

# **Translation of**

## **Law No. 3 of 2005**

### **on the Protection of**

### **Competition and the**

### **Prohibition of**

### **Monopolistic Practices**

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القانون رقم 3 لسنة 2005  
بشأن حماية المنافسة ومنع  
الممارسات الاحتكارية

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20 May 2025



ANDERSEN

Arab Republic of Egypt  
Law No. 3 of 2005, issued on 15 February 2005  
Concerning the Issuance of the Law on the Protection of Competition  
and the Prohibition of Monopolistic Practices

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**Preamble**

The People's Assembly has enacted the following law, which we hereby promulgate:

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**Issuance Provisions**

**Article 1:**

The provisions of the accompanying law on the Protection of Competition and the Prevention of Monopolistic Practices shall enter into force.

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**Article 2:**

The Prime Minister shall be the competent Minister responsible for implementing the provisions of the accompanying law.

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**Article 3:**

The Executive Regulations of the accompanying law shall be issued by a decision of the Prime Minister within one month from the date of the law's entry into force.

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#### Article 4:

This law shall be published in the Official Gazette and shall enter into force three months after the day following the date of its publication.

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### Law on the Protection of Competition and the Prevention of Monopolistic Practices

#### Article 1:

Economic activity shall be carried out in a manner that does not lead to the prevention, restriction, or distortion of free competition, all in accordance with the provisions of this law.

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#### Article 2:

For the purposes of implementing the provisions of this law, the following terms shall have the meanings ascribed to them hereunder:

**Persons:** Natural and legal persons, economic entities, associations, unions, financial groupings, and collectives of persons, regardless of their method of establishment, and any other affiliated parties as determined by the Executive Regulations in alignment with the objectives and provisions of this law.

**Products:** Goods and services.

**Authority:** The Egyptian Competition Authority established pursuant to the provisions of this law.

**Board:** The Board of Directors of the Egyptian Competition Authority.

**Economic Efficiency:** A reduction in the average variable cost of products, improvement in their quality, an increase in the volume of their production or distribution, the production or distribution of new products, or the acceleration of such production or distribution.

**Sectoral Regulators:** Authorities responsible for the supervision and regulation of economic activities within a specific sector.



**Economic Concentration:** Any change in control or material influence over one or more persons, resulting from any of the following situations:

- The merger of one or more persons into an existing entity that retains its legal personality post-merger, or the establishment of a new entity through the amalgamation of at least two previously independent entities, resulting in the dissolution of their legal personality or part thereof.
- The acquisition, whether directly or indirectly, by one or more persons of control or material influence over another person or part thereof, through a contract, purchase of securities, assets, or other means. Such acquisition may occur individually or jointly.
- The establishment of a joint venture or the acquisition by two or more persons of an existing person for the purpose of forming a joint venture that independently and permanently engages in economic activity.

The following cases shall not constitute economic concentration:

- The temporary acquisition by securities firms of shares in a person for the purpose of resale within one year from the date of acquisition, provided they do not exercise voting rights or take any action that may influence strategic decisions or commercial objectives of the acquired person. The Authority may extend this period upon request if the acquirer demonstrates the inability to resell the securities within one year, as regulated by the Executive Regulations of this law.
- Mergers or acquisitions between entities affiliated with the same person, considered as internal restructuring. Notification shall only be required if there is a change in control or material influence, whether directly or indirectly.

**Control:** The ability of a person or group of persons to exercise effective influence, directly or indirectly, over the economic decisions of another person(s), whether by holding a majority of voting rights, having the ability to prevent economic decisions of the other person(s), or by any other means. This includes any situation or agreement, or ownership of shares or equity stakes, regardless of percentage, provided it results in effective control over management or decision-making.

**Material Influence:** The ability to directly or indirectly affect the policies of another person, including its strategic decisions or commercial objectives, as defined by the Executive Regulations of this law.



**Corrective Measures:** A set of structural or behavioral remedies aimed at eliminating the anticompetitive effects resulting from the implementation of an economic concentration.

**Behavioral Measures:** Measures requiring the persons involved in an economic concentration to undertake or refrain from specific acts or practices.

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### Article 3:

The relevant market, for the purposes of applying the provisions of this law, is defined by two elements: the relevant products and the geographic scope.

- The relevant products are those which are considered practical and objective substitutes for one another.
- The geographic scope refers to a defined geographic area within which competitive conditions are sufficiently homogeneous, taking into account potential competition opportunities.

All of the above shall be determined in accordance with the criteria set forth in the Executive Regulations, in alignment with the objectives and provisions of this law.

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### Article 4:

#### Market Dominance:

A person shall be deemed to have market dominance, for the purposes of this law, if their market share exceeds 25% of the relevant market and they are capable of exerting effective influence on prices or the volume of supply in such market, without their competitors being able to constrain such influence.

The Authority shall determine instances of dominance in accordance with the procedures specified in the Executive Regulations of this law.



## Article 5:

### Extraterritorial Application:

The provisions of this law shall apply to acts committed outside the territory of Egypt if such acts result in the prevention, restriction, or distortion of competition within Egypt, and if such acts constitute offenses under the provisions of this law.

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## Article 6:

### Prohibited Agreements Between Competitors:

It shall be prohibited for competing persons within any relevant market to enter into agreements or contracts if such arrangements are likely to result in any of the following:

- Increasing, decreasing, or fixing the prices of the products subject to the transaction;
- Dividing or allocating markets based on geographical areas, distribution centers, types of customers or products, market shares, seasons, or time periods;
- Coordinating with respect to participation in, or abstention from, tenders, auctions, bidding procedures, or other supply offers;
- Restricting the manufacturing, production, distribution, or marketing of products, including limiting the type, size, or availability of a product.

The Authority may, upon the request of concerned parties, grant an exemption from the prohibition set forth in this Article for any agreement or contract that aims to achieve economic efficiency, provided that it is demonstrated that such agreement or contract results in consumer benefits that outweigh the adverse effects on competition.

The procedures and conditions for submitting such a request, as well as the criteria for the Authority's decision, shall be determined by the Executive Regulations of this law.

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**Article 7:****Prohibited Vertical Agreements:**

It shall be prohibited for a person to enter into any agreement or contract with any of their suppliers or customers if such agreement or contract is likely to restrict competition.

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**Article 8:****Prohibited Practices by Dominant Persons:**

Any person holding a dominant position in a relevant market shall be prohibited from engaging in any of the following practices:

- Engaging in conduct that results in a total or partial suspension of the manufacturing, production, or distribution of a product for a specified period or periods.
- Refusing to enter into agreements or contracts for products with any person, or ceasing dealings with such person, in a manner that limits their freedom to enter, remain in, or exit the market at any time.
- Engaging in conduct that leads to exclusive distribution of a product—excluding others—based on geographic areas, distribution centers, customers, seasons, or time periods, between parties in a vertical relationship.
- Conditioning the conclusion of a contract or agreement for a product on the acceptance of obligations or products that, by their nature or commercial usage, are unrelated to the primary product subject to the agreement, contract, or transaction.
- Discriminating in agreements or contracts of any kind entered into with suppliers or customers who are in similar contractual positions, whether such discrimination is in prices, product quality, or other terms of dealing.
- Refraining from producing or making available a scarce product when it is economically feasible to do so.
- Requiring parties dealing with them to refrain from allowing a competitor to use their facilities or services, where such use is economically feasible.
- Selling products at prices below their marginal cost or average variable cost.
- Requiring a supplier not to deal with a competitor.



The conditions and procedures for the application of this Article shall be specified in the Executive Regulations of this law.

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#### Article 9:

##### Exclusion of Public Utilities:

The provisions of this law shall not apply to public utilities that are directly managed by the State.

Upon the request of concerned parties, the Authority may exempt from the scope of prohibition all or some of the acts stipulated in Articles (6), (7), and (8) in relation to public utilities indirectly managed by the State, if such exemption serves the public interest or results in consumer benefits that outweigh the effects of restricting competition.

Such exemption shall be granted in accordance with the rules and procedures specified in the Executive Regulations of this law.

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#### Article 10:

##### Temporary Price Regulation of Essential Products:

The Council of Ministers may, by decision, set the selling price of one or more essential products for a specified period of time, after obtaining the opinion of the Authority.

Any agreement entered into by the government for the purpose of implementing such regulated prices shall not be considered an activity harmful to competition.

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## Article 11:

### Establishment of the Egyptian Competition Authority:

An entity shall be established under the name of the Egyptian Competition Authority (ECA), with its headquarters in Greater Cairo. The Authority shall have independent legal personality and shall report to the competent Minister. The Authority shall, in particular, be responsible for the following:

- Receiving requests to initiate procedures for investigation, inquiry, and evidence-gathering, and issuing orders to undertake such procedures with respect to agreements and practices harmful to competition, in accordance with the procedures set forth in the Executive Regulations of this law.
- Examining complaints as referred to in Article (19) of this law, and notifications submitted pursuant to Articles (19 bis A) and (19 bis E).
- The Executive Regulations shall determine the time frame, required information, supporting documents, and procedures for submitting such notifications.
- Preparing and continuously updating a comprehensive database and information system related to economic activities, in order to support the Authority's work in all areas of competition protection. The Authority shall also establish databases and conduct studies and research necessary to detect anti-competitive practices.
- Taking the measures stipulated in Article (20) of this law.
- Providing opinions on legislation, policies, or decisions that may adversely affect competition, either on its own initiative or upon request by the Council of Ministers, ministries, or other relevant entities. The concerned entities shall be obligated to seek the opinion of the Authority with regard to draft laws and regulations related to competition regulation.
- Coordinating with counterpart authorities in other countries on matters of mutual interest.
- Organizing training and educational programs aimed at raising awareness of the provisions of this law and the principles of the free market in general.
- Issuing a periodic bulletin containing decisions, recommendations, procedures, measures taken by the Authority, and other matters relevant to its operations.
- Preparing an annual report on the Authority's activities, future plans, and recommendations, to be submitted to the competent Minister following approval by the



Board of Directors. A copy shall also be submitted to both the House of Representatives and the Senate.

- Coordinating with sectoral regulatory authorities on matters of mutual concern, without prejudice to the Authority's powers.

The Executive Regulations shall determine the procedures followed by the Authority in investigating and proving acts that constitute violations of the provisions of this law.

All persons shall be obligated to provide the Authority with any data, documents, or records it requests for the exercise of its functions, within the time limits specified by the Authority.

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## Article 12:

### Board of Directors of the Authority:

The Authority shall be managed by a Board of Directors, the composition of which shall be determined by a decision issued by the competent Minister, and shall be as follows:

- A full-time Chairperson with outstanding expertise, appointed by the competent Minister.
- A Counselor from the State Council holding the rank of Vice-President, nominated by the President of the State Council.
- Two representatives of the relevant ministries, nominated by the competent Minister.
- Three specialists and experts in the fields of economics and law, nominated by the Chairperson of the Authority.
- Three representatives from the General Federation of Chambers of Commerce, the Federation of Egyptian Industries, and the General Federation for Consumer Protection—each federation shall select its own representative.

The Chairperson shall represent the Authority before the judiciary and in its dealings with third parties.

The term of office for the Board shall be four years, renewable for one additional term only.

The decision appointing the Board shall specify the financial compensation of the Chairperson and Board members.



Membership shall terminate only in the event of:

- Resignation.
  - Termination of the legal relationship with the entity represented by the member.
  - Issuance of a final criminal judgment for a felony or a misdemeanor affecting honor or integrity.
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### **Article 13:**

#### **Meetings and Procedures of the Board:**

The Board shall convene upon the invitation of its Chairperson at least once a month, and whenever necessary. Meetings shall be valid with the attendance of at least seven members. Except in cases requiring a special majority, decisions shall be adopted by a majority of the members present.

In all cases, where votes are tied, the side with which the Chairperson votes shall prevail.

No member of the Board may participate in deliberations or voting on any matter presented to the Board in which he or she has a personal interest, or where there exists a kinship relationship up to the fourth degree with any party involved, or if the member has previously represented or currently represents any of the parties.

The Board may invite experts or specialists to attend its meetings for consultation purposes. However, such invitees shall have no voting rights.

The Executive Regulations shall define the powers of the Board, in line with the provisions of this law, as well as the procedures for convening meetings and the rules governing its operations.

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**Article 14:****Budget and Financial Resources of the Authority:**

The Authority shall have an independent budget prepared in accordance with the model of public service authorities' budgets. Any surplus shall be carried forward from one fiscal year to the next.

The resources of the Authority shall consist of the following:

- Allocations designated to the Authority in the State's general budget.
  - Grants, donations, and any other resources accepted by the Authority's Board of Directors, provided that such acceptance does not conflict with the Authority's objectives.
  - Proceeds from fees stipulated in this law.
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**Article 15:****Executive Director of the Authority:**

The Authority shall have a full-time Executive Director, whose appointment and financial terms shall be determined by a decision issued by the Chairperson of the Board. The Executive Regulations shall define the powers and responsibilities of the Executive Director.

The term of appointment for the Executive Director shall be two years, renewable.

The Executive Director shall attend the Board of Directors' meetings without voting rights.

The Board of Directors shall establish regulations organizing the Authority's internal work and the financial and administrative affairs of its employees, without being bound by the rules and systems applicable to civilian state employees. These regulations shall be issued by a decision of the competent Minister.



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**Article 16:****Confidentiality and Post-Employment Restrictions:**

The Chairperson and members of the Board of Directors of the Authority, as well as its employees, are prohibited from disclosing the Board's deliberations, information, data, or documents related to specific cases involving the application of this law, or revealing their sources. Such information is provided or handled during the examination of these cases, the taking of relevant measures, and the issuance of related decisions. This confidentiality obligation shall continue even after the termination of their relationship with the Authority.

In all cases, disclosure of the aforementioned information, data, and documents is permitted only to investigation bodies and judicial authorities.

This information, data, documents, and their sources shall not be used for purposes other than those for which they were provided.

Employees of the Authority are prohibited from engaging in any work for a period of two years from the date of termination of their service with persons who have been, or are subject to, examination by the Authority at that time.

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**Article 17:****Judicial Authority and Powers of the Authority's Employees:**

Employees of the Authority, whose appointment is determined by a decision of the Minister of Justice in agreement with the competent Minister, based on a proposal by the Board, shall be vested with judicial enforcement powers (police powers) for the application of the provisions of this law.

Such employees shall have the right to inspect books, documents, and obtain information and data necessary for examining cases submitted to the Authority, from any governmental or non-governmental entity.



These employees shall not be subject to the restrictions set forth in Article (55) of Law No. 203 of 1991 concerning Public Business Sector Companies when performing the duties stipulated in the second paragraph of this Article.

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#### **Article 18:**

##### **Fees and Charges:**

The categories of fees payable to the Authority for examining notification files related to economic concentrations, as stipulated in Articles (19 bis A, 19 bis E) of this law, shall be determined, provided that such fees do not exceed one hundred thousand Egyptian pounds. The applicant shall bear the costs of publication.

Similarly, the categories of fees payable to the Authority for reviewing and obtaining documents, and for examining requests stipulated in the second paragraph of Articles (6 and 9) of this law, shall be determined, provided that such fees do not exceed ten thousand Egyptian pounds. All fees shall be set forth in accordance with the Executive Regulations of this law.

The Authority shall collect the aforementioned fees through one of the payment methods prescribed in the Law Regulating the Use of Non-Cash Payment Methods, issued by Law No. 18 of 2019.

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#### **Article 19:**

##### **Right to Report Violations:**

Any person may notify the Authority of any violation of the provisions of this law.

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**Article 19 Bis:**

Economic concentration shall be subject to review by the Authority if it meets any of the following thresholds:

- The combined annual turnover or consolidated assets in Egypt of the concerned persons exceed nine hundred million Egyptian pounds for the last year in the latest approved consolidated financial statements, provided that the annual turnover in Egypt for at least two of the concerned persons individually exceeds two hundred million Egyptian pounds each in the latest approved consolidated financial statements.
- The combined global annual turnover or consolidated assets of the concerned persons exceed seven billion five hundred million Egyptian pounds for the last year in the latest approved consolidated financial statements, provided that the annual turnover in Egypt for at least one of the concerned persons exceeds two hundred million Egyptian pounds in the latest approved consolidated financial statements.

The executive regulations of this law shall specify the method for calculating the annual turnover and consolidated assets.

In all cases, the Authority may, with the approval of the Board, initiate the review of economic concentration that does not meet the notification thresholds if it obtains evidence or indications suggesting that it restricts, impairs, or harms competition within one year from the date of implementation of the economic concentration as specified in the executive regulations of this law.

Upon confirming that competition is restricted, impaired, or harmed, the Board may impose one or more of the following behavioral remedies to mitigate the harmful effects on competition, as appropriate:

- Refraining from acts that lead to exclusive distribution of a product.
- Providing access to essential facilities or services to competing persons.
- Refraining from discriminatory agreements or contracts, of any kind, concluded with suppliers or customers having similar contractual positions, whether regarding prices, product quality, or other terms of dealing.
- Refraining from conditioning the conclusion of a contract or agreement on accepting obligations or products unrelated in nature or commercial usage to the product subject to the agreement or contract.



Indications justifying such review include one or more of the following:

- Restriction of technological development and innovation.
- Market control through price increases or decreases.
- Reduction in product quality.
- Creating barriers to market entry or expansion.

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#### Article 19 Bis A:

The Authority must be notified of any economic concentration meeting the conditions set out in Article (19 Bis), and no economic concentration may be implemented before obtaining the Authority's approval.

This notification obligation does not exempt the notifier from any notification duties under other laws or international agreements to which the Arab Republic of Egypt is a party.

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#### Article 19 Bis B:

Economic concentration that restricts, impairs, or harms competition is prohibited. The executive regulations shall define the criteria for assessing the effects of economic concentration on market competition.

The Authority, with Cabinet approval, may authorize the economic concentration if non-implementation would cause persons to exit the market, or if the concentration results in economic efficiency outweighing the competitive harm or serves national security interests, provided conditions set out in the executive regulations are met.





### Article 19 Bis C:

The Authority shall conduct an initial review of the concentration within thirty business days from the next business day following the full filing of the notification under Article (19 Bis A). This review determines whether the concentration constitutes any restriction described in Article (19 Bis B).

This period may be extended by fifteen business days if commitments or controls are proposed by the concerned persons, as detailed in the executive regulations.

The Board shall form review committees of three members each. Committees convene by invitation of their chairperson and decide by majority vote. Committees may consult experts without voting rights.

The review committees may issue one of the following decisions:

- Lack of jurisdiction over the notification.
- Request withdrawal of the concentration (if the concerned persons desist from implementing it).
- Approval (if compliant with Article 19 Bis B).
- Conditional approval (if compliant after acceptance of proposed commitments and controls).
- Referral to second-stage review if there is suspicion of restriction, impairment, or harm to competition.
- If no decision is issued within the stipulated period, the concentration shall be deemed approved.

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### Article 19 Bis D:

The Authority continues second-stage review within sixty business days from the date of referral by the review committees, extendable by fifteen business days if commitments or controls are submitted, according to the executive regulations.

If no decision is issued within this period, the concentration shall be deemed approved.



Upon completion, the Board shall issue one of the following decisions:

- Request withdrawal (if the concerned persons desist).
- Approval (if compliant with Article 19 Bis B).
- Conditional approval (if compliant after commitments accepted).
- Rejection (if harmful to competition), with the right to appeal the rejection within thirty days from notification.

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#### Article 19 Bis E:

The provisions of Articles (19 Bis A, 19 Bis C, 19 Bis D, 20, 22, and 22 Bis D) do not apply to concentrations in activities supervised or regulated by the Financial Regulatory Authority.

Persons must notify the Financial Regulatory Authority of such concentrations before contract conclusion. The Financial Regulatory Authority must consult the Competition Authority before approval.

The Competition Authority shall review the concentration according to the procedures and timelines set forth in Article (19 Bis F).

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#### Article 19 Bis F:

The Authority shall examine the economic concentrations referred to in Article (19 Bis E) of this law within thirty days starting from the day following the date of receipt of the complete notification file from the Financial Regulatory Authority. This examination aims to determine whether the concentration constitutes any of the restrictions mentioned in Article (19 Bis B) of this law.

The Board shall issue a decision forming review committees composed of three of its members. These committees convene at the invitation of their chairperson and make decisions by majority vote. They may seek assistance from experts without voting rights.



The review committees shall issue one of the following decisions:

- Lack of jurisdiction of the Authority to consider the notification file.
- Dismissal of the request: if the concerned persons desist from implementing the economic concentration or fail to submit the required data, information, and documents within the deadlines set by the Authority.
- Recommendation for approval: if the notified economic concentration complies with the provisions of Article (19 Bis B) of this law.
- Recommendation for rejection: if the economic concentration is likely to restrict, impair, or harm competition.

If the period specified in the first paragraph expires without a response from the Authority, this shall be considered as tacit consent to the implementation of the economic concentration.

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#### **Article 20:**

If a violation of any of the provisions of Articles (6, 7, 8, 19 Bis A, 19 Bis C, 19 Bis D) of this law is proven, the Competition Protection Authority shall require the violator to correct their situation, remove the violation, or take corrective measures immediately or within a period specified by the Board of Directors. Otherwise, the violating agreement or contract shall be considered null and void.

The Board, by a majority of its members, may issue a decision to stop practices that are evidently in violation of any of the provisions of Articles (6, 7, 8) for a specified period if such practices cause severe harm to competition or consumers that cannot be remedied.

This is without prejudice to any liability arising from these violations.

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**Article 21:**

Except for the crime punishable under Article (22 bis "C") of this law, no criminal prosecution or procedures may be initiated or taken regarding acts violating the provisions of this law except upon a written request from the Chairman of the Board of Directors of the Authority, based on the approval of the majority of its members.

The Board of Directors of the Authority, based on the approval of the majority of its members, may settle any of the acts violating the provisions of this law as follows:

- Before requesting to initiate criminal prosecution or taking procedures, in exchange for payment of an amount not exceeding the minimum prescribed fine.
- After requesting to initiate criminal prosecution or taking procedures and before the issuance of a final judgment, in exchange for payment of an amount not less than three times the minimum prescribed fine and not exceeding half of the maximum prescribed fine.

The settlement shall be considered a waiver of the request to initiate criminal prosecution and shall result in the termination of the criminal case concerning the same incident for which the prosecution was requested.

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**Article 22:**

Without prejudice to any harsher penalty prescribed by any other law, the following penalties shall apply:

**First:**

Anyone who violates Article (6) of this law shall be punished with a fine not less than 2% and not exceeding 12% of the total revenues of the product subject to the violation, calculated over the period of the violation.

If it is not possible to determine the total revenues in question, the fine shall be not less than EGP 500,000 and not exceeding EGP 500 million.



**Second:**

Anyone who violates Articles (7 and 8) of this law shall be punished with a fine not less than 1% and not exceeding 10% of the total revenues of the product subject to the violation, calculated over the period of the violation.

If it is not possible to determine the total revenues in question, the fine shall be not less than EGP 100,000 and not exceeding EGP 300 million.

The fine—both its minimum and maximum limits—shall be doubled in the case of repeat offenses for any violations of Articles (6, 7, or 8) of this law, or in the event that the violator fails to comply with the decisions of the Authority issued in accordance with Article (20) of this law.

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**Article 22 bis:**

Anyone who fails to provide the Authority with the data, documents, or papers referred to in the third paragraph of Article (11) of this law shall be punished with a fine not less than EGP 20,000 and not exceeding EGP 500,000.

Without prejudice to any harsher penalty, the punishment shall be a fine not less than EGP 50,000 and not exceeding EGP 1,000,000 if a person knowingly provides the Authority with false data, documents, or papers.

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**Article 22 bis A:**

Repealed pursuant to Article 4 of Law No. 56 of 2014.

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**Article 22 bis B:**

Without prejudice to any harsher penalty prescribed by any other law, any person who prevents employees of the Authority who hold judicial seizure powers from performing any of the tasks specified in the second paragraph of Article (17) of this law shall be punished with a fine not less than EGP 20,000 and not exceeding EGP 500,000.

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**Article 22 bis C:**

Without prejudice to any harsher penalty provided by any other law, a violation of Cabinet decrees issued in implementation of Article (10) of this law shall be punishable by a fine not less than EGP 100,000 and not exceeding EGP 5 million.

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**Article 22 bis D:**

A fine of not less than 1% and not exceeding 10% of the total annual turnover, assets, or transaction value of the persons subject to the economic concentration—whichever is higher, according to the latest approved consolidated financial statements—shall be imposed on anyone who commits any of the following acts:

If it is not possible to calculate the percentage, the fine shall be not less than EGP 30 million and not exceeding EGP 500 million.

The violations are as follows:

- Failure to comply with the notification obligation set out in Articles (19 bis A and 19 bis E) of this law.
- Violation of a conditional approval decision issued under Articles (19 bis C or 19 bis D).
- Violation of a rejection decision for the implementation of economic concentration under Article (19 bis D).
- Obtaining approval for the implementation of economic concentration under Articles (19 bis C or 19 bis D) by submitting false data, information, or documents knowingly.



- Obtaining approval from the Financial Regulatory Authority to implement the economic concentration referred to in Article (19 bis E) by knowingly providing false data, information, or documents to the Authority.
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#### **Article 23:**

Without prejudice to any harsher penalty prescribed by any other law, any violation of the provisions of Article (16) of this law shall be punishable by a fine not less than EGP 50,000 and not exceeding EGP 500,000.

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#### **Article 24:**

Final judgments of conviction issued for the acts referred to in Article (22) of this law shall be published in the Official Gazette and in two widely circulated daily newspapers at the expense of the convicted person.

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#### **Article 25:**

The person responsible for the actual management of the violating legal entity shall be subject to the same penalties prescribed for acts committed in violation of this law, if it is proven that they were aware of the violations and that their failure to fulfill the duties imposed by such management contributed to the commission of the offense.

The legal entity shall be jointly liable for the payment of any financial penalties and compensation awarded, if the violation was committed by one of its employees in the name of or for the benefit of the legal entity.

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**Article 26:**

In the case of committing any of the offenses stipulated in Article (6) of this law, no criminal proceedings shall be instituted against the first violator who reports the offense to the Authority and provides evidence in their possession that leads to the disclosure and establishment of the offense and its elements.

The court may, with respect to the remaining violators, reduce the prescribed penalty by half if it determines that the defendant contributed to revealing the elements of the offense or establishing its components at any stage of investigation, inquiry, evidence collection, or trial.

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## Arab Republic of Egypt

Prime Minister's Decree No. 1316 of 2005, issued on 16 August 2005

Concerning the Issuance of the Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices issued by Law No. 3 of 2005

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### Preamble

After reviewing the Constitution;

And the Law on the Protection of Competition and the Prohibition of Monopolistic Practices issued by Law No. 3 of 2005;

And based on the recommendation of the State Council;

It is hereby decided:

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### Issuance Provisions

#### Article 1 — Issuance:

The provisions of the Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices issued by Law No. 3 of 2005, attached herewith, shall be in effect.

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## Article 2 — Publication and Effectiveness:

This decision shall be published in the Official Gazette and shall come into force the day following its publication.

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### Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices: Chapter One: General Provisions and Definitions

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## Section One: General Provisions

### Article 1:

For the purposes of applying the provisions of these regulations, the term "Law" refers to the Law on the Protection of Competition and the Prohibition of Monopolistic Practices issued by Law No. 3 of 2005, and the term "Competent Minister" refers to the Prime Minister.

The term "Authority" refers to the Competition Protection and Prohibition of Monopolistic Practices Authority established pursuant to the provisions of the Law, and "Board" refers to the Board of Directors of the Authority.

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### Article 2:

Economic activity shall be practiced in a manner that does not lead to the prevention, restriction, or harm of competition freedom, all in accordance with the provisions of the Law and these regulations.

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### Article 3:

The provisions of the Law and these regulations apply to acts, including practices, contracts, or agreements, which constitute crimes under the Law and which are committed abroad if they result in the prevention, restriction, or harm of competition freedom in Egypt.



## Section Two: Definitions

### Article 4:

For the application of the provisions of the Law and these regulations, the terms and phrases mentioned in the following articles shall have the meanings set forth therein.

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### Article 5:

The term "persons" refers to natural persons, legal persons, economic entities, unions, associations, financial conglomerates, and groups of persons regardless of their method of establishment, funding sources, nationalities, management locations, or principal places of business.

Included among the persons referred to in the first paragraph are related parties, consisting of two or more persons each having a separate legal personality, where the majority of shares or interests of one is directly or indirectly owned by the other, or both are owned by a single party.

Also considered related parties are any person or persons subject to the actual control of another person, including their spouse and relatives up to the second degree, unless the circumstances indicate the absence of such control.

The term actual control means any situation, agreement, or ownership of shares or interests, regardless of their percentage, that results in the ability to control management or decision-making.

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**Article 6:**

The relevant market is defined by two components: the relevant products and the geographic scope, as follows:

**First – Relevant Products:**

These are products that are, from the consumer's point of view, practical and objective substitutes for each other. In determining the consumer's perspective, the following factors shall particularly be taken into account:

- Similarity between the product under examination and another product in terms of characteristics or use.
- The ability of buyers to switch from the product under examination to another product as a result of relative price changes or other competitive factors.

In such cases, consideration may also be given to whether sellers make their commercial decisions based on the potential for buyers to switch from the product under examination to another product due to relative price changes or other competitive factors.

**Second – Geographic Scope:**

This refers to the geographic area within which competitive conditions are sufficiently homogeneous, taking into account potential competitive opportunities, based on either of the following two criteria:

- The ability of buyers of the relevant product to move from the geographic area under examination to another area within Egypt or abroad as a result of relative price changes or other competitive factors.
- The ability of sellers of the relevant product, whether inside or outside Egypt, to move into the geographic area under examination—where the buyers of the relevant product are located—due to relative price changes or other competitive factors.



When determining the ability of buyers or sellers as referenced in items (1) and (2) above, the following factors are taken into account:

- Transportation costs between the geographic area under examination and other areas, including insurance costs and the time required to supply the relevant product to that area from other geographic regions in Egypt or abroad.
  - Customs and non-customs restrictions at both the domestic and international levels.
- 

#### **Article 7:**

A person is considered to have control over a relevant market when the following elements are met:

- The person's market share exceeds 25% of the relevant market. This share is calculated based on both components of the market: the relevant products and the geographic scope, over a specific period of time.
  - The person has the ability to exert effective influence on the prices of the products or the volume of supply in the relevant market.
  - Competing persons are unable to limit the person's effective influence on prices or the volume of supply of products in the relevant market.
- 

#### **Article 8:**

A person shall be considered to have effective influence on the prices of products or the volume of supply in the relevant market if they possess the ability, independently, to determine such prices or volumes without their competitors being able to constrain that influence, taking into particular consideration the following factors:

- The person's market share in the relevant market and their position relative to other competitors.
- The person's conduct in the relevant market during the period prior to acquiring the ability to determine prices or volume of supply.



- (c) The number of competing persons in the relevant market and their relative impact on the market structure.
  - (d) The ability of both the person and their competitors to access necessary inputs for production or distribution channels.
  - (e) The extent to which legal or practical restrictions affect the existing competitor's ability to expand in the relevant market, or another person's ability to enter that market.
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#### **Article 9:**

(Repealed) pursuant to Article 3 of Prime Minister's Decree No. 2509 of 2016 concerning the amendment of certain provisions of the Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices.

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### **Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices: Chapter Two: Agreements and Contracts Between Competing Persons**

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#### **Article 10:**

(Repealed) pursuant to Article 3 of Prime Minister's Decree No. 2509 of 2016 concerning the amendment of certain provisions of the Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices.

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#### **Article 11:**

It is prohibited for competing persons in any relevant market to enter into an agreement or contract if such agreement or contract would result in any of the following:

- Raising, lowering, or fixing the prices of the products involved in the transaction. Price-setting includes agreements on installment interest rates, warranty periods, pre- or post-sale services, or any other method that would establish the mentioned prices.



- Dividing or allocating markets based on geographic areas, distribution centers, customer types, product types, market shares, seasons, or time periods.
- Coordinating in relation to submitting or abstaining from participating in tenders, bids, auctions, practices, and all other types of supply offers. Coordination may be inferred from any of the following:
  - Submitting identical bids, including agreements on shared pricing rules or bid terms.
  - Agreeing on which person will submit a bid, including prior agreements on who will be awarded the contract, whether by rotation, geographic allocation, or customer-sharing arrangements.
  - Submitting fictitious or cover bids.
  - Agreeing to prevent a person from entering or participating in a bidding process.
- Restricting manufacturing, production, distribution, or marketing activities of products, including limiting the type, size, features, or availability of products.

The term competing persons refers to those operating in the same relevant market, whether currently active or capable of entering it in the future. Agreements and contracts between such competing persons include both written and unwritten agreements.

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#### **Article 11 (bis):**

The Authority (the Egyptian Competition Authority) may, upon the request of concerned parties, exempt from the prohibition stated in the preceding article any agreement or contract that aims to achieve economic efficiency, if it is proven that such agreement or contract would provide a benefit to the consumer that outweighs the effects of restricting competition.

The submission and consideration of the aforementioned request shall be carried out in accordance with the rules and procedures stipulated in Articles 16 and 17 of these Regulations, without prejudice to the provision referred to in the paragraph above.

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## **Executive Regulations of the Law on the Protection of Competition and the Prohibition of Monopolistic Practices: Chapter Three: Agreements or Contracts Between a Person and Any of Their Suppliers or Customers**

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### **Article 12:**

It is prohibited to enter into an agreement or contract between a person and any of their suppliers or customers if such agreement or contract would result in restricting competition.

The determination of whether the agreement or contract between a person and any of their suppliers or customers restricts competition shall be based on an individual assessment conducted by the Authority, in light of the following factors:

- The impact of the agreement or contract on the freedom of competition in the market.
  - The existence of benefits to the consumer resulting from the agreement or contract.
  - Considerations related to maintaining product quality or reputation, and requirements of security and safety, provided that none of these considerations harm competition.
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## **Executive Regulations of the Law on Protection of Competition and Prevention of Monopoly Practices: Chapter Four: Abuse of Dominance in a Relevant Market**

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### **Article 13:**

It is prohibited for any person who has dominance in a relevant market to engage in any of the following:

- Any act that leads to a complete or partial prevention of manufacturing, production, or distribution of a product for a specified period or periods. The specified period(s) means those sufficient to cause prevention, restriction, or harm to competition.
- Refusal to agree or contract on products with any person, or cessation of dealing in a manner that limits that person's freedom to enter, remain in, or exit the market at any time, including imposing financial conditions, obligations, or contractual terms that are





arbitrary or unusual in the relevant activity. However, refusal to conclude deals or cessation of dealing is not prohibited if justified by the inability of that person to fulfill their contractual obligations.

- Any act that leads to exclusive distribution of a product without others, based on geographical areas, distribution centers, customers, seasons, or time periods, among persons in a vertical relationship. A vertical relationship means the relationship between the dominant person and any of its suppliers or customers.
- Conditioning the conclusion of a contract or agreement related to a product on the acceptance of obligations or products that are by their nature or customary commercial use unrelated to the product subject of the original agreement or contract.
- Discrimination in agreements or contracts of any kind entered into with suppliers or customers, when their contractual positions are similar, whether this discrimination relates to prices, product quality, or other terms of dealing, in a manner that weakens the competitive ability of some of them compared to others or leads to excluding some of them from the market.
- Complete or partial refusal to produce or make available a scarce product, provided that its production or availability is economically feasible. A scarce product means a product whose available quantity meets only a small portion of the demand in the relevant market.
- Conditioning parties dealing with the dominant person not to allow a competitor to use their facilities or services, despite the economic feasibility of providing such use. These facilities and services include those privately owned by the parties dealing with the dominant person and are indispensable for competitors to enter or remain in the market.
- Selling products at a price below their marginal cost or average variable cost.  
Marginal cost means the unit cost of products from the total costs during a specified period. Variable cost means costs that vary according to the quantity of products provided by the person during a specified period. Average variable cost means the total variable costs divided by the number of product units. When determining if the product is sold below marginal or average variable cost, the following are considered:
  - Whether the sale would result in driving competitors of the dominant person out of the market.
  - Whether the sale would prevent competitors from entering the market.
  - Whether the sale would enable the dominant person to raise prices after eliminating competitors or preventing their entry.
  - Whether the period of selling below cost would lead to any of the above outcomes.



- Requiring any supplier by the dominant person not to deal with a competitor, meaning that the supplier either completely ceases dealing with the competitor or reduces its volume to the extent that threatens the competitor's survival in the market, excludes it, or limits or prevents its freedom to enter the market.

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**Executive Regulations of the Law on Protection of Competition and Prevention of Monopoly Practices: Chapter Five: Public Utilities and Essential Products: Section One: Public Utilities**

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**Article 14:**

The provisions of these regulations do not apply to public utilities that are managed directly by the state.

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**Article 15:**

Upon request from the concerned parties, the Authority may exempt from the scope of prohibition all or some of the acts stipulated in Articles (6, 7, 8) of the Law on Public Utilities managed by the state indirectly, if doing so serves the public interest or achieves benefits for the consumer that outweigh the effects of restricting competition.

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**Article 16:**

The submission of the request referred to in Article (15) of this regulation and the decision thereon shall be in accordance with the following controls and procedures:

- The request shall be submitted in writing to the Chairman of the Board on the form prepared by the Authority, before concluding the agreement or contract or performing the act subject to the request. The request must include a comprehensive presentation of its reasons and an explanation of the public interest achieved by the agreement, contract,



or act, or the consumer benefits resulting from it. The request must be accompanied by supporting evidence.

- The Chairman of the Board shall present the request to the Board for consideration at the next meeting or at a meeting specified by the Chairman if deemed necessary.
- The Board may refer the request to the relevant department of the Authority for study and preparation of a report within a period not exceeding thirty days from the date the Authority receives all requested data and documents from the concerned parties. The Board may extend this period by no more than an additional thirty days.
- The relevant department may request additional information and data from the concerned parties or others and hold hearing sessions to which the applicant shall be invited if their attendance is deemed necessary.
- The report concerning the request shall be presented to the Board of Directors, which shall decide on it within thirty days from the date the report is submitted.
- The Board of Directors' decision to approve the exemption from the scope of prohibition must be based on the premise that the subject of the exemption request achieves public interest or consumer benefits that outweigh the effects of restricting competition; otherwise, the request shall be rejected. The approval decision may include assigning the applicant any order or abstention of any kind.
- The Executive Director of the Authority shall notify the applicant of the Board's decision by registered mail with acknowledgment of receipt. Any rejection decision must be justified.
- In the case of granting an exemption pursuant to paragraph (6) of this article, the Authority may monitor the commitment of the concerned parties to the terms and conditions of the exemption at any time. If the concerned parties violate these terms or conditions, the Board may cancel the granted exemption or require them to stop implementing the agreement, contract, or act subject to the exemption or to amend their situation immediately or within a specified period.

In all cases, the Executive Director shall notify the concerned parties of the Board's decision by registered mail with acknowledgment of receipt.



#### Article 17:

The Authority's approval for exemption from the scope of prohibition shall be valid for a period of two years. It may be renewed upon a request submitted by the concerned party to the Authority at least sixty days before the expiry of the validity period.

The Authority shall consider the renewal request according to the same provisions and procedures stipulated in Article (16) of this regulation.

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### Executive Regulations of the Competition Protection and Anti-Monopoly Law: Chapter Five: Public Utilities and Basic Products: Section Two: Basic Products

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#### Article 18:

The Council of Ministers may, by decision, determine the selling price of one or more basic products for a specified period after consulting the Authority.

#### Article 19:

The Authority shall conduct the necessary studies to enable the Council of Ministers to exercise its jurisdiction stipulated in Article (10) of the law regarding setting the selling prices of basic products and prepare reports expressing the Authority's opinion in this regard.

#### Article 20:

Any agreement concluded by the government for the purpose of applying the selling prices of basic products set in accordance with the provisions of Article (10) of the law shall not be considered an anti-competitive activity.



Executive Regulations of the Competition Protection and Anti-Monopoly Law: Chapter Six:  
Competition Protection and Anti-Monopoly Authority: Section One: Meetings of the Authority's  
Board of Directors and Its Work System

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**Article 21:**

The Authority is managed by a Board of Directors consisting of a chairperson and nine members. It is formed in accordance with the provisions of Article (12) of the law. The Board of Directors shall have a secretariat, whose formation and work system are issued by a decision of the Board.

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**Article 22:**

The Board of Directors shall meet upon the invitation of its Chairperson at least once every month and whenever necessary. The invitation to the meeting shall be sent in writing at least four days before the scheduled date, unless there is a necessity to shorten this period. The invitation shall be accompanied by the agenda.

The meetings of the Board shall be valid with the attendance of at least seven of its members. Unless a special majority is required, its decisions shall be issued by a majority of the members present.

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**Article 23:**

No member of the Board may participate in the deliberations or voting on any matter before the Board in which they have a direct or indirect personal interest, or where there is a kinship relationship up to the fourth degree between the member and any of the parties involved, or if the member has represented or currently represents any of the parties.

A Board member must disclose in writing any such reasons before the start of deliberations or voting on the matter presented.



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**Article 24:**

The Board of Directors may invite specialists or experts to attend its meetings for consultation purposes without granting them voting rights.

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**Article 25:**

Minutes of the Board of Directors' meetings shall be regularly recorded in a special ledger immediately after each session, and these minutes shall be signed by the Chairman of the Board and the Secretary.

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**Article 26:**

The Board of Directors shall have the following powers:

- To provide opinions to the Council of Ministers on setting the selling price of one or more basic products for a specified period, in implementation of the provisions of Article (10) of the law.
- To accept grants, donations, and any other resources offered to the Authority, provided that these do not conflict with its objectives.
- To establish regulations related to organizing the work of the Authority and the financial and administrative affairs of its employees, without being bound by the rules and regulations applicable to civil state employees, and submit these to the competent minister for issuance.
- To propose employees of the Authority who are to be granted judicial police powers in applying the provisions of the law, with their appointment decided by the Minister of Justice in coordination with the competent minister.
- To approve the annual report on the activities of the Authority, its future plan, and proposals.
- To approve by majority of members the request to initiate criminal proceedings or take measures concerning any violations of the law.
- To approve by majority of members the settlement of any violations of the law.



- To express opinions on legislations, policies, or decisions that may harm competition, either on its own initiative or upon request by the Council of Ministers, ministries, or concerned authorities.
- To provide opinions on draft laws and regulations related to competition regulation, which concerned authorities must consult the Authority about.

In addition to the powers stipulated in the law and this regulation, the Board may delegate the Chairman to exercise some of its powers.

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#### **Article 27:**

The Board of Directors may assign one of its members or a committee formed from among its members to carry out a specific task or to supervise a particular aspect of the Authority's activities. In such cases, reports on the task or supervision shall be submitted to the Board.

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#### **Article 28:**

The Chairman of the Board of Directors shall have the following responsibilities:

- Coordination with counterpart authorities in other countries on matters of mutual interest, and presenting related reports to the Board.
- Preparing an annual report on the Authority's activities, its future plans, and proposals, and submitting it to the Board for approval.
- Appointing the Executive Director of the Authority and determining their financial compensation.
- Supervising the organization of training and educational programs related to raising awareness of the law's provisions and the principles of a free market in general.
- Supervising the issuance of periodic bulletins that include decisions, recommendations, procedures, measures taken by the Authority, and other related matters.
- Requesting in writing, based on the approval of the majority of the Board members, to initiate criminal proceedings or take actions concerning any violations of the law.

In addition to the powers provided for by the law and these regulations.



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**Article 29:**

A fee of ten thousand Egyptian Pounds shall be paid for the following requests:

- The request for exemption from the prohibition stipulated in Article (6) of the Law.
- The request for removal from the scope of the prohibition stipulated in Article (9) of the Law.
- The request for renewal of the validity period of the exemption or removal referred to in items (a) and (b) of this article.

The fee specified in the first paragraph of this article must be paid, and the payment receipt must be attached when submitting any of these requests.

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**Article 30:**

A fee of two hundred and fifty Egyptian Pounds shall be paid for each request to inspect or obtain a certificate or an official copy of any document.

A fee of one thousand Egyptian Pounds shall be paid for each request to obtain reports from the Authority.

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**Executive Regulations of the Competition Protection and Anti-Monopoly Law: Chapter Seven:  
Filing Notifications and Procedures for Investigation and Inquiry: Section One: Filing Notifications**

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**Article 31:**

Any person may notify the Authority of any violation of the provisions of the law. The Authority is not entitled to any fees or charges for receiving the notification or for conducting its examination.

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**Article 32:**

The notification shall be submitted to the Authority in writing or on the form prepared by it, accompanied by the following data and documents:

- The name of the notifier, their address, occupation, capacity, interest in submitting the notification, and the supporting documents for these details.
- The name of the person reported against, their address, and the nature of their activity.
- The type of violation being reported.
- The evidence supporting the notification and any related documents, if available.
- A statement of the harm incurred by the notifier, if any.

The Authority may disregard examining any notification that does not fulfill the required data and documents mentioned above.

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**Executive Regulations of the Competition Protection and Anti-Monopoly Law: Chapter Seven:  
Submitting Notifications and Investigation Procedures: Section Two: Investigation, Research, and  
Evidence Collection Procedures**

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**Article 33:**

The Authority shall examine the notifications submitted to it. It may, without the need for a notification, undertake investigation, research, and evidence collection procedures, as well as take such procedures in cases involving agreements and practices harmful to competition.

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**Article 34:**

The procedures for investigation, research, and evidence collection regarding cases of agreements and practices harmful to competition or any other violation of the provisions of the law shall be as set forth in the following articles.



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**Article 35:**

Upon submission of a notification to the Authority, it shall be registered in a designated record, and the notifier shall be given a receipt indicating the registration number and date.

Cases in which the Authority, on its own initiative, undertakes investigation, research, and evidence collection procedures, or orders such procedures to be undertaken, shall be registered in a separate record prepared for this purpose.

All actions taken regarding the cases registered in either record, as well as any decisions or rulings issued therein, shall be regularly documented in both records.

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**Article 36:**

Notifications are submitted to the Executive Director of the Authority to verify that they contain the data and documents stipulated in Article (32) of these regulations. Those that meet the requirements shall be referred to the competent department, and the Authority's Chairperson shall be notified of this referral.

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**Article 37:**

The competent department of the Authority shall undertake investigation, research, and evidence collection procedures for notifications referred to it by the Executive Director within a period not exceeding ninety days from the date of referral. A report shall be prepared for all procedures undertaken.

The Executive Director may task the aforementioned department with undertaking these procedures in cases where the Chairperson of the Authority's Board of Directors decides so.

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**Article 38:**

Employees of the Authority who have the status of judicial officers shall be authorized to carry out the following procedures after revealing their identity and presenting it to the concerned party:

- Review books, documents, and obtain the necessary information and data for examining the cases presented to the Authority, at any governmental or non-governmental entity.
  - Enter, during official working hours, the workplaces or premises of the persons subject to examination. They may seek assistance from public authority officers if necessary.
  - Undertake procedures to collect the necessary evidence for the examination and question any person regarding their commission of any violation of the provisions of the law.
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**Article 39:**

After completing the procedures of inquiry, investigation, and evidence collection, the competent department shall prepare an opinion report and submit it to the Executive Director of the Authority. The Executive Director shall present the report, along with their opinion, to the Board of Directors at the next meeting following the submission of the report.

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**Article 40:**

After reviewing the report related to the case presented, the Board of Directors may issue a reasoned decision either to dismiss the matter or to order further inquiry, investigation, and evidence collection by the competent department of the Authority.

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**Article 41:**

Upon establishing a violation of any of the provisions of Articles (6), (7), (8), (19 bis (a)), (19 bis (c)), and (19 bis (d)) of the Law, the Authority shall require the violator to rectify their situation, remove the violation, or take corrective measures immediately or within a timeframe specified by the Board; otherwise, the violating agreement or contract shall be considered null and void.

The Board, by majority vote of its members, may issue a decision to suspend the practices which, based on the apparent evidence before it, violate any of the provisions mentioned in the previous paragraph for a specified period whenever such practices result in serious harm to competition or consumers that cannot be remedied.

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**Article 42:**

Repealed pursuant to Article 3 of the Prime Minister's Resolution No. 2509 of 2016 regarding the amendment of certain provisions of the Executive Regulations of the Law on Protection of Competition and Prevention of Monopolistic Practices.

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**Article 43:**

The Executive Director of the Authority shall notify the concerned person or persons of the decision reached by the Board regarding the report or the presented case, by means of a registered letter with acknowledgment of receipt.

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**Article 44:**

The Authority shall receive notifications related to the acquisition of any assets, ownership rights, usufruct, shares, the establishment of unions, mergers, acquisitions, or the combination of the management of two or more persons within a period not exceeding thirty days from the date the legal act being notified takes effect, in accordance with the legal rules governing it, whenever the combined annual turnover in Egypt of the concerned persons in the latest financial statements exceeds one hundred million Egyptian pounds.



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#### Article 44 bis:

Notification must be submitted to the Authority, in accordance with the conditions and rules stipulated in Article (44) of this Regulation, by any person who acquires assets, ownership rights, usufruct, shares, acquires another person, or combines the management of two or more persons.

In the case of a merger or union of persons with each other, the notification must be submitted by the person resulting from this merger or union.

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#### Article 45:

The notification to the Authority shall be submitted in writing or on the designated form prepared by the Authority and must include the following data:

- The names of the notifying parties and related persons, their nationalities, management centers, and the main locations of their activities.
- The legal transaction being notified, its date, and the resulting legal status.
- A statement of the licenses and approvals obtained.
- The annual turnover according to the latest approved financial statements and the accompanying clarifications.

All documents supporting the data mentioned above must be attached to the notification.

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### Executive Regulations of the Law on Competition Protection and Prevention of Monopolistic Practices: Chapter Eight: Non-Prosecution of the Initiator Reporting the Crime

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**Article 46:**

In the event of committing any of the crimes stipulated in Article (6) of the Law, no criminal case shall be filed against the first offender who initiated reporting the crime to the Authority if the following two conditions are met:

- The report was made before a request to file a criminal case was submitted or before a decision was issued by the Authority's Board to take the measures stipulated in Article (20) of the Law and Article (41) of these regulations.
- The violating person submitted all the evidence they have regarding the commission of the crime, which would have disclosed it and proven its elements.

In the case of filing a criminal case against the other violators, the Chairman of the Authority's Board, after presenting the matter to the Board, must attach with the request evidence proving that the conditions mentioned above were met by the first offender who reported the crime.

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**Article 47:**

The report referred to in Article (26) of the Law shall be made in writing or on the form prepared by the Authority. If the report is verbal, it must be documented in a record signed by the violating person, the judicial officer who heard their statements, and the recorder of the minutes.

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**Executive Regulations of the Law on Competition Protection and Prevention of Monopolistic Practices: Chapter Nine: Economic Concentration Review**

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**Article 48:**

Economic concentration is any change in control or substantial influence over one or more persons resulting from any of the following cases:

- The merger of one or more persons into an existing person who retains their legal personality after the merger, or the creation of a new person by merging two or more persons who were previously independent, leading to the termination of their legal personality or any part of it.
- Acquisition by one or more persons, directly or indirectly, of control or substantial influence over another person or part thereof through a contract, purchase of securities, assets, or other means. Acquisition can be individual or collective.
- Establishment of a joint venture or acquisition by two or more persons of an existing person for the purpose of establishing a joint venture that conducts economic activity independently and permanently.

The following cases are not considered economic concentration:

- Temporary acquisition by any company operating in the securities field of securities in a person for resale within one year from the acquisition date, provided that the company does not exercise any voting rights or take any action or measure that may affect strategic decisions or commercial objectives of the acquired person.

The Authority may extend this period by no more than one year based on a written request submitted by the acquiring person at least sixty days before the expiration, accompanied by proof of the inability to resell the securities within the one-year period. The Board shall issue a decision regarding the request within thirty days from the date of submission. In case of rejection, the acquiring person must implement the measures specified by the Authority.

Exercising voting rights or taking any action or measure that affects strategic decisions or commercial objectives of the acquired person, failure to submit an extension request within the deadline, or violation of the Authority's decision mentioned above constitutes a violation of Articles (19 bis a) or (19 bis e) of the Law, as applicable, provided the notification thresholds stipulated in Article (19 bis) of the Law are met.

- A merger or acquisition between companies affiliated to the same person, considered a restructuring operation. Notification is only required if there is a change in control or substantial influence directly or indirectly.



#### Article 49:

The persons involved in economic concentration are natural persons, legal entities, economic entities, unions, associations, financial conglomerates, and groups of persons, regardless of the method of their establishment, participating in the economic concentration, and their related parties.

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#### Article 50:

Substantial influence is the ability to directly or indirectly influence the policy of another person, including their strategic decisions or commercial objectives. Substantial influence is particularly established by the availability of any of the following:

- An act that results in owning (25%) or more of the total voting rights, shares, or capital stocks in another person.
- An act that results in owning less than (25%) of the total voting rights, shares, or capital stocks in another person, if combined with other elements that may influence their policies, especially the following:
  - The percentage of voting rights owned by the person compared to other voting rights, enabling them to influence the policies and commercial objectives of the person.
  - The existence of any provisions in the articles of incorporation, shareholders' agreements, or others, granting the acquiring person privileges such as special voting rights or veto rights.
  - The existence of common shareholders or partners between the acquiring person and the acquired person.
  - The presence of one or more representatives of the acquiring person on the board of directors of the acquired person.

In all cases, substantial influence is not considered to exist with ownership of less than (10%) of the total voting rights, shares, or capital stocks in another person unless the acquiring person is among the top three shareholders or partners in the acquired person.

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**Article 51:**

An offer of commitments and controls is an offer made by the persons involved in the economic concentration during the first or second phase of the review, to commit themselves to a set of obligations and controls aimed at limiting the harmful effects of the economic concentration on competition.

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**Article 52:**

The targeted person in the economic concentration is the person subject to the economic concentration process.

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**Article 53:**

The calculated annual turnover or aggregated assets are determined by adding the annual turnover or asset value from the last financial year in the latest approved consolidated financial statements of the persons involved in the economic concentration, excluding sellers provided they exit the targeted person after the economic concentration is implemented.

If the seller remains among the related parties of the targeted person after implementing the economic concentration, their turnover and that of their related parties shall be included within the turnover of the persons involved in the economic concentration.

If the annual turnover or aggregated assets for the last year are in a foreign currency, they shall be converted to Egyptian pounds according to the official foreign exchange rate announced by the Central Bank of Egypt on the last day of the financial year of the persons involved in the economic concentration.

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**Article 54:**

Economic concentration is prohibited if it results in restricting, limiting, or harming the freedom of competition.

The Authority shall assess the effects of the economic concentration on the freedom of competition in the market in light of the following factors:

- The structure of the relevant market(s) and the level of actual or potential competition within Egypt or outside, whenever it affects these markets.
  - The market position of the persons concerned with the economic concentration, including their economic status and financial solvency compared to current and potential investments in the market.
  - The alternatives available to suppliers, customers, and consumers, their ability to access production resources or the relevant markets, and the patterns of supply and consumption of the relevant products.
  - Barriers to entry into and expansion within the relevant markets.
  - The potential impact of the economic concentration on consumers or existing or potential investments.
  - The potential impact of the economic concentration on innovation or development.
  - The potential negative effects on the freedom of competition.
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**Article 55:**

The obligation to notify as stipulated in Articles (19 bis A) and (19 bis E) of the Law, as applicable, falls upon the following persons:

- The person(s) acquiring control or material influence, individually or jointly, over one or more persons in a takeover.
  - The persons merging in the case of a merger.
  - The persons acquiring a person for the purpose of establishing a joint venture.
  - The persons establishing a joint venture.
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**Article 56:**

The concerned persons must submit a complete economic concentration notification file to the Authority.

The notification file shall not be considered complete or have legal effects unless the notification form prepared by the Authority for this purpose is duly filled, and the following data and documents are provided:

- A photocopy of the identity document (national ID or passport) of the person submitting the notification file, with the original available for inspection upon request.
- A photocopy of the power of attorney issued to the notifier, with the original available for inspection upon request; the power of attorney must be legalized by the Ministry of Foreign Affairs if issued outside the Arab Republic of Egypt.
- An excerpt from a recent commercial register not older than three months for the persons concerned with the economic concentration excluding affiliated parties, or its equivalent in the country of the concerned person.
- A photocopy of the Articles of Association, including all amendments, for the persons concerned excluding affiliated parties, or its equivalent in the country of the concerned person.
- A photocopy of the approved consolidated financial statements or approved standalone financial statements if consolidated statements are not available, for the last year, of the person(s) controlling the persons concerned with the economic concentration, along with their explanatory notes and the auditor's report.
- A photocopy of the annual report of the persons concerned excluding affiliated parties.
- A photocopy of the letter of intent, memorandum of understanding, sale and purchase agreement, purchase offer, due diligence report, shareholders agreement, or any other agreements granting control or material influence.
- A photocopy of the approved minutes of the board of directors and general assembly meetings (ordinary and extraordinary) relating to the economic concentration of the persons concerned.
- A photocopy of available permits and approvals obtained for the economic concentration subject to notification from other authorities inside or outside Egypt.
- A signed declaration by the notifier or their legal representative certifying the accuracy of the data, documents, and papers submitted.
- A receipt for the payment of the fee required to examine the notification file.



- A commitment to pay all publication expenses according to the regulations issued by the Council.

All aforementioned documents shall be in Arabic or accompanied by an Arabic translation if in another language.

The notifier may provide any other important documents or data relevant to the examination of the economic concentration, such as studies prepared by the persons concerned or third parties about the products they deal with, or to evaluate and analyze the effects of the transaction on markets (market structure, market shares, actual or potential competition level, and the economic and financial status of the persons concerned).

The notifier must inform the Authority in writing of any amendments or changes to the legal form of the economic concentration during the examination immediately upon occurrence; otherwise, obtaining approval for implementing the concentration according to Articles (19 bis C), (19 bis D), or (19 bis F) of the Law, as applicable, shall be deemed based on knowingly submitted false data, information, or documents.

The Authority publishes a statement and summary of the economic concentration in a widely circulated daily newspaper or on its official website upon receiving a complete notification file, to allow third parties to submit their observations on the concentration to the Authority within fifteen days from the publication date, unless the Council decides not to publish for public interest reasons.

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### **Article 57:**

The persons concerned with the economic concentration may submit an offer of commitments and controls during the first or second examination phase to obtain conditional approval of the economic concentration. The examination period may be extended by fifteen working days if such an offer is submitted.

A decision granting conditional approval to implement the economic concentration shall be issued upon acceptance of the commitments and controls. This decision shall include the agreed-upon commitments and controls, their duration if required, and methods to monitor the compliance of the persons concerned with the economic concentration.



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#### Article 58:

The following cases shall be considered as a withdrawal from the implementation of the economic concentration:

- The persons concerned with the economic concentration decide to withdraw from its implementation.
- Withdrawal of the notification file.
- Change or amendment of the legal form of the economic concentration during the examination, if such change or amendment results in a new economic concentration.

The notifier shall submit a written request to the Authority, before the expiry of the legal examination period specified by the law, stating the withdrawal from the implementation of the economic concentration. The competent examination committee shall issue a decision to file the request.

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#### Article 59:

The fees due to the Authority for examining the notification files on economic concentration stipulated in Articles (19 bis A) and (19 bis E) of the Law shall not exceed one hundred thousand Egyptian pounds, as follows:

- A fee of eighty thousand Egyptian pounds if the annual turnover or consolidated assets in Egypt of the persons concerned with the economic concentration collectively ranges between nine hundred million and one billion Egyptian pounds.
- A fee of ninety thousand Egyptian pounds if the annual turnover or consolidated assets in Egypt of the persons concerned collectively ranges between one billion and one billion five hundred million Egyptian pounds.
- A fee of one hundred thousand Egyptian pounds if the annual turnover or consolidated assets in Egypt of the persons concerned collectively exceed one billion five hundred million Egyptian pounds.
- A fee of one hundred thousand Egyptian pounds if the annual turnover or consolidated assets worldwide of the persons concerned collectively exceed seven billion five hundred



million Egyptian pounds in the last approved consolidated financial statements of the most recent year, provided that the annual turnover in Egypt for at least one of the persons concerned in the last approved consolidated financial statements exceeds two hundred million Egyptian pounds.

In all cases, the highest applicable fee shall be paid if more than one category applies. The applicant shall bear the publication costs.

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#### Article 60:

The Authority may, after approval by the Council of Ministers, authorize the economic concentration in any of the following cases:

**First:** If non-implementation would lead to persons exiting the market, provided the following conditions are met:

- One of the persons concerned is financially distressed to the extent that it causes their exit and the exit of their assets from the market.
- There is no less restrictive alternative to the economic concentration regarding competition freedom.

**Second:** If it is proven that the economic concentration will result in economic efficiency outweighing the negative effects of reduced competition, provided the following conditions are met:

- The economic efficiency is verifiable.
- The economic efficiency can only be achieved through the implementation of the economic concentration.
- The economic efficiency benefits the consumer.

**Third:** If the implementation of the economic concentration serves considerations related to national security protection.



**Article 61:**

The Authority has the right, after the Council's approval, to start examining an economic concentration that does not exceed the notification thresholds, if it has evidence or indications that it restricts, limits, or harms competition freedom within a period not exceeding one year from the date of implementing the economic concentration.

Such indications include any of the following cases:

- Restriction of technological development or innovation.
  - Market control by any act likely to increase or decrease prices.
  - Reduction in product quality.
  - Creating barriers to market entry or expansion.
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**Article 62:**

The persons concerned shall notify the Financial Regulatory Authority (FRA) of any economic concentration taking place in any of the activities subject to the supervision and control of the FRA before concluding the contract. The FRA shall seek the opinion of the Competition Authority before approving the implementation of the economic concentration.

The persons concerned shall notify the FRA with a complete notification file containing the data and documents specified in Article (56) of these regulations.

The FRA may attach to the notification file data regarding the activity under examination, including the volume and value of revenues of the entities operating in each activity for each year in the last three years.

