

## 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.
- Among others, Telefónica had undertaken various commitments regarding the conditions and duration of the contracts for the acquisition of content and its exploitation, the availability of certain premium channels on demand and the characteristics of the wholesale channel offer.

Madrid, 18 November 2024. The Spanish National Markets and Competition Commission (CNMC) has opened disciplinary proceedings against Telefónica de España S.A.U. for a possible breach of the commitments acquired in the Telefónica/DTS (formerly Sogecable) merger in April 2015. (SNC/DC/099/24)

This resolution is part of the CNMC's monitoring work 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 merger, subject to Telefónica's compliance with a series of commitments, which were extended for an additional three years by the resolution of 9 July 2020.

Telefónica undertook, among other things, to comply with certain conditions regarding the duration and terms of contracts for the acquisition of content and its exploitation. In addition, it agreed to allow à la carte contracting of premium channels within the most contracted basic pay-TV package, and to offer its channels on specific conditions in the wholesale market.

## **Monitoring of commitments**

In its decision of 29 November 2022, the CNMC found indications of noncompliance with several commitments: (i) with various contracts analysed in the period between 1 May 2017 and 15 January 2020, (ii) with its retail offering in terms of the on-demand channel offering policy between July 2017 and July 2018, (iii) and with certain conditions of the wholesale channel offerings from 2017 to 2019.







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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