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UAE Introduces Merger Control Thresholds

The United Arab Emirates issued [Cabinet Resolution No. 3/2025](#), offering clarity on the conditions under which a merger control filing with the Ministry of Economy (MOE) is required. The Cabinet Resolution follows Federal Decree-Law No. 36/2023 (UAE Competition Law), which came into effect in December 2023 and repealed Federal Law No. 4/2012 (Repealed Competition Law). Under the Repealed Competition Law, the UAE's merger control framework was based on market share considerations. The absence of detailed guidelines created uncertainty for parties assessing whether a transaction required a merger control filing.

Under the UAE Competition Law, parties intending to participate in an economic concentration are required to obtain clearance from the MOE if the relevant thresholds/conditions are met. Economic concentration is broadly defined and encompasses any act involving the complete or partial (mergers or acquisitions) transfer of ownership, rights, equity, shares, or obligations of an establishment to another, which results in direct or indirect control over the establishment.

The UAE Competition Law introduced a turnover threshold in addition to the existing market share threshold for assessing economic concentrations. However, the specific values for these thresholds were not initially disclosed. With the issuance of the Cabinet Resolution, the thresholds have been outlined and are set to take effect by the end of March 2025. A merger control filing is required if:

1. The total annual sales of the concerned establishments in the relevant market within the UAE exceed AED 300 million (approx. USD 81.7 million) during the previous fiscal year; or
2. The total market share of the concerned establishments exceeds 40% of the total transactions in the relevant market within the UAE during the previous fiscal year.

If either of the thresholds are met, a merger control filing must be submitted to the MOE within 90 days prior to completion of the transaction. The MOE will issue its decision within 90 days from the date it receives a complete filing. This period may be extended by an additional 45 days if the MOE deems necessary.

The penalty for failure to submit a merger control filing for a transaction which meets one of the relevant thresholds is a fine ranging from 2% to 10% of the annual revenues for the last fiscal year. If the annual revenues cannot be calculated, the applicable fine will range from AED 500,000 (approx. USD 136,000) to AED 5 million (approx. USD 1.36 million).

The Cabinet Resolution provides guidance on when M&A transactions must be notified to the MOE. Further clarity may be provided through the implementing regulations of the UAE Competition Law which, once issued, should offer additional guidance on the assessment of “control” when determining an economic concentration and address sector-specific exemptions.

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