



The Iraqi CAC issues first Merger Guidelines

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Iraq | Guideline on Mergers and Restrictive Commercial Practices
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In February 2026, the Iraqi Competition and Antitrust Council (**CAC**) issued their Guideline on Mergers and Restrictive Commercial Practices, marking the first structured, procedural framework since the Iraqi legislator enacted the Iraqi Competition and Antitrust Law 14/2010 in early 2010. While the Competition Law has existed for over a decade, enforcement was theoretical. The Guideline now for the first time operationalizes existing provisions, clarifies how the CAC intends to review mergers, acquisitions, and restrictive agreements, and sheds light on the CAC's interpretation of the law. Still, overall the Guidelines remain ambiguous in several parts, thereby, leaving considerable challenges for businesses and investors navigating the Iraqi merger control and antitrust regimes.

Market share threshold remains central

The Guideline confirms that the market share threshold established in Art 9 Competition Law remains the substantive benchmark. Unlike the general trend in the MENA region, the Iraqi legislator and regulator have not introduced turnover-based thresholds. Mergers, and other economic concentrations, are prohibited, and require prior approval, where the parties collectively control:

- at least 50% of the total production capacity for the relevant good or service; or
- at least 50% of total sales in the relevant market.

The key challenge with applying these market share threshold is the lack of available market information on Iraq outside of a few, highly regulated markets—such as the financial industry—or markets of particular relevant to Iraq—such as the oil and gas sector. Outside of these sectors, Iraqi authorities assess little

market information. Also, private data companies have little incentive to compile Iraq specific market information. In practice, this places the burden on the parties to carry out market assessments to understand their obligations. Where no reliable information can be assessed early engagement of the CAC is advisable.

Clarification on merger review process

The Guidelines provide a structured notification process for merger control notifications:

- in domestic transactions the initial filing must be made to the Companies Registrar;
- in domestic transaction the Companies Registrar will refer the matter to the CAC for merger control review. Foreign-to-foreign transactions will be submitted directly to the CAC;
- upon receiving the complete filing, the CAC has 30 business days to issue their decision; and
- decisions of the CAC may be appealed window 3 business days, unless in cases the CAC objects to the transaction, in which case the parties have 7 business days to appeal.

Notifiable transactions

The Competition Law only mentions mergers and “restrictive practices” as transactions that require notification. The Guidelines add some more clarity on what “restrictive practices” within the meaning of the law refers to. According to the Guidelines “restrictive practices” include:

- acquisitions of a controlling stake in an undertaking;
- acquisition of administrative control;
- formation of holding structures; and
- agreements that limit prices, quantities, territories, or customer access.

Hence, the approval requirement is not limited to merger control. The same process applies to certain behavioral antitrust concerns. In the context of merger control, the clarifications

provided by the Guidelines, however, do leave some ambiguity.

The Guidelines do not define the concept of control under the Iraqi merger control regime. The mention of “administrative control” suggests that minority stakes would suffice to establish control, if the minority stakeholder holds relevant rights that allow them to impact the decisions and operations of the undertaking. Still, it remains to be seen whether the CAC will follow other Middle Eastern authorities such as those in Saudi Arabia, Kuwait, and the UAE that adopted concepts like the EU concept of decisive influence, or whether the CAC will take a broader approach such as the Egyptian authority that relies on a concept of material influence.

Ongoing monitoring and post-clearance exposure

The Guidelines provide for an ongoing monitoring of parties that submitted a request for approval of mergers, or restrictive agreements. However, it remains unclear what this monitoring will entail. The Guidelines simply state that the CAC will monitor the parties to ensure continued compliance. With no specific purposes or goals for the CAC’s monitoring activities it remains to be seen whether such post-closing monitoring will go beyond general antitrust oversight.

Mandatory registration of restrictive agreements

Furthermore, the Guidelines clarify the obligation to register certain agreements pursuant to Art 12 Competition Law. The Guidelines clarify that parties must notify the following agreements to the CAC:

- agreements fixing resale prices or sales conditions;
- agreements imposing output restrictions;
- territorial allocation agreements; and

- agreements including mechanisms for exchange of price or cost relevant information.

Failure to register may either result in referral to the appropriate court and the recommendation of penalties.

Sanctions and enforcement signals

Violations of the Iraqi merger control regime as well as failure to register relevant agreements with the CAC may be penalized with fines of between IQD 1 to three 3 million (approx. USD 800 to 2,300). Furthermore, the parties may be subject to civil compensation claims. Aside from this liability of the parties the Competition Law includes provisions establishing criminal liability of individuals of between 1 to 3 years of incarceration. To date the CAC has not taken any enforcement action. Hence, there is no precedence that would shed light on how aggressively the CAC will apply these penalties. Still, we would expect that criminal sanctions remain reserved for severe infractions.

Furthermore, the Guidelines suggest a reward system for whistleblowers. While it remains unclear what these “rewards” would be, the CAC appears to seek to expand their enforcement capabilities by establishing incentives for whistleblowers to come forward.

Impact of the new Guidelines

The Guidelines provide some clarification on the Iraqi merger control regime and related processes. Still, with the market share thresholds of 50% remaining in place unchanged, the recent developments will likely not lead to a significant increase in filings in Iraq. However, the Guidelines provide some specifications that will make it somewhat easier for businesses and investors with exposure to the Iraqi market to navigate the Iraqi competition law landscape.



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