

New Thresholds for Merger Filings in the UAE: An Overview

Update

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In February 2024, [we shared an update on the UAE's competition landscape](#) in which we summarised the changes brought by Federal Decree-Law No. 36 of 2023 on the Regulation of Competition (the New Law).

Notably, in the update we highlighted that the New Law did not specify the thresholds that would require a potential transaction to be notified to the Ministry of Economy (the MOE) so that the MOE can provide the required clearance.

Published in the Official Gazette on 30 January 2025, the UAE Cabinet of Ministers issued Ministerial Decree No. 3 of 2025 (the Decree) provides the actual thresholds that will be applied.

Notification Thresholds

Under the Decree, there are two thresholds which, if reached by a potential transaction, would trigger a mandatory merger control filing with the MOE. The thresholds set by the Decree are:

- **Turnover Threshold:** where, during the last financial year, total annual sales of the parties to a transaction in the “relevant market” in the UAE exceeds AED 300 million (approximately \$81.7 million); or
- **Market Share Threshold:** where, during the last financial year, the total market share of the parties to the transaction exceeds 40 percent of the total sales in the “relevant market” in the UAE.

A “relevant market” is defined under the New Law as comprising of two elements:

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- **relevant product market:** products and services that, by virtue of their price, characteristics and intended use, are considered interchangeable to meet particular consumer needs; and
- **relevant geographic market:** the physical or digital place where supply and demand for products or services come together and where competition conditions are similar.

Dominant Position Threshold

Whilst holding a “dominant position” is not prohibited under the New Law nor under the Decree, if a company is found to hold a dominant position they are restricted from carrying out practices that may result in anticompetitive harm. The Decree has now established the threshold for determining whether a company holds a “dominant position” in the market.

Consequently, a “dominant position” is found to exist where a business holds a market share exceeding 40 percent of total sales in the “relevant market” (this is whether acting by itself or with other businesses).

The introduction of the turnover thresholds is a welcomed and important update to the UAE’s competition framework. The result will most likely be more filings made with the MOE for UAE-centric transactions which brings the UAE’s competition landscape into alignment with international practices.

As a final observation, it should be noted that the New Law’s implementing regulations are still awaited, and it remains to be seen what further changes may be made to this landscape.