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The Shaw/Rogers “M&A Deal of the Year”: A Landmark Transaction in Canadian Telecommunications

The Canadian Law Awards recently ranked Shaw Communications’ acquisition by Rogers Communications for C\$26 billion as the M&A Deal of the Year. Shaw and Rogers reached the landmark deal in March 2021 after a private-auction process, and it became the largest M&A transaction of the year. It is now recognized as the fourth largest acquisition of a Canadian target ever and the largest-ever completed transaction in Canadian telecommunications history.

Led on the M&A front by Vincent Mercier and Brett Seifred and on the regulatory front by John Bodrug and Elisa Kearney, the deal was a complex, multi-year effort involving multiple legal facets, including extensive regulatory, corporate and litigation considerations, as well as government and public relations. Aside from the larger deal itself, other challenges presented themselves in the form of a highly expedited challenge by the Commissioner of Competition to the completion of the transaction and the innovative thinking required to finance the deal.

As a precondition to the merger between Shaw and Rogers, Shaw sold Freedom Mobile to Québecor. The completion of these transactions transformed the Canadian telecommunications industry. Originally expected to close by mid-2022, the transaction was delayed when the Commissioner of Competition commenced proceedings before the Competition Tribunal in May 2022, seeking Orders blocking the merger of Shaw with Rogers. The litigation team, led by Kent Thomson, Derek Ricci and Steven Frankel, acted for Shaw in an expedited trial before the Tribunal, which rejected the Commissioner’s challenge in late December 2022. Several weeks later, in January 2023, the Federal Court of Appeal dismissed the Commissioner’s appeal from the bench. In doing so the Court held that “this was far from a close case.” Shortly thereafter, the Commissioner confirmed that he would not seek leave to appeal to the Supreme Court of Canada, bringing an end to the Commissioner’s legal challenge.

This is far and away the largest merger ever challenged by the Commissioner in proceedings before the Competition Tribunal and the Federal Court of Appeal.

Furthering the complexity of the transaction, Shaw, Rogers and Québecor worked with Innovation Science and Innovation Development (ISED) Canada to obtain approval to transfer spectrum licenses from Shaw to Vidéotron in the acquisition of Freedom Mobile by Vidéotron. Once ISED approved, the acquisition successfully closed on April 3, 2023.

Davies partners Scott Hyman and David Wilson also acted for Rogers on the financing of the acquisition, which involved the largest single bank commitment ever made in Canada and the largest-ever Canadian dollar issuance by a corporate issuer in Canadian market history, as well as the largest-ever U.S. dollar issuance by a Canadian corporate issuer in U.S. market history.

This complex, multi-faceted C\$26-billion transaction has been recognized across the Canadian legal industry, garnering awards and accolades for the business aspect ([Law360](#), [Chambers](#), [Mergermarket](#) and [Lexpert](#)), the competition aspect ([GCR](#), [Canadian Law Awards](#) and [Benchmark](#)), the financial aspect ([Canadian Law Awards](#)) and now, with this latest award, the mergers and acquisitions aspect of the transaction. We are proud of the work that we do for our clients, who continue to entrust us with their highest-stakes matters.

The Shaw team, led by [Vince Mercier](#) and [Brett Seifred](#), included: [Marc Pontone](#) and [Andrew Mihalik](#) (M&A);

John Bodrug and Elisa Kearney (Competition); Kent Thomson, Derek Ricci, Steven Frankel, Chanakya Sethi, Alisa McMaster and Sarah Cormack (Litigation); Christopher Anderson and Andrew Ellis (Tax); and Seann McAleese (Employment).

The Rogers Finance team was led by Scott Hyman and David Wilson.