

## The CNMC initiates disciplinary proceedings against Telefónica

- The operator allegedly failed to meet the commitments it made when it bought DTS (formerly Sogecable) in 2015.
- In particular, Telefónica had undertaken that contracts for the exclusive acquisition of broadcasting rights in Spain of third-party sports audiovisual content could not exceed a period of three years from the signature of the contract.
- Its contract with the LNFP of 19 January 2022 concerning broadcasting rights in Spain for the Spanish National First Division League Championship as from the season 2022/2023 may have breached this commitment.

**Madrid, 14 November 2024**. The Spanish National Markets and Competition Commission (CNMC) has initiated disciplinary proceedings against Telefónica de España S.A.U. for a possible breach of the commitments made in the Telefónica/DTS (formerly Sogecable) merger in April 2015. (SNC/DC/089/24)

This resolution is part of the CNMC's <u>monitoring work</u> to verify that Telefónica complies with the commitments for the approval of the acquisition of sole control of DTS. The purpose of the obligations undertaken by Telefónica is to preserve competition in the markets affected by this merger.

## Purchase of DTS in 2015

On 22 April 2015, the CNMC authorised the <u>merger</u>, subject to Telefónica's compliance with a series of commitments, which were extended for an additional three years by the <u>resolution of 9 July 2020</u>.

Among them, Telefónica undertook (commitment 2.4) that contracts for the exclusive acquisition of broadcasting rights in Spain of third-party sports audiovisual content entered into by the entity could not allow the exploitation of the acquired content beyond a maximum period of three years from the signature of the contract.



## The Telefónica-LNFP contract

In February 2024, the CNMC <u>declared the existence of indications of non-compliance</u> with this commitment in the contract between Telefónica and the Liga Nacional de Fútbol Profesional (LNFP) dated 19 January 2022.

Specifically, Telefónica signed a contract with the LNFP under which it granted it exclusive broadcasting, audiovisual exploitation and marketing rights for certain matches and content of the National First Division League Championship for its subscribers or customers for private or residential use. This contract includes the rights corresponding to batches D.1.Bis and D.3.Bis of the tender organised by LNFP in November 2021. The main exclusive rights acquired included, in the first batch, five live matches of each match day (except three match days) of the Championship, and, in the second batch, the ten live matches of three match days, for the 2022/23 and subsequent seasons.

The initiation of these proceedings in no way prejudges the final outcome of the investigation. The CNMC now has a time limit of three months to investigate and decide on the case.

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