

## THE EAST AFRICAN COMMUNITY COMPETITION AUTHORITY (EACCA) COMMENCES MANDATORY MERGER REVIEW

**T**he East African Community (EAC) has taken a decisive step towards regional economic integration.

The East African Community Competition Authority (EACCA) on 1st July 2025 issued a General Notice announcing that it will commence receiving notifications for Mergers and Acquisitions (M&A) with cross-border effects starting November 1, 2025 (access the notice [here](#)).

This development, under [The East African Community Competition Act, 2006](#) and [The East African Community Competition \(Sharing of Mergers and Acquisitions Notification Fees\) Regulations, 2025](#), introduces a mandatory notification regime for transactions meeting prescribed thresholds, significantly altering the regulatory landscape for businesses operating across the eight EAC Partner States: Burundi, Democratic Republic of Congo, Federal Republic of Somalia, Kenya, Rwanda, South Sudan, Uganda, and Tanzania.

### 1. The New EACCA Notification Thresholds

A cross-border merger or acquisition must be notified to the EACCA if it meets **both** of the following conditions:

**a.** The combined turnover or assets in the Community (whichever is higher) of the merging undertakings **equals or exceeds United States Dollars 35 million (USD 35,000,000). AND**

**b.** At least two undertakings to the merger or acquisition have a combined turnover or assets of **United States Dollars 20 million (USD 20,000,000)** in the Community.

**Exception:** Notification is not required if each of the parties to the merger achieves at least two-thirds of its aggregate turnover or assets in the Community within **one and the same Partner State**.

### 2. The "One-Stop Shop" Principle and Kenyan Impact

The commencement of the EACCA merger review implements the "one-stop shop" principle for qualifying regional transactions.

• **Impact on National Authorities:** Once a notification of a merger/acquisition with cross-border effect is made to the EACCA, there is **no need to notify the same to the national competition authorities** (such as the Competition Authority of Kenya, CAK).

· **Kenya's CAK Thresholds:** For comparison, mergers in Kenya are currently notifiable to the CAK if the combined turnover or asset value (whichever is higher) exceeds **Kshs 500,000,000**. Mergers below this figure are excluded from notification. For more information about notification of mergers in Kenya, please read our previous article on [Regulation of Mergers in Kenya](#).

This means that any transaction involving Kenyan and other EAC undertakings that meets the new USD regional thresholds will now be governed by the EACCA framework, streamlining the process by removing the need for multiple national filings.

**3. Compliance and Financial Obligations**

**a) Prohibition on Implementation**

The EACCA notice reiterates the legal requirement under Section 11 of the EAC Competition Act, 2006: a merger for which notification is required shall not come into effect before its notification to the Authority and without the Authority's approval.

Firms must determine whether they are required to notify before implementing a proposed merger, as failure to notify a notifiable merger in Kenya can result in financial penalties and the merger being declared void. For instance, a financial penalty of an amount not exceeding 10% of the preceding year's gross annual turnover in Kenya may be imposed by the CAK.

**b) Notification Fees**

All merger notifications must be in the prescribed form, include relevant documents, and must be accompanied by the prescribed fees in United States Dollars (USD):

| Aggregate Value of Assets or Turnover (whichever is higher) | Notification Fees (USD) |
|-------------------------------------------------------------|-------------------------|
| USD 35 Million to USD 50 Million                            | USD 45,000              |
| Above USD 50 Million to USD 100 Million                     | USD 70,000              |
| Above USD 100 Million                                       | USD 100,000             |

The notification fees must be deposited into the East African Community Competition Authority's bank account.

**c) Action Points for Businesses**

Undertakings engaged in M&A activities, particularly those with a cross-border dimension within the EAC, must immediately review their transaction planning to incorporate the new EACCA regime, effective **November 1, 2025**.

**i. Threshold Analysis:** Conduct a thorough analysis to determine if the combined assets/turnover meets the EACCA's USD 35 million and USD 20 million thresholds.

**ii. Timing:** Ensure that any transaction expected to close on or after November 1, 2025, that meets the thresholds, is notified to EACCA **before implementation**.

**iii. Jurisdictional Clarity:** Note that any merger proceedings with a cross-border effect that had commenced or are pending before a national competition authority before the publication of this notice shall be finalized by the respective national authorities.

## HOW WE CAN HELP

At **CM Advocates LLP**, we take pride in our proven track record of successfully facilitating **Mergers and Acquisitions** across East Africa. Our team provides end-to-end transaction support, from conducting comprehensive **legal due diligence**, obtaining the necessary regulatory approvals, to guiding clients through **negotiation, documentation, and completion**. Reach out to us via email at [law.cmadvocates.com](mailto:law.cmadvocates.com) or contact our M&A team for tailored support.

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