



EAST AFRICAN COMMUNITY

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ACT

●	THE EAST AFRICAN COMMUNITY COMPETITION (AMENDMENT) ACT, 2023
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Legal Notice No. EAC/425/2024



EAST AFRICAN COMMUNITY

EAST AFRICAN COMMUNITY COMPETITION (THRESHOLDS FOR NOTIFICATION OF MERGERS AND ACQUISITIONS TO THE EAST AFRICAN COMPETITION AUTHORITY) NOTICE, 2024

(Under section 11(1) and (4) of the East African Community Competition Act, 2006)

IN EXERCISE of the powers conferred upon the Council by section 11 (4) of the East African Community Competition Act, 2006, and on the recommendation of the East African Community Competition Authority, the Council of Ministers issues this Notice this 31st day of December, 2024.

1. Title

This Notice may be cited as the East African Community Competition (Thresholds For Notification of Mergers and Acquisitions to the East African Competition Authority) Notice, 2024.

2. Thresholds for notification of mergers and acquisitions to the East African Community Competition Authority.

A cross-border merger or acquisition is notifiable to the Authority if –

- (a) the combined turnover or assets in the Community of the merging undertakings, whichever is higher, equals to or exceeds United States Dollars 35 million; and
- (b) at least two undertakings to the merger or acquisition have a combined turnover or assets of United States Dollars 20 million in the Community, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Community within one and the same Partner State.

3. Method of determining combined turnover and value of assets

- (1) The asset value of an undertaking that is the subject of the merger shall be determined by the value of the undertaking's assets as shown on the undertaking's balance sheet for the preceding financial year and the following shall be ensured:
 - (a) the asset value equals the total assets less any amount shown on that balance sheet for depreciation or diminution of value;
 - (b) the assets shall include all assets on the balance sheets of the firm, including any goodwill or intangible assets included in their balance sheets;
 - (c) no deduction may be taken for liabilities or encumbrances of the firm; and
 - (d) assets in the Community includes all assets arising from activities in the Community;
 - (e) the value or consideration exchanged for any subsidiary or associated undertakings, or joint venture, acquired or divested, up to the time of calculation of asset value.
 - (f) all asset valuations shall be made in accordance with generally accepted financial accounting standards or practice used in most jurisdictions.
 - (g) when aggregating the assets of the undertakings subject of the merger the annual value of assets shall be calculated by adding together the value of assets of the undertakings, their its subsidiaries, parent companies, and subsidiaries of parent companies;
 - (h) all calculations of value of assets shall be made in, or converted to, United States Dollars.

- (2) The annual turnover of an undertaking that is the subject of the merger shall be determined by the amount of sales and products generated by the ordinary course of business activities of the undertakings, and the following shall apply:
- (a) the deduction of all sales rebates, value added, or other taxes directly related to those items;
 - (b) the deduction of any sales or products among the merging parties or to any interconnected undertakings such as a subsidiary or parent companies of the merging parties;
 - (c) for transactions involving credit and financial institutions, turnover shall include the sum of income from interest, shares, securities, other variable yields, affiliated firms, any commissions or charges, net profit on financial operations, any other operating income from services such as advisory work or consulting, with deductions made for value added and all other taxes;
 - (d) for insurance undertakings, turnover shall include the value of gross premiums, all amounts received and receivable for the undertakings' insurance contracts and reinsurance premiums, with deductions made for all taxes, parafiscal contributions or levies charged.
 - (e) when aggregating the turnover of the undertakings subject of the merger the annual turnover shall be calculated by adding together the turnover of the undertakings, their its subsidiaries, parent companies, and subsidiaries of parent companies;
 - (f) all calculations of turnover shall be made in, or converted to, United States Dollars.
- (3) Methods of calculation of annual turnover and valuation of assets
Annual turnover and valuation of assets shall be calculated using the following methods -
- (a) Denomination;
 - (b) accounting standard;
 - (c) calculation of annual turnover and value of asserts of parties to a merger by adding together party to a merger, subsidiary company, parent company etc.

HON. BEATRICE ASKUL MOE

*Chairperson,
Council of Ministers*

Legal Notice No. EAC/426/2024



EAST AFRICAN COMMUNITY

EAST AFRICAN COMMUNITY COMPETITION AUTHORITY ACT, 2006

THE EAC COMPETITION (MERGER AND ACQUISITION NOTIFICATION FEES) REGULATIONS, 2024

(Under section 42(3) of the East African Community Competition Act, 2006)

IN EXERCISE of the powers conferred upon the Council by section 42(3) of the East African Community Competition Act, 2006, and upon the recommendation of the Authority, the Council of Ministers issues these Regulations this 31st day of December, 2024.

1. Title

These Regulations may be cited as the East African Community Competition (Merger and Acquisition Notification Fees) Regulations, 2024.

2. Fees for notification of mergers and acquisition to the Authority

The fees specified in the Schedule shall be payable to the East African Community Competition Authority for notification of mergers and acquisitions under Part IV of the East African Community Competition Act, 2006.

SCHEDULE

Notification Fees for Mergers and acquisitions

Aggregated value of assets or turnover (whichever is higher) of the merger/acquisition	Notification Fees payable to the Authority in United States Dollars (USD)
USD 35 million up to USD 50 Million	45,000
Above USD 50 million up to USD 100 Million	70,000
Above USD 100 Million	100,000

HON. BEATRICE ASKUL MOE

*Chairperson,
Council of Ministers*

Legal Notice No. EAC/427/2024



EAST AFRICAN COMMUNITY

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT (AMENDMENT OF FIFTH SCHEDULE) NOTICE, 2024

(Made under section 114(3) of the East African Community Customs Management Act, 2004)

IN EXERCISE of the powers conferred on the Council by section 114(3) of the East African Community Customs Management Act, 2004, this Notice is issued this 28th day of November 2024.

1. Title

This Notice may be cited as the East African Community Customs Management (Amendment of Fifth Schedule) Notice, 2024.

2. Amendment of Fifth Schedule.

The Fifth Schedule to the East African Community Customs Management Act is amended in Part B by substituting in paragraph 5 (9) the words “five hundred” with the words “two thousand”.

HON. BEATRICE ASKUL MOE
Chairperson
Council of Ministers