Allocation of Competition Law Enforcement Powers in the UAE

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Over the past years, the UAE's competition law regime has undergone a period of significant transformation. The first major step came with the adoption of the new Competition Law, which modernized the UAE's competition regime by introducing revised substantive and procedural rules governing anti-competitive agreements, abuse of dominance, and merger control.

Prior to the introduction of the new Competition Law, enforcement remained modest, particularly in the field of merger control. This was primarily due to the high notification threshold of 40% market share as well as the numerous exemptions from the application of the old Competition Law. This changed significantly in 2025 with the (1) the new Competition Law abolishing nearly all exemptions, and (2) the adoption of Cabinet Decision 3/2025, which introduced a turnover-based merger notification threshold in addition to the existing market share threshold. Given the UAE's position as one of the Middle East's principal investment destinations and commercial hubs, these changes substantially increased the number of merger control filings.

However, while the existing exemptions where largely removed, the authority of the UAE Competition Department could be reduced by excluding certain markets again. The Competition Law allows relevant authorities of each Emirate and sector-specific regulators to assume authorities in the enforcement of competition law matters. Recently, the Executive Regulations to the Competition Law provided greater guidance regarding the allocation and coordination of competition law enforcement powers between the UAE Competition Department, Relevant Authorities and Sector local Emirati authorities, and sector specific regulators.

Allocation of jurisdiction by geography

The Competition Law and the Executive Regulations in principle assign the principal jurisdiction over behavioral antitrust matters and merger control review to the federal UAE Competition Commission. Emirate level authorities may assume authority where (i) the undertaking concerned are present only in one Emirate, and (ii) the effect of the activities or proposed transaction are expected to be confined to that Emirate. Where these conditions are met and the Emirate level authority assumes jurisdiction, the federal UAE Competition Commission may—within 10 business days—join the proceeding. Principle authority, however, remains with the Emirati level authority.

If one or both of the of the jurisdictional conditions subsequently ceases to be fulfilled, competence over the matter transfers to the federal UAE Competition Commission. Still, the Emirate level authority may continue participating in the review in cooperation with the UAE Competition Commission. Notably, the mere fact that an activity or transaction begins to produce effects outside the boundaries of the relevant Emirate does not automatically deprive the Emirate level authority of its authority. Jurisdiction remains with the Emirate level authority where those effects arise from an economic activity that primarily affects the relevant Emirate, and where any effects outside that Emirate are merely secondary and do not materially affect competition in the relevant market beyond the Emirate's borders.

Allocation of jurisdiction by sector

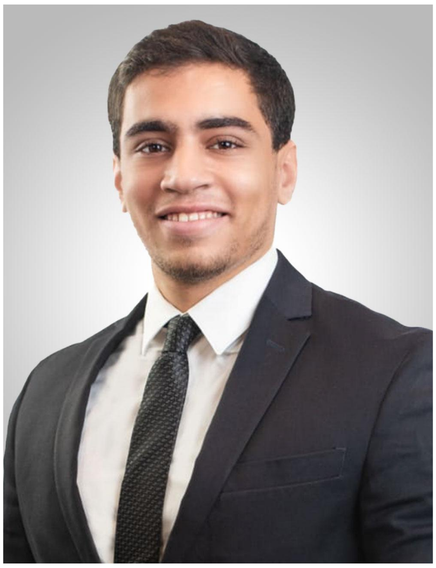
In addition to the territorial allocation of competences, the Competition Law and the Executive Regulations provide for a functional allocation of jurisdiction by sector. The new Competition Law removed the statutory exemption of several sectors from the application of the Competition Law. However, it includes the option of sector specific regulators assuming jurisdiction over competition enforcement in the sectors they oversee. They may assume jurisdiction over a specific antitrust investigation or merger review on a case-by-case basis by submitting a written request to the Ministry of Economy and Tourism—of which the UAE Competition Department is a part—assuming jurisdiction.

Coordination rather than exclusive jurisdiction

The Competition Law and the Executive Regulations do not establish separate competition law regimes for each Emirate or regulated sector. Instead, they establish a coordinated enforcement framework under which certain competition law functions may, in defined circumstances, be exercised by Emirati level authorities or sector specific regulators while remaining subject to the same substantive rules established by the federal Competition Law and its Executive Regulations.

Within this institutional framework, the federal UAE Competition Commission continues to occupy a central supervisory role, ensuring the consistent application and enforcement of the Competition Law while coordinating with Emirati level authorities or sector specific regulators where appropriate. The framework combines federal oversight with local and sector-specific expertise, rather than creating parallel or competing systems of competition law enforcement. This approach is reflected throughout the Executive Regulations. The drafting deliberately illustrates that the allocation of responsibilities depends on the specific circumstances of the relevant matter rather than on the application of separate legal regimes or changing jurisdiction.

The allocation of territorial competences is intended to reflect the practical reality that purely local commercial activities may often be supervised more efficiently by authorities possessing detailed knowledge of local market conditions, while matters with broader economic implications require a consistent federal approach. The same rationale applies to the allocation of competences to sector specific regulators. The law assumes that where a competition matter concerns a regulated sector, the relevant regulator is often better placed than a general competition authority to understand the sector's technical characteristics, regulatory framework and competitive dynamics. However, this approach does neglect the specific competences of a designated competition authority. Assessment of competitive impacts and review of behavioral antitrust matters and merger control require—side from regional and sectoral experience—professional abilities and experience specific to competition considerations. The Competition Law and Executive Regulations appears to seek to address this matter by preserving oversight by and access for the federal UAE Competition Commission. Still, the competing jurisdictions do pose a risk of fragmentation of authorities that may negatively affect professionalism, consistency, and timeliness of antitrust investigations and merger control review across the UAE.



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