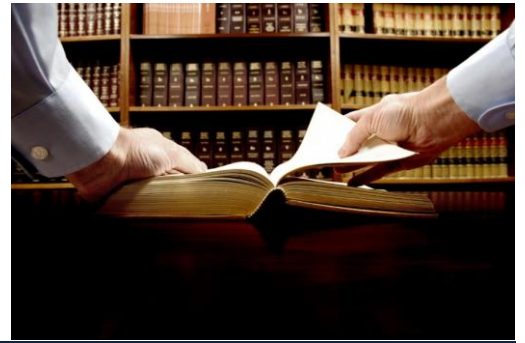


inBrief

**UAE Introduces New Merger Control Thresholds**

By Danielle Lobo, Abdus Samad and Vaishali Dhanawat | 26 February 2025

In January, the United Arab Emirates (UAE) introduced Cabinet Decision 3 of 2025 on the Ratios Related to the Implementation of Federal Decree Law 36 of 2023 Regulating Competition (**2025 Decision**). The 2025 Decision, set to take effect on 31 March 2025, establishes conditions under which merger control filings must be submitted to the UAE Ministry of Economy (**MOE**).

Key Conditions for Merger Filings

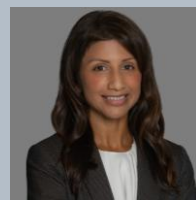
Entities involved in mergers, acquisitions, or other forms of Economic Concentration (i.e. any transaction resulting in the full or partial transfer of ownership or usufruct rights in assets, rights, stocks, shares, or obligations, granting an establishment or group of establishments direct or indirect control over another) will be required to file an application with the MOE if either of the following thresholds is met:

1. **Turnover Threshold:** this threshold was originally included as a trigger for the requirement to make a merger clearance filing pursuant to the introduction of the new Federal Competition Law in late 2023 however, the turnover amount was not at that time clarified. The 2025 Decision now provides that the total annual sales of the relevant entities in the “Relevant Market” within the UAE must exceed AED 300 million (approx. USD 81.7 million and EUR 79.2 million) during the previous fiscal year; or
2. **Market Share Threshold:** the total market share of the relevant entities exceeds 40% of total sales in the “Relevant Market” within the UAE during the previous fiscal year.

The 2025 Decision does not clarify whether an overlap is a requirement or whether one party alone could meet the new turnover threshold. However, it should be noted that the MOE formerly took the position under the old Competition Law that the acquirer alone could meet the market share threshold so it is likely that the same approach will be taken under the new regime.

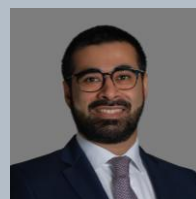
Further, it should be noted that new Implementing Regulations are yet to be issued. These regulations will act to supplement the UAE competition law regime and should also provide clarification on a number of factors including any exemptions available under the new regime together with the definition of “control” as used within the definition of an “economic concentration”.

We are currently engaged in discussions with the MOE on a number of practical considerations relating to the filing process and its requirements.

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At present, we understand from the MOE that substantially the same form will be used as under the former Federal Law in order to make an application for a merger clearance. In addition, it is understood that going forward fees will be levied on the submission of a merger clearance application.

The issuance of the 2025 Decision marks a significant development in the UAE's competition law regime by introducing clearer and stricter criteria for merger control. The 2025 Decision enhances regulatory oversight of market concentration and aims to promote fair competition within the UAE.

Going forward, given the mandatory and suspensory nature of the regime, it is imperative that parties and their advisors evaluate early on in the transaction process whether their transaction may trigger a requirement to file for merger clearance in the UAE to ensure compliance with the new regime. ■



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Vaishali's practice focuses on general corporate private equity and mergers and acquisitions. Vaishali has successfully advised and acted on a wide range of domestic and cross-border transactions across key industry sectors such as renewable energy, infrastructure, hospitals, information technology and e-commerce. Vaishali has also advised clients on the regulatory framework in India involving the exchange control and securities laws.

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