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UAE Competition Law: Executive Regulations Now in Force

With the Regulations now in force, parties have a detailed procedural framework for merger notification, absent since the introduction of the 2023 Competition Law.

On 30 July 2026, the Executive Regulations (Cabinet Resolution No. 59 of 2026) (the **Regulations**) to the UAE Competition Law (Federal Decree-Law No. 36 of 2023) (the **Competition Law**), came into effect.

When the Competition Law was introduced in 2023, the Ministry positioned the updated regime as a catalyst for domestic and foreign investment and a core part of the UAE's broader economic diversification agenda, rather than a purely technical reform. A significant driver was the growth of the UAE's digital economy, which had outpaced the 2012 regime. The Competition Law expanded the substantive framework and introduced a more comprehensive merger control regime, aligning the UAE with international best practice as the volume of trade and transactions with a UAE nexus continues to rise.

The Regulations are the much anticipated, procedural building block of the UAE's updated Competition Law framework. Alongside Cabinet Resolution No. 3 of 2025, which sets the thresholds for mandatory merger filings, and the Guidelines on Relevant Market Definition (the **Guidelines**) published by the Ministry of Economy and Tourism (the **Ministry**) in July 2026, the Regulations give practical effect to the regime established by the Competition Law in 2023.

Scope and Applicability

Like other jurisdictions with robust competition law regimes, the Competition Law reaches beyond the UAE's borders. This is reflected in Article 3, which extends the Competition Law to undertakings carrying on economic activities in the UAE, the exploitation of intellectual property rights inside and outside the UAE, and economic activities carried on outside the UAE affecting competition within it.

This effects-based reach has particular significance for digital businesses. As the Competition Law treats a relevant market as capable of being digital as well as physical, an online platform or service supplied from outside the UAE may, therefore, fall within scope where its activities affect competition in the UAE, even without any physical presence in the country.

General Exemptions

Pursuant to Article 4 of the Competition Law, the following activities are exempt from its application:

- activities involving goods and services that are regulated by another law or regulatory body with specific procedures to regulate anti-competitive practices;
- activities involving Federal government-owned undertakings, where supported by a Cabinet Resolution; and
- activities involving Emirate government-owned undertakings, where supported by a resolution of the relevant Emirate-level government.

These exemptions are narrower than under the 2012 regime, and their boundaries are still being drawn. The government ownership exemption now operates by specific designation: the federal list has been issued by Cabinet Resolution No. 33/6F of 2024[1] and the Emirate of Ajman (Executive Council Resolution No. 6 of 2024) has also published its own list, while equivalent legislation for the remaining emirates is awaited. The previous regime extended exemptions to entities owned or controlled by the government, but Article 4 confines the exemptions to those specifically designated by law or supported by a resolution. Government-owned or related entities should therefore not assume that they fall outside the regime. Consolidated, publicly accessible guidance from the Ministry identifying the exempt entities and the resolutions designating them would be a welcome development to aid certainty as the position develops.

Specific Exemptions

In addition, where activities fall within the scope of the Competition Law, parties can apply to the Ministry for specific exemptions under Article 9(1) of the Competition Law, by establishing certain criteria are met, namely, that the activity:

a. promotes economic development, improves the undertakings' performance and competitiveness, develops production or distribution systems, or otherwise benefits consumers; and

b. does not: (i) impose limitations or restrictions that go beyond what is necessary to achieve the objectives, or (ii) eliminate competition in the relevant market (or a significant part of the relevant market).

In practice, a specific exemption may be useful but will require substantive economic justification, including a relevant market study, three years of audited financials and a report establishing that the activity is genuinely necessary. Ultimately, the onus is on the applicant to prove that the claimed efficiencies outweigh any harm to competition, meaning this form of exemption carries both an evidentiary burden and a timing cost that are best factored in early.

Merger Control

The UAE competition law framework operates as a mandatory and suspensory merger control regime for "economic concentrations". Under Article 12(1) of the Competition Law, parties involved in a transaction with an economic concentration in the UAE are prohibited from completing such transaction before obtaining clearance from the Ministry.

What is an economic concentration?

In essence, an economic concentration is a transaction that transfers control of one undertaking to another. It captures mergers, and acquisitions of shares, assets or other rights that give an undertaking, alone or together with others, direct or indirect control over another entity. The concept is drawn broadly and turns on the acquisition of control rather than on the form of the transaction itself. Whilst "control" is not defined in the legislation, parties would be prudent to assume it will be construed broadly. For instance, in jurisdictions such as the EU, control includes the ability to exercise decisive influence over an undertaking, which can include veto or approval rights over strategic commercial decisions such as the business plan, budget, or the appointment of senior management.

Merger control filing: a wider net of notifiable transactions

A transaction with an economic concentration, that is not otherwise exempt, is notifiable to the Ministry if it meets the turnover threshold or the market share threshold, which are each set out in Article 3 of Cabinet Resolution No. (3) of 2025 to the Competition Law:

a. Turnover threshold

If the total value of annual sales of such undertakings in the relevant market within the UAE, during the last fiscal year, exceeds three hundred million dirhams (AED 300,000,000).

b. Market share threshold

If the total share of such undertakings exceeds forty percent (40%) of the total transactions in the relevant market within the UAE during the last fiscal year.

Both the turnover and market share thresholds are measured by reference to the relevant market (see further on “Relevant Market” below), with the turnover threshold being a new test brought in pursuant to the Competition Law in 2023. Under the previous regime, notification turned on market share alone.

Notably, either notification threshold may be met by one party alone. A filing obligation may therefore theoretically arise from the acquirer’s pre-existing position in the relevant market, rather than from the incremental effect of the transaction. Consequently, even a relatively small acquisition by a large incumbent may require prior notification.

If either threshold, turnover or market share, is met, the transaction is notifiable and the parties must submit an application for approval of the economic concentration to the Ministry.

Securing clearance

A filing must be made at least 90 days before completion of the transaction (Article 12(1) of the Competition Law). The obligation falls on the acquiring undertaking (the purchaser) in the case of an acquisition, and on all parties jointly in the case of a merger or joint venture (Article 11 of the Regulations).

The Regulations set out the contents of a filing (Article 10 of the Regulations). These include the parties’ constitutional documents and general KYC information, the agreement(s) underlying the proposed concentration, audited financial statements for the preceding three financial years and, most substantively, a report on the “economic dimensions” of the transaction, covering the relevant market, competitors, customers, affected markets, and the transaction’s likely positive and negative effects on the relevant market, together with any commitments proposed to mitigate them.

Once the Ministry confirms the application is complete, the Minister for Economy and Tourism has 90 days to issue a decision, extendable by a further 45 (Article 13(2) of the Competition Law). If no decision approving the transaction is issued within the period, the application is deemed rejected. This is significant: unlike many other merger control regimes (including the US), where expiry of the statutory review period results in the concentration being deemed cleared, silence here counts against the parties. Parties will therefore need to build adequate time into their transaction timetable to secure an express clearance. In practice, clearance should be a condition precedent to completion of the transaction.

Gun-jumping and failure to notify

Closing a notifiable transaction before the Ministry has granted clearance (“gun-jumping”) exposes the parties to a fine of between 2% and 10% of the annual sales of the goods or services concerned during the most recent fiscal year or, where those sales cannot be calculated, a fine of between AED 500,000 and AED 5,000,000 (Article 25 of the Competition Law). The same exposure applies to a failure to notify a notifiable transaction at all; the Ministry may examine an economic concentration, and impose the resulting penalties, whether before or after completion (Article 18 of the Regulations).

Notably, the Regulations do not expressly provide for the unwinding of a completed economic concentration. The principal consequences of closing without clearance, or of failing to notify, are therefore financial, together with the Ministry's power to review the transaction after completion and to require the parties to comply with its requirements, including the provision of information and, potentially, conditions of the kind that may be attached to a clearance. The courts may also impose broader judicial sanctions, including ordering the temporary closure of the undertaking for a period of between three and six months, and in competition proceedings generally may order a stay or suspension of the relevant conduct pending final judgment (Articles 29 and 31 of the Competition Law).

Which authority has jurisdiction?

By default, review of an economic concentration sits with the Ministry, which is the authority the parties will engage in practice. Competence can, however, rest elsewhere in two cases: (i) an emirate's competent authority may handle a transaction confined to a single emirate (Article 21 of the Competition Law; Article 29 of the Regulations); and (ii) a sectoral regulator with no competition rules of its own may take on the review with the Ministry's approval (Article 22 of the Competition Law; Article 30 of the Regulations). In each case the same substantive and procedural rules apply and the Ministry remains involved.

Third-party participation

The Regulations formalise a role for third parties in the review of merger control filings filed with the Ministry. Once the Ministry publishes basic details of a notified transaction on its website, interested parties have 15 working days to submit their views, or to lodge a reasoned objection under a defined objection timetable (Articles 15 and 16 of the Regulations; Article 13(4)–(6) of the Competition Law). A party wishing to participate must establish that it is genuinely affected (Article 15(3) of the Regulations). This is a new development as UAE merger control filings had not previously carried this degree of public visibility. For sensitive deals, the involvement of third parties raises two considerations, which transacting parties should factor into their planning: (i) anticipating who is likely to object to the transaction; and (ii) marking confidential material carefully and providing non-confidential summaries of such material, when the filing is assembled (Article 10(4) of the Regulations).

Relevant Market

In July 2026, the Ministry published the Guidelines setting out the methodology parties are expected to apply when defining the relevant market. This is the first published methodology for that exercise, with the Guidelines drawing expressly on European Commission practice. As both notification thresholds are measured by reference to the relevant market, defining it is the practical starting point of any merger control filing analysis.

The Guidelines apply the Competition Law's definition of a relevant market, which looks to the substitutability of relevant products and services within a relevant geographic area. The product market analysis focuses primarily on demand-side substitutability: whether customers would switch to alternative goods or services in response to a small but significant and non-transitory price increase, typically of 5% to 10% (the SSNIP test). Where price and sales data are available, that switching can be measured through the price elasticity of demand test, which gauges how far demand falls or moves to substitutes as price rises.

A quality-based test, the Small but Significant and Non-Transitory Decrease in Quality (SSNDQ) test, is also introduced in the Guidelines. This test is drawn from European Commission practice on the quality of digital services and used where price is not the main parameter of competition. This test asks whether a hypothetical monopolist could profitably degrade quality rather than raise price. The Guidelines note that it is harder to apply, given the difficulty of measuring quality, and that it is more likely to feature in abuse of dominance cases than in merger control.

The analysis of the relevant market also requires determination of its geographic scope, which may be Emirate-level, UAE-wide, or broader. The Guidelines look to whether competitive conditions are homogeneous across the geographies being examined. For example, similar services subject to strict licensing and regulatory requirements in one geography but not the other indicate that competitive conditions are not homogeneous, potentially narrowing the geographic scope of a relevant market. That scope is not fixed by where the parties operate today, instead the assessment considers whether demand or supply would move to alternatives elsewhere if local prices rose. Barriers to that movement, such as transport cost and distance, import barriers, or limited infrastructure, tend to point to a narrower geographic market. For digital businesses, the relevant area may be an online marketplace rather than a physical territory. Where it is, the physical barriers above may not be relevant, and the boundary turns instead on factors such as whether language or regulation confine users to a specific geography or point to a wider, cross-border market.

Conclusion

With the Regulations now in force, parties have a detailed procedural framework for merger notification, absent since the introduction of the 2023 Competition Law. The Guidelines also give parties for the first time in the UAE, a published methodology for defining the relevant market. Both are welcome developments that provide a clearer and more predictable path to clearance.

[1] No publication of Cabinet Resolution No. 33/6F of 2024 in the UAE Official Gazette has been identified.

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