

Client Alert

Antitrust

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UAE Implements Sweeping Competition Law Reforms with Mandatory Pre-Merger Notifications

The United Arab Emirates (UAE) has implemented a significant reform of its competition law framework through Federal Decree-Law No. 36 of 2023, with key implementing provisions brought into effect by Cabinet Ministerial Decree No. 3 of 2025, effective as of 31 March 2025. The reforms introduce a mandatory, suspensory and pre-closing merger control regime, substantially enhanced enforcement powers, and reduced scope for exemptions from competition rules.

MANDATORY MERGER CONTROL AND NOTIFICATION THRESHOLDS

A proposed transaction must now be notified to the Ministry of Economy (“MoE”) if it qualifies as an economic concentration (broadly defined as a merger of previously independent entities, an acquisition of direct or indirect control over an entity or part of an entity, the establishment of a full-function joint venture, or the acquisition of assets) and meets either of the following thresholds:

- **Turnover:** The parties’ combined turnover in the UAE in the relevant market exceeds AED 300 million.
- **Market Share:** The parties’ combined UAE market share in the relevant market exceeds 40%.

These thresholds are assessed based on UAE-specific turnover and market share, not global figures.

FILING AND TIMELINES

The regime is pre-closing and suspensory, meaning that transactions cannot be closed before obtaining clearance. Parties must file at least 90 days before closing. The MoE has up to 90 calendar days, extendable by

45 days, to issue a decision. A failure to issue a decision within this period results in automatic rejection.

ENFORCEMENT AND PENALTIES

The MoE now has broad enforcement powers, including: dawn raids and compulsory information requests. Violations, such as failing to notify a qualifying transaction, may result in fines of between 2% to 10% of UAE turnover or, if that is unavailable, AED 500,000 to AED 5 million. Abuse of dominance and anticompetitive agreements are similarly subject to penalties.

IMPLICATIONS FOR YOUR BUSINESS AND TRANSACTIONS

- **M&A:** Early analysis is vital. Transaction documents should include a condition precedent for UAE competition clearance where thresholds may be met.
- **Joint Ventures:** Those involving control or UAE-relevant activities may now fall within scope of the new regime.
- **Distribution and commercial agreements:** Those involving exclusivity or resale price controls should be reviewed for compliance.
- **Compliance:** Compliance protocols should be updated to reflect the increased risk of enforcement.

CONCLUSION

The new regime is a significant shift for businesses operating in the UAE. Companies are advised to incorporate antitrust risk assessments into deal structuring and contracting processes from an early stage.

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