquisition, as the transaction involves the restructuring of shareholding by the parent company and its wholly owned subsidiary. Hence, KCH has no objection to the proposed amalgamation.

4.7 The ICCC's response on certain Submissions

54. The ICCC acknowledges all the stakeholders that provided comments on the Proposed Amalgamation that this Determination relates to.

55. In relation to issues raised by Telikom regarding non-competition concerns such as compliance issues and validity of certain information submitted by Digitec, the ICCC requested the Applicant to respond and verify issues raised. The ICCC considered that the responses by the Applicant are satisfactory. The Applicant's response to Telikom's submission is on the ICCC website.

56. The ICCC also takes note of NICTA, the ICT sector regulator's comments and recommendations especially on sectoral risks and recommended conditions. However, the ICCC considered that the proposed amalgamation is an internal

restructure and the current market position for Digitec would not change post-amalgamation, hence minimal impact on the overall competitive structure of the market. The ICCC therefore, suggests for NICTA, as the sector regulator, to monitor and redress such risks and where possible impose such conditions in Digitec's license.

5. ICCC'S EVALUATION

5.1 Competition Assessment

5.1.1 Definition of Relevant Market

57. Defining the relevant market(s) in the competition effects assessment of any business acquisition is necessary and often the first step. The relevant market sets the boundaries (or limits) within which competition between the parties involved in the proposed transaction is considered to exist or likely to exist; and therefore, the potential competition effects of a proposed acquisition (or merger) could sufficiently be assessed and determined.
58. In trying to identify the relevant market(s), the ICCC takes into consideration the area(s) of overlap in the business activities and or where there are vertical relationships between the concerned parties of a proposed transaction. If an area of overlap and or supply relationship has been identified, then there is a need for one to discuss the possible market(s), including substitution possibilities, and eventually identifying the relevant market(s) the proposed transaction is likely to affect in terms of lessening of competition. The ICCC then proceeds to undertake competition effects assessment of the proposed acquisition (or merger); and decides on the application.
59. The ICCC Act defines market under section 45(2) as follows:

“A reference in this Part to the term “market” is a reference to a market in the whole of Papua New Guinea for goods and services as well as other goods and services that, as a matter of fact and commercial common sense, are substitutable for them, including imports.”

Identifying the relevant market

60. The Applicant submitted that the relevant market pertains to the supply of Information and Communication Technology (ICT) goods and services in PNG. The applicant, however stated that since the transaction is an internal restructuring involving no change in ultimate control, the acquisition is not likely to have a substantial lessening of competition effect in the market.
61. Post-amalgamation, Digitec would continue to operate in the same industry segments, under the same licenses, and with the same service portfolio. The transaction does not alter the competitive landscape, service offerings, or

regulatory footprint of the business. Digitec would remain 100 percent owned by VFL, and its operations, client base, and competitive position would remain unchanged. The transaction would not involve the acquisition of a competitor or consolidation of any market power.

62. The ICCC concurs with the applicant that the Proposed Amalgamation is an internal restructure and would not change the ultimate ownership of Digitec; nor does it combine Digitec's business activities with any other competing business entity. Digitec would remain 100 percent owned by VFL prior and post amalgamation and its market share in the market remains.
63. Given the Proposed Amalgamation would be an internal restructure with no structural changes in the ICT market, the ICCC considers that it is highly unlikely to have any detrimental competition effects in any domestic market(s) that Digitec is currently operating in. There are also no market overlaps as ICTHL is only an investment vehicle with interest in Digitec.
64. Based on the above considerations, the ICCC has considered that it is not necessary to define a relevant market for the purposes of assessing likely substantial lessening of competition effects.

5.1.2 Substantial Lessening of Competition Considerations

65. With the above conclusion on the relevant market, it is pointless to undertake a detailed likely adverse competition effects assessment for this Proposed Amalgamation under Section 69.
66. The ICCC, however, notes the following:
 - Digitec's market share in the market would not, and would not be likely to increase post-amalgamation; hence its current position in any market in PNG would be maintained post amalgamation;
 - The Proposed Amalgamation would not, or would not be likely to, affect overall structure of any markets in PNG in reducing the number of players;
 - The Proposed Amalgamation would be an internal restructure and it is not likely to have any detrimental competition effects in any domestic market(s) that the related amalgamated parties are currently operating in; and
 - Digitec would remain 100 percent owned by VFL prior and post-amalgamation; hence the current ownership structure remains the same.
67. It is also highly unlikely that the Proposed Amalgamation intends to gain an unfair advantage in the retail segment of the telecommunications market as submitted by Telikom. The ICCC is of the view that businesses should be


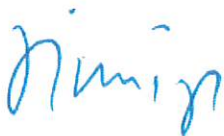

allowed the flexibility to restructure themselves and position them well to respond to changing market circumstances.

68. With the above considerations, the ICCC concludes that the Proposed Amalgamation would not have, or would not be likely to have, the effect of substantial lessening of competition in any market in PNG.

6. DETERMINATION

69. In view of all the above discussions and considerations based on available information, the ICCC is satisfied that the Proposed Amalgamation would not have, or would not be likely to have, the effect of substantially lessening competition in any market(s) in PNG.
70. The ICCC hereby gives this Clearance pursuant to section 81(3)(a) of the ICCC Act for Digitec to proceed with the Proposed Amalgamation.
71. Pursuant to section 81(6) of the ICCC Act, this Clearance expires after twelve (12) months after the date of release. The transaction should be completed within this period.

END

		
MR. ROY DAGGY <i>Commissioner and Chief Executive Officer</i>	MR. JACK TIMI <i>Associate Commissioner (Resident)</i>	MR. MARCUS BEZZI <i>Associate Commissioner (Non-Resident)</i>

Dated: 13th November 2025