

COMPETITION LAW

ALERT

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INCORPORATING
KIETI LAW LLP, KENYA

IN THIS ISSUE

New merger thresholds and notification fees in Zimbabwe

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MERGER REGULATIONS	
PREVIOUS FINANCIAL THRESHOLDS	NEW FINANCIAL THRESHOLDS
A merger was notifiable where the combined annual revenue in or from Zimbabwe or the combined gross asset value in Zimbabwe of the acquiring group and the target group was equal to or exceeded ZW\$10 million.	A merger is notifiable where the combined annual revenue in or from Zimbabwe or the combined gross asset value in Zimbabwe of the acquiring group and the target group is equal to or exceeds US\$1,2 million.
PREVIOUS FILING FEES	NEW FILING FEES
<p>The merger filing fee payable was:</p> <ul style="list-style-type: none"> 0,5% of the combined annual revenue or combined gross value of assets in Zimbabwe of the merging parties, whichever was higher; provided that the fee was capped at a maximum of ZW\$800,000 with a minimum filing fee of ZW\$100,000. 	<p>The merger filing fee payable is:</p> <ul style="list-style-type: none"> 0,5% of the combined annual revenue or combined gross value of assets in Zimbabwe of the merging parties, whichever is higher; provided that the fee is capped at a maximum of US\$40,000 with a minimum filing fee of US\$10,000, payable in Zimbabwean dollars at the prevailing auction rate of the day.
ADVISORY OPINION REGULATIONS	
PREVIOUS FEE	NEW FEE
The fee for an application of an advisory opinion was ZW\$10 million.	The fee for an application of an advisory opinion is US\$1,500, payable in Zimbabwean dollars at the prevailing official auction rate of the day.

The amendment represents an increase in the thresholds for mandatory merger notification in Zimbabwe. This amendment should curtail the ambit of transactions that will require mandatory merger notification. Although this is an improvement, some may argue that the thresholds remain relatively low.

While there is also an increase in the maximum and minimum merger filing fees in Zimbabwe, the amended amounts are not out of kilter with, for example, the applicable intermediate and large merger filing fees in South Africa.

Considering that the failure to notify/prior implementation of a notifiable merger may (amongst other things) attract a penalty of up to 10% of merger parties' annual turnover in Zimbabwe, these modifications to Zimbabwe's merger control regime are key to bear in mind when assessing the competition law implications of multi-jurisdictional transactions.

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Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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