Egypt's Merger Control Regime Review after 18 Months

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Egypt's pre-closing notification merger control regime became effective June 2024. While processing times for filings has shortened, review times are still comparatively long. Furthermore, gaps in institutional design, overlapping jurisdictions, and procedural inconsistencies continue to impact procedures. Over the past 18 months, the Egyptian Competition Authority (ECA) has taken steps to refine the regime. Guidelines issued at the time the regime came into force, have brought welcome clarification to the notification thresholds and FAQs published by the ECA further clarified certain matters such as minority share acquisitions, foreign-to-foreign transactions, and accounting standards for assessing revenue thresholds. This client brief provides an overview of the developments during the first 18 months of operation.

Regulatory clarifications is much appreciated

In their guidelines the ECA clarified—and subsequent FAQ's confirmed—that the international notification threshold can only be met where the target itself generates sufficient revenue in Egypt. Global and domestic revenue, of the acquirer and their group alone, does not suffice to trigger a filing. The ECA requires a direct connection to Egypt based on the target's domestic revenues for a transaction to fall within the scope of the international notification threshold. Hence, foreign transactions, the target to which has no relevant Egyptian business, cannot meet the international threshold.

The domestic threshold, however, can still be met where the target has no Egyptian revenue. Hence, like the situation in the EU, joint ventures established outside of Egypt that will not be active in Egypt may require notification in Egypt, if at least two joint venture parties meet the statutory notification thresholds.

In subsequent guidance provided by the ECA in FAQs published by the authority, they clarified that even small minority stakes may be notifiable where the acquirer obtains material influence over the target. Where an undertaking, acquires less than 25 percent of the voting rights, capital shares, or ownership interests in an entity does not, in itself, constitute material influence. Still, where one of the following conditions is met, the acquirer may still be deemed to gain material influence over the target:

- the acquirer holds veto rights over strategic decisions of the target—such as the appointment or removal of senior management, the approval of budgets, investment plans, or business plans a fling is required;

- the distribution of voting rights in the target is so fragmented, that the acquirer can still influence strategic decisions and business objectives of the target despite no specific veto rights having been granted;

- common shareholding or common shareholders between the acquirer and the target; or

- The acquirer holds the right to appoint one or more persons to the board or similar body of the target, regardless of how many members the concerned body has and whether the acquirer's representative can effectively influence the decisions of the body.

In case of an acquisition of less than 10 percent, the acquirer must become one of the three largest stakeholders in addition to meeting the above-mentioned criteria to be considered for the acquirer being deemed to have material influence over the target.

Moreover, in FAQs published subsequently to the ECA's Guidelines, the authority reaffirmed that foreign-to-foreign transactions are caught by the Egyptian merger control regime. Foreign-to-foreign transactions are subject to mandatory notification, if they meet the notification thresholds and lead to a change in material influence over the target. The clarification reduces filings for transactions with no Egyptian nexus, but it also preserves the requirement to notify deals that have foreseeable competitive effects in Egypt.

Competing jurisdiction remains but proposals for harmonization gain traction

In addition, plurality of competent merger control authorities, risks fragmentation of the the merger control regime through varying standards and competences. Under the old merger control regime certain sectors were not subject to oversight by the ECA. During the reform process the ECA advocated for a unified merger control system to be established with the amendments. They opposed economic concentrations in the banking and financial sector falling under the jurisdiction of the Central Bank of Egypt (CBE) and the Financial Regulatory Authority (FRA) for merger control review. When consolidating all merger control review authorities with the ECA was rejected, the ECA proposed that all merger control related authorities granted to the CBE and FRA be accompanied by a requirement to consult with the ECA. The ECA argued that this would (1) allow the CBE and FRA to benefit from the ECA's expertise in competition law matters, and (2) harmonize the merger control review process. However, the legislature also disregarded this proposal and carved out exclusive zones of authority for the CBE and FRA, with only passive consultation by the ECA in merger control review by the FRA.

Since then, there has been no notable shift toward a more integrated regime in practice. The ECA concluded MoUs with several sector specific regulators—such as those governing telecom and trade—to establish cooperation in competition matters. Still, there are no equivalent frameworks or protocols governing cooperation between the ECA and CBE or FRA in merger control reviews. Nevertheless, there are signs of gradual progress. In August 2025, Egypt's Prime Minister met with the Chairman of the ECA to review the authority's 2026–2030 strategy. The strategy primarily focuses on the enhancement of enforcement, proactive market surveillance, and competitive neutrality. However, it also formulates strategies to establish broader institutional cooperation in merger control review; including proposals for closer cooperation between the ECA and the CBE and FRA. Such increased cooperation would be very welcome from the private sector perspective to enhance transparency and ease challenges of fragmented authorities in merger control matters.

Aside from these measures, the ECA's 2026-2023 strategy also proposes specific guidelines for economic concentrations in digital markets, and mechanisms for anonymous inspection requests.

Despite some progress lengthy review times remain a principal issue

There has been a notable improvement in review timelines since the ECA began actively enforcing the merger control regime in of 2024. Still, necessary pre filing discussions still pose a significant timing issue. In particular, in foreign-to-foreign transactions that may have complex or structures that are uncommon in Egypt the ECA continues to front-load its review, requesting substantial information before the review clock formally starts. The ECA appears to do so to avoid having the clock run out on the statutory review period while they are still conducting their assessment. The statutory review period cannot be extended, unless remedies are discussed, and the ECA cannot stop the clock when issuing RFIs. Hence, they must plan ahead and consider time required for review before officially accepting a notification as complete. Still, this process negatively impacts review time in no to low issues cases. Giving the ECA comfort to start the official review period earlier by allowing them the right to stop the clock with RFIs may help resolve this issue and lead to them progressing no to low issues case to the official review quicker.

Extensive RFIs in no to low issues cases

The ECA tends to issue extensive RFIs even in no to low issues cases. This further impacts review timelines and makes Egyptian merger control filings comparatively laborious. RFIs often seek information on markets, products and services, and market shares in a granularity not required by other regulators in similar circumstances; even in no to low issues cases. Also, the ECA tends to require in depth information on activities of acquirers or joint venture parties that are entirely unrelated to the transaction. Often such requests can be mitigated through discussions with the ECA. Still, this engagement will take time and makes Egyptian filings more laborious compared with those in other jurisdictions. Hence, parties must be prepared to allocate resources and time to addressing extensive RFIs or negotiate on mitigating such extensive RFIs even in no to low issues transactions. Local counsel must also be ready to closely engage with the ECA to find pragmatic solutions to extensive requests.

Formalities remain an issue

Additionally, procedural formalities continue to slow down review processes. Requirement for legalized documents instead of apostilles require parties to front-load formalities to avoid delay.

Moreover, parties must be aware that the ECA strictly requires financial statements to be submitted to the authority to be prepared in accordance with IFRS standards. Still, where parties prepare their financial statements according to different standards, such as GAAP, parties—in our experience—do not have to prepare financial statements according to IFRS standards for filings. The ECA is willing to entertain pragmatic solutions such as the parties' issuing letters that confirm the accuracy of financial statements not issued in accordance with IFRS standards.

Similar issues arise where consolidated financial statements are not available. For instance, where PE firms are involved, the ECA will still demand financial statements consolidating the revenue of all portfolio companies controlled by funds managed and advised by the PE firms. Such consolidated statements typically do not exist. In our experience, issuing revenue statements confirming the consolidated revenues across all portfolio companies will typically be accepted.

Unclear sanctions continue to pose concerns

The sanctions regime remains unclear. The Egyptian Competition Law empowers the ECA to impose fines ranging from 1 to 10 percent of the violating parties' annual revenue, assets, or the transaction value—whichever is higher—for gun jumping or failure to notify. However, the law does not specify whether fines will be calculated based on worldwide or Egyptian revenue or assets. The ECA referred to the courts as the competent authority to determine this question of law. Since, to date no fines were issued, there is no precedence that would clarify the matter.

Way forward

After eighteen months of operation, several aspects of the regime have improved. Clarifications in the Guidelines and FAQs have helped define the scope of notifiable transactions, including requirements for thresholds, minority shareholdings, foreign-to-foreign deals, and revenue assessment.

Still, jurisdictional issues persist due to the division of review powers with the CBE and FRA, which creates parallel processes. Also, review timelines remain lengthy, even in cases with limited competition concerns, and are often extended by formalities and detailed questions from the case team. Finally, the sanctions framework remains unresolved, particularly regarding the basis for calculating fines.

To manage these challenges, parties should take a proactive approach. Early engagement is recommended, especially as Egypt allows filings based on letters of intent or similar preliminary instruments, which enables the review process to begin before signing. Formalities—such as notarization, legalization, and the collection of corporate documents—should be handled at an early stage, as these frequently delay submissions.

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