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COMPETITION ALERT

IN THIS
ISSUE

SPECIAL EDITION:

INCREASED MERGER THRESHOLDS AND MERGER FILING FEES SET TO BE EFFECTIVE FROM NEXT MONTH

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The proposed amendments were first gazetted on 9 June 2017. On 15 September 2017, the Minister of Economic Development, Ebrahim Patel, published the amendments to the Commission's rules regarding merger filing fees and the Determination of Merger Thresholds.

In terms of the new thresholds for the notification of intermediate mergers, the acquiring and target firms must have a combined annual turnover or asset value of R600 million or more (this is an increase of R40 million from the current threshold amount of R560 million) and the target firm's turnover or asset value must be at least R100 million (this is an increase of R20 million from the current threshold amount of R80 million).

In addition to the above amendments, the Minister has also proposed amendments to the Method of Calculation, which seek to, amongst others, clarify the valuation of assets and the calculation of a firm's turnover and introduce references to the International Financial Reporting Standards (IFRS) and the Companies Act, No 71 of 2008 in replacement of the now obsolete generally accepted accounting principles (GAAP) and the repealed Companies Act, No 61 of 1973, respectively.

The proposed amendments to the Method of Calculation are subject to written comments by interested persons.

CHAMBERS GLOBAL 2011–2017 ranked us in Band 2 for competition/antitrust.

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BBBEE STATUS: LEVEL THREE CONTRIBUTOR

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