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Legal Landscape | Merger Control

Egypt - Merger Control

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1. The Current Legal Landscape of Merger Control in Egypt

The current legal landscape for merger control in Egypt is undergoing a fundamental transformation following the enactment of Law No. 175 of 2022, which amended Law No. 3 of 2005 on the Protection of Competition and Prohibition of Monopolistic Practices, and the subsequent Executive Regulations issued under Prime Minister Decree No. 1120 of 2024. These amendments, effective since 1 June 2024, replaced Egypt's former ex-post notification regime with a comprehensive ex-ante merger-control system. Under this system, all Economic Concentrations, defined as transactions that result in a change of control or material influence, including mergers, acquisitions, and fully functioning joint ventures, must obtain prior clearance from the Egyptian Competition Authority (ECA) before consummation. The Financial Regulatory Authority (FRA) now exercises parallel jurisdiction for non-banking financial-sector concentrations, creating a dual-track system in which the ECA's role in FRA-supervised cases is consultative but non-binding. The ECA enforces two financial thresholds: a domestic threshold of EGP 900 million in combined local turnover and EGP 200 million for each of at least two parties, or a worldwide threshold of EGP 7.5 billion combined turnover with at least EGP 200 million realized in Egypt. Any qualifying transaction is suspensive-closing prior to clearance ("gun jumping") may trigger penalties ranging from 1 to 10 percent of turnover or EGP 30 to 500 million if turnover cannot be assessed.

2. Strategic Advice for Clients Navigating the New Regime

For clients navigating this framework, three essential pieces of advice emerge. First, they must assess jurisdiction and control early, as identifying whether the ECA or FRA has authority, and whether the transaction confers control or material influence, is critical for determining notification obligations. Second, clients should plan for a pre-closing, document-heavy process: notification files must be complete before the ECA's thirty-day review period begins, and incomplete submissions "stop the clock." Third, where overlaps arise, remedy preparation is key. The ECA may accept structural or behavioral commitments to alleviate competition concerns, and proactive proposals can significantly expedite approval. Given the ECA's power to call in below-threshold "killer acquisitions" within a year of closing, parties are also well advised to consider voluntary notifications to avoid future uncertainty.

3. Emerging Threats and Opportunities in the Year Ahead

Over the coming year, the regime presents both threats and opportunities. The greatest threats stem from regulatory fragmentation, as the coexistence of ECA and FRA oversight may create procedural ambiguity and timing risks. Likewise, uncertainty over gun-jumping enforcement remains problematic, since the statutory basis for fines is ambiguous and arguably inconsistent with the constitutional principle of *nullum crimen sine lege*. Moreover, the ECA's discretion to review sub-threshold transactions introduces potential unpredictability, particularly for tech and innovation-driven acquisitions. Yet these challenges coexist with meaningful opportunities: the newly introduced simplified-procedure track enables faster review (often within twenty working days) for transactions posing no significant market-structure changes, and the Law's explicit recognition of economic-efficiency and failing-firm defenses offers

creative pathways for clearance of complex deals.

4. Ensuring Client Satisfaction through Proactive Legal Management

Maintaining high levels of client satisfaction in this evolving regulatory context requires a disciplined and anticipatory approach. Our practice emphasizes precise scoping and timeline management, beginning with a comprehensive audit of control, thresholds, and sectoral jurisdiction. We coordinate closely with the ECA through pre-notification consultations, encouraged under the Guidelines, to clarify procedural expectations and mitigate later delays. We also pre-draft potential commitment packages, behavioral or structural, to address overlaps before the Authority raises concerns, and we synchronize filings across regulators where dual oversight exists. This structured and proactive engagement enables us to deliver predictability and efficiency despite the novelty of the regime.

5. Technological Transformation and Its Impact on Merger Control Practice

Finally, technological advancement is reshaping merger control practice in Egypt and directly benefits clients. The ECA's digital submission platform, downloadable notification forms, and publicly available Q&A guidance have streamlined filing preparation and reduced procedural friction. Data analytics and digital market-definition tools now permit counsel to model potential competitive effects and prepare counter-factual analyses that align with the ECA's substantive-assessment methodology. Clients gain by submitting data-driven, pre-vetted filings that anticipate the Authority's concerns, shorten review periods, and minimize the risk of information requests. These innovations promise a more predictable, efficient, and economically grounded merger-control environment for both domestic and cross-border investors.

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