



## **PRESS RELEASE**

### **Ministry of Communications Begins Review of Removal of Structural Separation: A Significant Consumer and Regulatory Development**

**Holon, Israel – June 29, 2025** – Bezeq The Israeli Telecommunications Corp. Ltd. (TASE: BEZQ), Israel's leading telecommunications provider, announced today that the Ministry of Communications has approached Bezeq and other telecommunications companies requesting data, as part of the ongoing review process examining the removal of the structural separation obligation in the telecommunications market. The process is expected to conclude before the end of 2025.

The removal of structural separation is expected to reduce outdated regulation, deliver real value to consumers by improving service, lower prices, and eliminate operational duplication that burdens companies and is ultimately passed on to the end customer.

The structural separation obligation, imposed on Bezeq in 1994, required the establishment and management of separate companies for each line of business. This created a burdensome and inefficient market structure, resulting in operational inefficiencies and unnecessary costs.

These insights have long been reflected in regulatory policies across Europe and other global markets. Since the mid-2000s, and alongside the development of wholesale markets, telecom companies worldwide have been offering bundled service packages, with no country maintaining structural separation in the format still applied in Israel. Beyond aligning with international standards, the removal of structural separation would allow companies to offer unified service bundles, streamlined and comprehensive customer service, and improved solutions for end users.

Given the highly competitive nature of the Israeli telecom market today, the structural separation model has become increasingly outdated and irrelevant.

In 2018, an inter-ministerial team was established in Israel to examine the issue of structural separation in the telecommunications sector. The team's recommendations, published in 2020, concluded: "When an effective wholesale market exists where infrastructure providers offer services to competitors under conditions that foster competition and allow for the full provision of telecommunications services the need for structural separation is significantly reduced."

The report emphasized the importance of continuously reviewing and adjusting regulatory policies in line with changes in the market: "The goal is to preserve and



enhance competition, reduce unnecessary regulatory costs, and enable regulatory flexibility to adapt to technological progress - all for the benefit of the public."

The Bezeq Group welcomes the move and views it as an important and significant step toward reducing excessive regulation, improving the customer experience, and continuing the growth momentum in Israel's telecommunications market.

**About Bezeq, The Israel Telecommunication Corp.**

Bezeq, Israel's leading telecommunications service provider, was established in 1984. The Company has led Israel into the new era of communications by focusing on the most advanced technologies and services. Bezeq and its subsidiaries offer the full range of telecommunications services including domestic, international and cellular phone services, broadband Internet, and other data communications, cloud and digital services, satellite and Internet based multi-channel TV, and corporate networks. For more information about Bezeq please visit the corporate website at [www.ir.bezeq.co.il](http://www.ir.bezeq.co.il).

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