

Models of separation and equivalence of access

Vertically integrated operators with significant market power (SMP) may have incentives to discriminate in favour of their own retail services. For example, by applying better wholesale prices internally, or by giving their retail services access to more or better information or systems.




National regulatory authorities (NRAs) may impose a non-discrimination obligation to prevent such behaviour. This obligation can be based on equivalence of inputs (EoI) or equivalence of outputs (EoO).

To ensure compliance with this obligation, NRAs may consider imposing some form of separation.

The infographic shows for Czech Republic, France, Germany, Iceland, Italy, Spain, Sweden and UK (i) whether separation is applicable at wholesale level and, if applicable, (ii) the model of separation:

- **Functional separation:** physically separated staff, systems and processes.
- **Legal separation:** separate legal entity remaining under the same overall ownership, physically separated staff, systems and processes.
- **Structural separation:** separate legal entity with different ownership.

Country	Separation applied at wholesale level?	Functional	Legal	Structural	Voluntary implementation?	Equivalence of access model
Czech Republic	✓		✓		✓	EoI
France	✗					Both EoI and EoO
Germany	✗					EoO
Iceland	✓	✓			✗	EoI
Italy	✓	✓	○ Project of voluntary legal separation notified to NRA		✓	Both EoI and EoO
Spain	✗					EoO
Sweden	✗ 2018 Skanova, a legally separated entity, reintegrated into Telia as part of a larger wholesale unit "Telia Infra"		○ 2008-2017 Skanova Access AB established as a legally separate entity, 100% owned by Telia			Both EoI and EoO
UK	✓	✓	✓		✓	Both EoI and EoO

	Legal separation
	Functional separation
	No separation

✓ Yes ○ Not applicable ✗ No