



COMPETITION

A Catalyst for Economic Growth – Proposed Amendments to South Africa’s Merger Thresholds

28 January 2026 3 min read

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On 27 January 2026, Minister of Trade, Industry and Competition, Mr Parks Tau, published a draft amendment to the merger thresholds prescribed under section 11 of the Competition Act, 1998. The proposed changes, published for public consultation, represent a significant recalibration of the financial thresholds that determine when mergers and acquisitions require regulatory notification and approval. Stakeholders have been invited to submit written comments within 30 business days of publication.

Financial thresholds are one of the triggers for mandatory merger notification.

The draft amendment proposes substantial increases to both the lower and higher thresholds that govern merger categorisation in South Africa. Under the current framework, the lower threshold for combined annual turnover or assets is R600 million, whilst the transferred firm threshold is R100 million. The proposed amendment seeks to raise the combined turnover or assets threshold to R1 billion, representing an increase of approximately 67%. Concurrently, the transferred firm threshold would rise from R100 million to R175 million, a 75% increase.

For higher thresholds, which distinguish between intermediate and large mergers, the draft proposes increasing the combined turnover or assets requirement from R6.6 billion to R9.5 billion. The transferred firm threshold for large mergers would also increase from R190 million to R280 million. These adjustments broadly reflect inflationary changes since the thresholds were last amended in 2017. Notably, the calculation method remains unchanged.

By raising the lower thresholds, more transactions will fall into the small merger category, meaning they will not require mandatory notification to competition authorities. Small mergers do not require prior approval, thereby reducing compliance costs, shortening

transaction timelines, and eliminating regulatory uncertainty for a significant cohort of corporate transactions.

Similarly, raising thresholds means that transactions previously classified as large mergers requiring Competition Tribunal approval may now qualify as intermediate mergers, which are adjudicated solely by the Competition Commission. This reclassification can substantially expedite approval processes and reduce the procedural burden on merging parties.

These amendments can be seen to reflect the government's commitment to creating a more business-friendly regulatory environment. By reducing the number of transactions subject to mandatory notification, regulatory resources can be concentrated on mergers with genuine potential to harm competition, whilst lower-risk transactions proceed unimpeded. This approach recognises that proportionate regulation is essential to fostering investment confidence and encouraging entrepreneurial activity.

For foreign investors considering South African market entry through acquisition, clearer and more accommodating thresholds signal regulatory maturity and a commitment to facilitating legitimate commercial activity.

Notwithstanding these benefits, the proposed amendments present certain considerations. Regulators must ensure that raising thresholds does not inadvertently permit anti-competitive consolidation in sectors where smaller transactions may nonetheless produce significant market effects. Additionally, stakeholders should note that merger filing fees are also proposed to increase, rising from R165,000 to R220,000 for intermediate mergers and from R550,000 to R735,000 for large mergers.

The draft amendment represents a pragmatic response to economic realities, recalibrating thresholds that had remained static since 2017. If implemented, these changes should meaningfully reduce regulatory friction and support South Africa's broader economic development objectives.

The deadline for comment is 10 March 2026.



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