Press Release

The Competition Authority Publishes new Merger Regulations for a Public Hearing and Seeks to Raise the Minimum Reporting Threshold

The Competition Authority is publishing new draft merger regulations for public comments. In this draft, the Competition Authority is seeking to raise the reporting threshold for mergers, so that the Director General’s consent to a merger will only be required if the minimum annual turnover of each of the two merging companies exceeds NIS 20 million.

The proposed changes supplement the reform in the Economic Competition Law which was intended, inter alia, to streamline and focus the processes for examining mergers in the Competition Authority.

The main points of the proposed changes:

**Raising the threshold for mergers that require reporting and approval from the Director General:** at present it is obligatory to report and obtain approval for proposed mergers where the aggregate sales turnover of the parties to the merger exceeds NIS 360 million and the sales turnover of at least two of the merging companies exceeds NIS 10 million, each.

The proposed change will raise the threshold from NIS 10 million to NIS 20 million. This amendment will make it unnecessary for smaller companies with a low turnover to submit mergers for the approval of the Director General. This update supplements the amendment made in the framework of the reform to the Economic Competition Law in January 2019, whereby approval is only required for a merger if the joint turnover of the merging companies exceeds NIS 360 million (instead of NIS 150 million joint turnover, according to the previous version of the law).

**Changes in reporting requirements to the Authority when submitting a merger for examination:** 15 years after the last publication of regulations determining how
proposed mergers should be notified, the Competition Authority is proposing to make changes to the regulations. Under the previous regulations there was an option for short notification and full notification. The experience acquired by the Authority in the last 15 years shows that the types of notification defined in the regulations, particularly the short option, do not provide all the information needed for the Authority to examine proposed mergers, which are filed to the Authority. This has caused delays in examining mergers, as well as requesting parties to mergers and third parties for additional information, even when there was no competitive concern.

The new reporting method will allow the Authority to obtain all the information it needs in good time. For mergers that raise no competitive concerns, this means a reduction in the time taken for the Authority to assess the mergers, as well as a reduction in the period during which the merging companies are in a state of uncertainty - between the time at which they file notification until a decision is issued by the Authority.

Any interested person is invited to submit comments on the draft regulations to the Competition Authority by fax to 02-5458555 (for the attention of Adv. Tzahi Berkovich) or by email to berko@competition@gov.il, by 25th August 2019.

During September, after receiving public comments, the Authority will hold a “round table” meeting for a discussion with everyone who submitted comments regarding the proposed changes.