



Immediate Report

Hearing regarding IBC supplying reverse bundle service to private end users and additional services to major commercial customers

Tel Aviv, Israel – January 14, 2020 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ) announced today that the Company received a hearing document regarding the possibility of allowing IBC Israel Broadband (2013) Ltd (“IBC”) to provide Reverse Bundle Service to private end users and additional services to major commercial customers (“Hearing Document”)¹.

Based on the Hearing Document the Ministry is considering approving the application of IBC as follows: (1) To permit it to act in cooperation with access providers in such a way that IBC and the access provider will contract jointly with the end customer, with the access provider supplying the end customer the IBC infrastructure service for the Internet and access to the Internet, and IBC will provide the end customer associated services (“Reverse Bundle Service”); and (2) to allow IBC based on its special license to sell its services to companies in the commercial sector and to also serve as an ISP providing services to the commercial market.

According to the Hearing Document, approval of the applications will be done together with the setting of conditions (including approval to market Reverse Bundle Service for a limited period of 5 years or up to 400 thousand end subscribers, whichever is the earlier; equal marketing with access providers and end subscribers; and retention of the obligations of structural separation and prohibition on preference), in a manner that will contribute to the strengthening of competition in the fixed line infrastructure market and reduction of differences as compared with the regulations applicable to IBC’s competitors.

¹ Below is a link to the Hearing Document in Hebrew published on the website of the Ministry of Communications:
https://www.gov.il/BlobFolder/rfp/14012020/he/hearing_IBC_accessible.pdf



The Hearing Document also notes that in the Government decision it was determined that IBC should contract only with license holders and not contract directly with private consumers (apart from major commercial customers by approval of the Minister of Communications), then if the recommendations in the Hearing turn into a final decision, it will become necessary to amend the Government decision in this matter, and appropriate amendments will also be required in the IBC license.

The Company is studying the Hearing Document and intends to object to the Hearing recommendations.

The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.