



Antitrust Update: Ratification of the Executive Regulations to the Competition Law introducing the Pre-Merger Clearance Regime

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Following the enactment of Law No. 175 of 2022 amending the Egyptian Competition Law No. 3 of 2005 (the “**Competition Law**”) repealing the post-merger notification regime and introducing the pre-merger clearance regime (the “**New Regime**”), the much-anticipated executive regulations of the Competition Law have finally been issued by virtue of Law No. 1120 of 2024 (the “**Amendments**”). The Amendments have been published in the Official Gazette on 4 April 2024 and are set to enter into force as of 1 June 2024.

We will provide you with a general overview of the Amendments as follows:

Definitions

Economic Concentration and Material Influence

As initially introduced in the amendments to the Competition Law, the Amendments define an economic concentration to be any change in the control or material influence of an entity resulting from:

- the merger of one or more legal persons in a pre-existing juristic person or via the establishment of a new juristic person;
- the direct or indirect acquisition of control or material influence in another legal person via the purchase of shares, securities, assets or any other way; or
- the establishment of a joint venture or the acquisition by two or more legal persons of an existing entity as a joint venture undertaking independent and ongoing economic activities.

The Amendments further define material influence as the ability to influence, directly or indirectly the policy of an entity including the strategic decisions or business objectives. In this regard, the Amendments stipulate that the following scenarios, among others, would constitute material influence:

- Any action that would lead to the acquisition of 25% or more of the total voting rights or share capital in another entity;
- Any action that would lead to the acquisition of less than 25% of the total voting rights or share capital in another entity, if combined with other factors allowing the acquirer to influence said entity’s policies.

Relevant Entities

As with the amendments of the Competition Law, the Amendments do not provide the definition of relevant parties whose turnover will be relevant for the purposes of the New Regime. It is anticipated that this will be further clarified in the guidelines to be issued by the Egyptian Competition Authority (“**ECA**”).

Filing Fees

The New Regime introduces a filing review fee determined based on the annual turnover achieved and capped at EGP 100,000.

Market Reaction

[Mr. Mahmoud Momtaz](#), Chairman of the ECA, commented that Amendments mark a significant milestone for the development of Egypt’s Competition policy by introducing the New Regime. Mr. Mahmoud Momtaz further added that the New Regime aim at ensuring a competitive market structure to the ultimate benefit of the end consumers and the Egyptian economy.