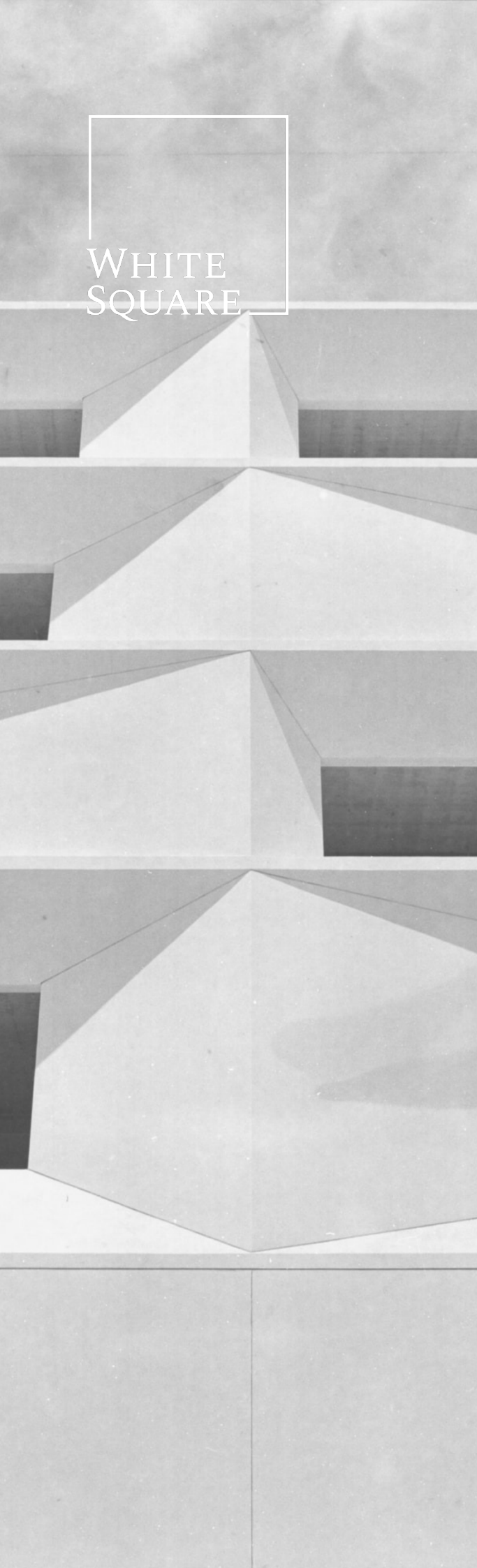


The logo consists of a thin white square outline with the words "WHITE" and "SQUARE" stacked vertically inside it. The background of the entire page is a grayscale architectural photograph showing a series of overlapping, angular concrete structures that create a sense of depth and geometric complexity.

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MERGER CONTROL IN THE UNITED ARAB EMIRATES

3 July 2026

This alert has been prepared to provide a brief overview of the key aspects of the legal framework governing mergers in the United Arab Emirates (the '**UAE**'). It examines the main provisions of competition law, the scope of application of the merger control regime, the thresholds, reaching which triggers the obligation to notify the competent authority, the specifics of the procedure for reviewing relevant applications, and the consequences of non-compliance with the established requirements.

This material is based on information from public sources and is for reference purposes only. It does not constitute advice or a legal opinion. If you have any questions regarding this alert, please contact us at: info@whitesquarepartners.com.

1. Legal framework for merger control in the UAE

In recent years, the UAE's competition law has undergone significant changes. One of the most significant stages of reform has been the expansion of the scope of the merger control regime and the introduction of new criteria for the mandatory notification of competent authorities regarding transactions. The main legislative acts governing these matters are:

- Federal Decree-Law No. 36 of 2023 on the Regulation of Competition;
- Cabinet Resolution No. 3 of 2025, establishing notification thresholds for mergers;
- Cabinet Resolution No. 59 of 2026, which approved the Executive Regulations to Federal Decree-Law No. 36 of 2023 (the '**Executive Regulations**').

The Ministry of Economy and Tourism of the UAE (the '**Ministry of Economy**') is responsible for administering the economic concentration control regime. However, in certain cases, specific powers may be delegated to sectoral regulators or local government authorities. The Executive Regulations come into force on 30 July 2026 and replace the previously applicable mechanism for implementing the provisions of competition law. From that date, the new rules will be applied in full in practice.

2. Scope of application of the merger control regime

The provisions of the legislation apply to so-called economic concentrations, which include:

- mergers of legal entities;
- the acquisition of shares, equity interests or assets;
- other transactions resulting in direct or indirect control over a business entity, including the establishment of joint ventures.

A distinctive feature of the current regime is its potential application not only to transactions carried out within the UAE, but also to cross-border transactions between foreign companies where there is a sufficient link to the UAE market.

Such a connection may be evidenced by the presence of revenue, customers, assets or commercial activities within the country, as well as by the transaction's ability to influence the state of competition in the relevant UAE market.

The concept of control is central to classifying a transaction as an economic concentration. However, the legislation does not provide a detailed interpretation of this term. Consequently, even the acquisition of a minority stake may fall within the scope of the control regime if the rights acquired allow for the exercise of significant influence over the company's activities. Such rights may include the right to have representation on the board of directors, a veto right on strategic matters, or access to commercially sensitive information. For this reason, the question of whether control exists requires a case-by-case assessment, taking into account the specific circumstances of each transaction.

3. Notification thresholds

Notification to the competent authority is mandatory if at least one of the established criteria is met in relation to the relevant market in the UAE for the previous financial year. These criteria include:

- revenue threshold – the aggregate value of the annual sales of the parties to the economic concentration in the relevant market in the UAE exceeds 300 million UAE dirhams (approx. 81,744,000 US dollars);
- market share threshold – the combined market share of the parties to the economic concentration in the relevant market in the UAE exceeds 40 percent.

For the purposes of applying these criteria, the concept of the 'relevant market' is used, which includes:

- the relevant product market – goods or services that are interchangeable with one another or interchangeable from the consumer's perspective;

- the relevant geographic market – a physical or digital space within which competitive conditions are sufficiently homogeneous.

Although the statutory definition of the relevant market does not contain any direct territorial restrictions, the prescribed thresholds are specifically linked to the UAE market. Accordingly, when analyzing each transaction, it is necessary to determine separately both the product scope of the market and its geographical scope within the country.

4. Features of the transaction clearance procedure

The regime for merger control in the UAE is mandatory and suspensive in nature. This means that a transaction falling within the scope of the legislation cannot be completed until the relevant authorization has been obtained. At the same time, the current regulations do not provide for a simplified or expedited procedure for the consideration of notifications. Furthermore, unlike in a number of foreign jurisdictions, the absence of a decision by the competent authority upon expiry of the prescribed time limit is not deemed to constitute consent to the transaction. On the contrary, such a situation is regarded as a refusal to grant approval. These particular features mean that issues relating to the approval of economic concentrations must be taken into account as early as the stage of structuring the transaction and preparing the contractual documentation. In particular, it is advisable for the parties to:

- make obtaining clearance of the economic concentration a condition precedent to the completion of the transaction;
- enshrine the parties' obligation to cooperate with one another and with the regulator during the notification review process;
- take into account the actual timeframe for obtaining approval when setting the deadline for the transaction's completion;
- set out obligations regarding the conduct of the target company's business prior to the transaction's completion.

5. Procedure for submitting a notification

The notification must be submitted to the Ministry of Economy or another competent authority prior to the completion of the transaction. The obligation to submit a notification depends on the structure of the transaction:

- in the case of the acquisition of shares, equity interests or assets, the notification is submitted by the acquirer;
- in the case of a merger or the formation of a joint venture, the notification must be submitted by all parties to the transaction.

A substantial volume of documents must be attached to the notification, including:

- the constituent documents and licenses of the parties to the transaction;
- key documents relating to the transaction;
- audited financial statements for the last three years;
- information on the ownership and corporate structure of the parties;
- an economic report analyzing the relevant markets, competitors, consumers, market shares and the potential impact of the transaction on the competitive environment.

The legislation permits the submission of documents in Arabic and English. Documents drawn up in other languages must be translated into one of these languages. Given the volume of information required, preparing the notification may take a considerable amount of time, which makes early planning a key element in the successful completion of the transaction.

6. Consideration of the notification

The Executive Regulation provide for a multi-stage procedure for reviewing notifications. At the initial stage, the completeness of the submitted documents is verified. This verification is carried out within ten working days, with the possibility of an extension for a further ten working days. If the information submitted is incomplete,

the regulator is entitled to request additional information. In addition, details of the transaction may be published to invite comments and objections from interested parties. As a rule, such objections must be submitted within fifteen working days of the publication of the information. During the review of the notification, the Ministry of Economy is vested with broad powers, including the right to:

- request additional documents and information;
- conduct market research;
- organize meetings with the parties to the transaction and other interested parties;
- examine documents and electronic data.

In this regard, the parties to the transaction are advised to pay particular attention to confidentiality issues and to identify in advance any information constituting a trade secret.

7. Decision-making following review

Once the notification has been deemed complete, the competent authority proceeds to examine its substance. The standard review period is 90 (ninety) days and may be extended by a further 45 (forty-five) days. The running of this period may be suspended in the following cases:

- where requests for additional information are made;
- where expert opinions are required;
- consideration of objections raised by interested parties.

Following the review, one of the following decisions may be taken:

- unconditional approval of the transaction;
- approval of the transaction subject to certain conditions;
- refusal to approve the transaction;
- confirmation that approval is not required.

It should be noted that the absence of a decision upon expiry of the specified time limit is deemed to be a refusal to approve the transaction. In this regard, the provisions of the contractual documentation setting out the deadline for completion of the transaction (long-stop date)

must take into account the risk of such a refusal and include timeframes that allow for the consequences of a possible deemed refusal to be taken into account.

8. Liability for breach of statutory requirements

The UAE legislation provides for a wide range of penalties for non-compliance with the requirements of the economic concentration control regime. The main sanctions include:

- failure to submit the required notification – a fine of between 2 and 10 per cent of revenue generated within the UAE, or between 500,000 and 5,000,000 UAE dirhams (approx. between 136,240 and 1,362,400 US dollars) where the amount of revenue cannot be determined;
- breach of the obligation to refrain from completing a transaction until authorization has been obtained (gun-jumping) – a fine of between 50,000 and 500,000 UAE dirhams (approx. between 13,630 and 136,240 US dollars);
- obstructing the activities of the competent authority or refusing to cooperate – similar financial penalties.

Furthermore, the legislation provides for the possibility of initiating criminal proceedings at the request of the competent authority. In such cases, the court may impose additional measures, including the temporary suspension of the organization's activities and the publication of the court's decision.

9. Conclusion

The key features of the economic concentration control regime in the UAE can be summarized as follows:

- The regime applies to both domestic and cross-border transactions where there is a sufficient link to the UAE market;
- Obtaining authorization is a mandatory condition for the completion of a transaction where the prescribed thresholds are met;

- The legislation does not provide for a simplified procedure for the consideration of notifications;
- Requests for further information and the involvement of third parties may significantly extend the approval timeframe;
- Failure by the competent authority to issue a decision within the prescribed time limit is deemed to constitute a refusal to approve the transaction;
- The Executive Regulations do not provide for a formalized procedure for preliminary consultations with the regulator prior to the submission of a notification.

Consequently, following the entry into force of the Executive Regulations, issues relating to the merger control clearance must be regarded as one of the key factors when structuring and executing transactions involving the UAE. Timely assessment of the applicability of legislative requirements, proper preparation of documentation and early engagement with the regulator will be crucial to minimizing regulatory risks and ensuring the successful completion of the transaction.

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