

LEGAL ALERT

MERGER CONTROL ENFORCEMENT IN ANGOLA AND MOZAMBIQUE: RECENT DEVELOPMENTS

Angola

The Competition Regulatory Authority of Angola published last week an [informative bulletin](#) which sheds light on its merger control enforcement in the last three years.

Between 2019 and 2022, the CRA reviewed 42 merger notifications, 21 of which filed last year alone. Most notified transactions were in the oil & gas industry (ten), followed by agro industry (four), and the beverages, banking, and construction sectors (three each). The CRA issued 33 unconditional clearance decisions and imposed remedies in two cases. Five notifications were not subject to filing or were withdrawn by the parties, and two were under review by the end of the year. The CRA has not yet issued any prohibition decision.

The CRA's average review time during 2022 was 72 calendar days from filing, which is a marked improvement over the average review time in 2021 (92 days) and is well below the 120-day statutory review period established in the Competition Law.

The CRA also highlighted that it has initiated several gun jumping investigations, with one case reported to be at an advanced stage.

Under the Angolan Competition Law, infringing the mandatory filing and stand-still obligations exposes parties in [transactions meeting the statutory notification thresholds](#) to fines of up to 10% of their consolidated annual turnover.

Mozambique

Also last week, the Competition Regulatory Authority of Mozambique announced a three-month exemption from gun-jumping fines for mergers subject to mandatory filing and implemented without prior clearance, if they are now notified to the CRA.¹

The exemption from fines applies to transactions implemented between April 2021 and 30 May 2023 and is in force until 31 August 2023. The CRA called for the timely submission of notifications of transactions [which meet the statutory filing thresholds](#), in order to avoid gun-jumping fines, which may amount to up to 5% of the consolidated annual turnover of participating undertakings.

We recall that the CRA [issued its first fines in 2022, including one for gun-jumping](#), and that gun-jumping cases are among the [CRA's priorities](#).

Comment

Despite their young age, competition authorities of Angola and Mozambique have shown both ambition and willingness to vigorously enforce their respective competition law legislations and to apply their wide investigative and sanctioning powers.

Businesses operating in Angola and Mozambique, including local subsidiaries of international corporations, should carefully assess compliance with competition law, not only in its corporate transactions and strategic decisions, but also in their daily business activities.

Concerning specifically Mozambique, parties to M&A transactions carried out in the last two years should also consider whether the statutory filing thresholds may have been met, since such transactions may benefit from the gun-jumping exemption just announced by the CRA, if the notification is filed until the end of August 2023.

¹ CRA Notice published in the 30 May 2023 edition of *Notícias* newspaper, page 47.

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