



# Merger Control Enforcement in Saudi Arabia

Client briefing | Antitrust & Merger Control  
Saudi Arabia | Merger control enforcement and settlement practices in Saudi Arabia  
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The Saudi General Authority for Competition's (GAC) has over the past years substantially increased enforcement of the Kingdom's antitrust and merger control rules. In parallel the GAC took steps to refine and structure their enforcement procedures. Most recently the GAC sought to provide clearer guidance on their enforcement practice in the 5<sup>th</sup> Edition of the GAC Merger Guidelines (Guidelines) issued in April 2025. For the first time the Guidelines explicitly mention the option to settle violations. Still, the description of the GAC's enforcement practice remains high level. Hence, enforcement procedures still rely in large parts on practice instead of disclosed rules and guidelines. This poses challenges for companies subject to investigations by or negotiating settlements with the GAC. This client brief outlines the enforcement regime as established by the Guidelines as well as the GAC's approach to enforcement and settlement in practice.

Under the Saudi Competition Law, economic concentrations that meet the applicable notification thresholds and lead to a change of control must be notified to the GAC at least 90 days prior to closing. Failure to do so may expose the parties to penalties. These are primarily fines of up to 10 percent of the parties' annual turnover. Typically—aside from an outlier low fine issued in 2023 in a small domestic transaction—fines have been consistently SAR 10 million (approx. USD 2.6 million) for first offences. Other penalties include orders to wind up the transaction and criminal sanctions against individuals. Such severe penalties have not been imposed in practice thus far and appear to be reserved to severe violations. In contrast, settlement involves (1) no admission of wrongdoing, and (2) settlement payments that remain considerably lower than fines.

There have been considerable efforts to increase inter agency cooperation in the MENA region. On a regional level the Arab Competition Network seeks to establish itself as a platform for exchange between the region's competition enforcers. Still, none of the measures proposed by the Arab Competition Network have been implemented to date. Bilaterally, the GAC has sought to establish cooperation with other competition authorities through MoU. The GAC signed MoUs pertaining to cooperation on merger control matters with the Kuwaiti Competition Protection Authority as well as the Iraqi Competition Commission. However, these MoU have to date not lead to relevant *ad hoc* information exchange on ongoing transactions between the authorities.

Aside from cooperation with other competition authorities, the primary investigation tool of the GAC is monitoring the press and deal announcements. The GAC monitors coverage of deals in Saudi and international press—such as Bloomberg and FT. Furthermore, we are aware that the GAC has become aware of transactions due to parties making deal announcements or transactions being announced by other authorities in Saudi Arabia and abroad, such as capital market authorities.

There is so far no indication of the GAC actively monitoring companies or PE firms that made prior filings in Saudi Arabia. Furthermore, parties are not under an obligation to disclose prior filings in the filing form. Also, the authority has to date only requested information on prior filings in RFIs in very few cases.

Prior to initiating a formal investigation, the GAC merger department will typically reach out to the parties to the transaction. This will trigger a process of informal discussions during which the GAC's merger department will consider whether the transaction did require notification. Where they find that the transaction did require notification, they will submit the matter to the GAC's investigative department. The

investigative department will then determine whether they will open an official investigation.

The investigation process in front of the GAC's investigative department is largely untransparent. The staff of the department is nearly entirely comprised of former public prosecutors. This affects their conduct. They provide little insight into their reasoning and considerations. Engagement with the parties is primarily through orders and 'meetings' scheduled are usually purely one sided with the investigators asking questions without engaging in discussions. Furthermore, investigators show little concern for the parties setting meetings and demanding involvement of senior management without regard for availability of the parties, time differences, or providing agendas or questions upfront. Once the investigative department has explored the transaction to their satisfaction, they will either close the investigation without taking further action or submit the matter to the sanctions committee.

The sanctions committee will then determine whether to consider settling the matter or initiating a formal violations procedure. They tend to extensively make use of their authority to settle matters. According the GAC opened 459 investigations in 2024, 35 of which were referred to the sanctions committee. In 34 of these cases the parties requested settlement, which was granted in 22 cases. Settlements requests must be submitted digitally through the GAC's digital platform.

Once the sanctions committee agreed to settle a matter, they will extend a settlement offer to to the parties. Settlement does not require admission of guilt or wrongdoing by the parties. The settlement offer will be in the form of a settlement agreement. The terms of these agreements are largely non-negotiable. The agreement will compel the parties to pay a settlement amount determined by the sanctions committee. While the sanctions committee does

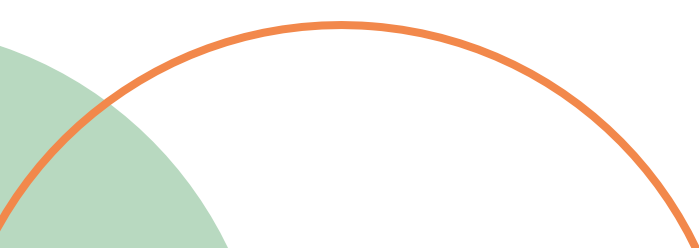
not disclose how they derived at the settlement amount, it appears to be loosely based on the parties' Saudi revenue. The parties can elect whether to settle publicly or settle confidentially. The settlement amount for confidential settlements is double. Both acquirer and target will must pay a settlement amount. Where the settlement amount is not paid in full on time, the sanctions committee will consider settlement failed and initiate an official violations procedure.

Where the sanctions committee determines to initiate an official violations procedure, they will consider what penalties to impose. The parties have virtually no means to affect the assessment. To date the GAC has only imposed fines for gun jumping or failure to notify. Fines are capped at 10 percent of the violation parties' annual revenue. Still, in practice the GAC has imposed fines of SAR 10 million (approx. USD 2.6 million) in foreign-to-foreign transactions regardless of the parties' annual revenue. Both acquirer and target are subject to fines. Fines are subject to judicial review by the competent Saudi courts.

As Saudi Arabia's merger control regime continues to mature, the GAC has increasingly formalized its enforcement toolkit to address both procedural and substantive violations of the Competition Law. The Guidelines provide further clarity and outline the procedural rights and obligations of undertakings, while recent enforcement practice adds further clarity on how the GAC operationalizes settlements, digital submission procedures, and confidentiality protections.

Considering the comparatively aggressive conduct of the investigative department, active engagement with the GAC merger department during the early parts of the inquiry is advisable to resolve the matter at an early stage. Furthermore, where the matter is progressed to the sanctions committee, the parties should through local counsel reach out to the committee and actively request settlement. Additionally,

those seeking to limit reputational impact should consider submitting a parallel confidentiality request as part of their settlement strategy. Given the binding nature of settlement agreements once executed, it is critical that all procedural and financial conditions, particularly payment within the specified deadline, are meticulously observed.

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## MARYAM ABDELGWAD

### Senior Associate

[maryam.abdelgwad@bremerlf.com](mailto:maryam.abdelgwad@bremerlf.com)

Maryam is a senior associate of the region law firm BREMER and part of the firms Antitrust & Merger Control team. She specializes on competition and foreign direct investment regulations of Kuwait and the larger Middle East and advises international corporates on merger control and antitrust as well as FDI matters including investment protection. She works in English and Arabic languages.



## NICOLAS BREMER

### Partner

[nicolas.bremer@bremerlf.com](mailto:nicolas.bremer@bremerlf.com)

Nicolas is a partner and attorney with the regional law firm BREMER where he heads the firm's Antitrust & Merger Control team. He oversees the firm's Riyadh and Cairo representations and has extensive experience in advising international and domestic clients on merger control and antitrust matters in Saudi Arabia, Kuwait, Egypt and the wider MENA region. He works in English, Arabic and German language.