A&A

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Decoding the Future

WELCOME!

BREAKAWAY ROOM 3

Naledi Pooe

The Great Merger Upgrade:
The DTIC's Proposed Amendments to Merger Thresholds and Filing Fees

Overview

- Legislative Context
- Refresher – what is a merger?
- The proposed changes & their impact
- Key takeaways

Legislative Context

Competition Act:

- Section 11: Thresholds & Categories of Mergers
- Sections 12 - 18: Mergers

Competition Commission Guidelines that directly influence merger notifications, merger assessment, public interest considerations and procedural requirements.

Ok – but what is a merger?

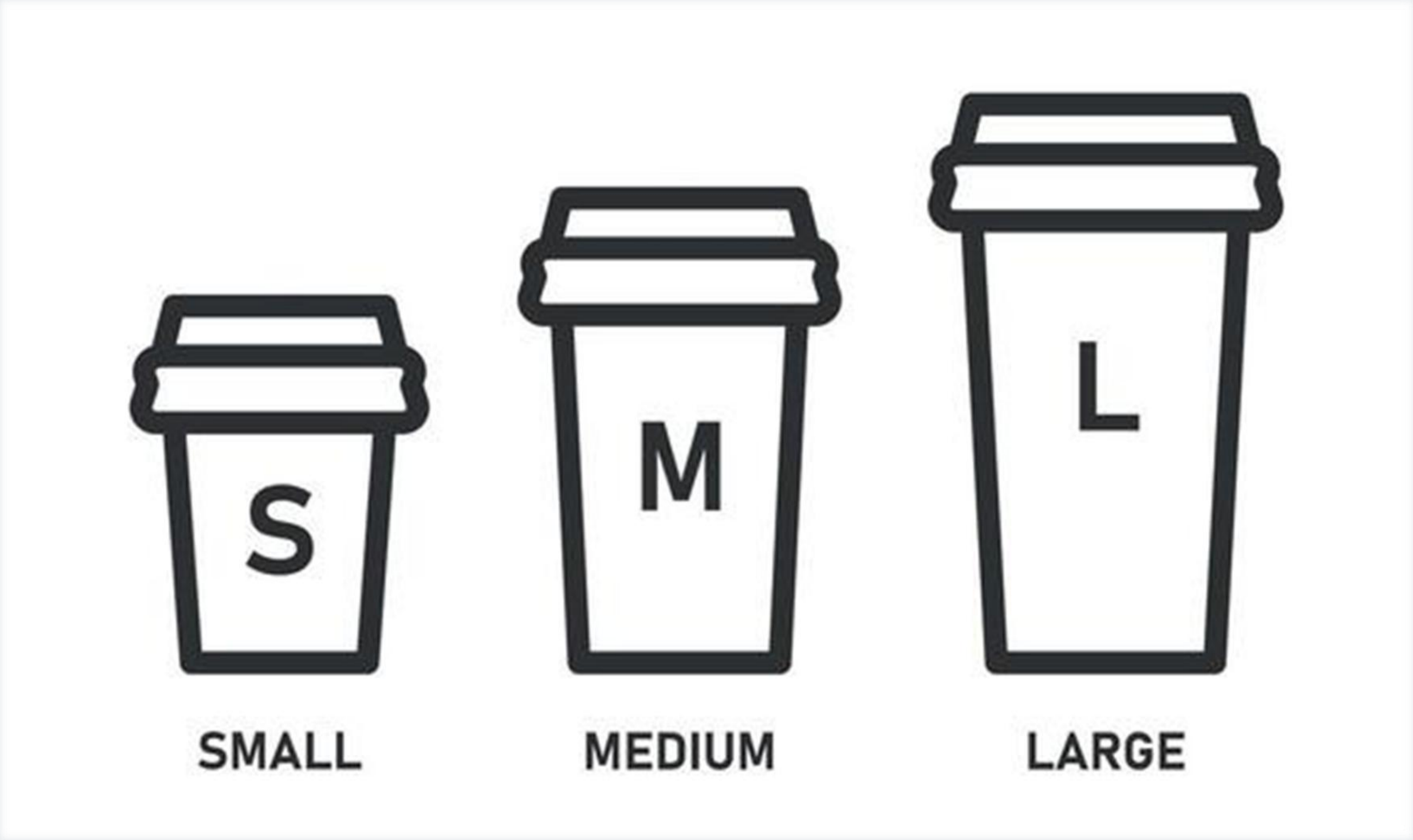

PILATES CLASS

Is it a merger? Is it notifiable?

Change in control

Monetary thresholds

Merger Classification



Existing thresholds

Merger thresholds as at 1 October 2017

Thresholds	Combined turnover / Asset value	Target turnover / Asset value
Lower threshold	R 600m	R 100m
Higher threshold	R 6.6b	R 190m

Proposed Thresholds

Thresholds	Combined turnover / asset value	Target turnover / asset value
Lower threshold	R1bn	R175m
Higher threshold	R6.6bn	R280m

Proposed Adjustments to Filing Fees

Category	Current filing fee	Proposed filing fee
Intermediate merger	R165k	R220k
Large merger	R550k	R735k

Impact of the change?

Reduced red tape
=
Increased capacity

Focus on larger & more complex transactions

Improved enforcement of anti-competitive conduct

Alignment with economic & inflationary developments

Key takeaways

- Faster deal timelines for small/intermediate mergers
- Lower compliance costs for merging parties
- Reclassification of many large mergers to intermediate
- Existing thresholds remain in place until final notice of amendment

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THANK YOU