

MERGER NOTIFICATION AND PROCEDURES TEMPLATE

JORDAN

Jan 2006

IMPORTANT NOTE: This template is intended to provide initial background on the jurisdiction's merger notification and review procedures. Reading the template is not a substitute for consulting the referenced statutes and regulations.

1. Merger notification and review materials (please provide title(s), popular name(s), and citation(s)/web address)

A. Notification provisions	Article 10 of the Competition Law No. 33 of the year 2004 (Hereinafter the Competition Law) states that: "Enterprises wishing to carry out economic concentration operations shall submit a petition in this regard to the Competition Directorate." Available at: http://www.competition.gov.jo/Files/En/Competition_Law.PDF
B. Notification forms or information requirements	Form requested for Economic Concentration operation is available only in Arabic at the following address: http://www.competition.gov.jo/Files/Ar/Concentration_form.doc
C. Substantive merger review provisions	Articles 9, 10 and 11 of the Competition Law regulate mergers and economic concentration operation. http://www.competition.gov.jo/Files/En/Competition_Law.PDF
D. Implementing regulations	Instruction No (2) for the year 2006 issued in accordance with Article 10 (c/2) of the Competition Law, and published in the Official Gazette No 4744 of 16 February 2006 on the notice evidencing the completion of the application.
E. Interpretive guidelines and notices	Guidelines are published at: http://www.competition.gov.jo/Files/En/English_Brochure.pdf

	<p>Enterprises to control, directly or indirectly, another Enterprise or group of Enterprises is considered an economic concentration operation."</p> <p>Article 9 (A) of the Competition Law states that: "The accomplishment of economic concentration operations impacting the level of competition in the market by causing or enforcing a Dominant Position shall depend upon receiving the approval of the Minister in writing, if the total share of the Enterprise or Enterprises concerned in the economic concentration operation exceeds 40% of the total transactions in the market."</p> <p><http://www.competition.gov.io/eng/pillars.html></p>
B. If change of control is a determining factor, how is control defined?	By looking at Article 9 (A) above, control is a determining factor, however control is not defined in the Competition Law.
C. Are partial (less than 100%) stock acquisitions/minority shareholdings covered? At what levels?	Yes. No level for shares is determined. See Article 9(A) of the Competition Law.
D. Do the notification requirements cover joint ventures? If so, what types (e.g., production joint ventures)?	Yes.

4. Thresholds for notification

A. What are the general thresholds for notification?	See Article 9(A, B) of the Competition Law above.
B. To which entities do the merger notification thresholds apply, i.e., which entities are included in determining relevant undertakings/firms for threshold purposes? If based on control, how is	Thresholds are applied for all entities interested in the merger.

<p>doctrine,” please describe how this is applied. Is there a requirement of local presence (local assets/affiliates/subsidiaries) or are import sales into the jurisdiction sufficient to meet an “effects” test?</p>	<p>2. any economic activities occurring outside the Kingdom and having an effect inside the Kingdom. Local presence is not required.</p>
<p>J. If national sales are relevant, how are they allocated geographically (e.g., location of customer, location of seller)?</p>	<p>Allocation of national sales depends on the nature of the proposed merger or acquisition.</p>
<p>K. If market share tests are used, are there guidelines for calculating market shares?</p>	<p>No guidelines are available at the time being.</p>
<p>L. Are there special threshold calculations for particular sectors (e.g., banking, airlines, media) or particular types of transactions (e.g. joint ventures, partnerships, financial investments)?</p>	<p>No. There are no threshold calculations for particular sectors. For instance, banking sector has its own laws which govern them. Article 9 (C) States that: Notwithstanding anything contained in any other legislation, authorities responsible for licensing economic concentration operations in any sector shall, prior to issuing their final decision, seek the opinion of the Minister in writing regarding the extent of the effect of such operations on the level of competition.</p>
<p>M. Are any sectors excluded from notification requirements? If so, which sectors?</p>	<p>No. See Article 9(C) of the Competition Law, mentioned above.</p>
<p>N. Are there special rules regarding jurisdictional thresholds for transactions in which both the acquiring and acquired parties are foreign?</p>	<p>No.</p>
<p>O. Does the agency have the authority to review transactions that fall below the thresholds?</p>	<p>No.</p>

5. Notification requirements and timing of notification

<p>A. Is notification mandatory pre-merger?</p>	<p>Yes.</p>
<p>B. Is notification mandatory post-merger?</p>	<p>Yes.</p>
<p>C. Can parties make a voluntary merger filing even if filing is not mandatory? If so, when?</p>	<p>Yes. When the Parties are not able to calculate their market shares.</p>
<p>D. What is the earliest that a transaction can be notified (e.g., is a definitive agreement required; if so, when is an agreement considered definitive)?</p>	<p>Article 10 (A) of the Competition Law stated that: Parties shall submit a petition to the Competition Directorate, on the form adopted by the Ministry of Industry and Trade, within thirty days after having reached a draft agreement or an agreement on the economic concentration activity.</p>
<p>E. Must notification be made within a specified period following a triggering event? If so, describe the triggering event (e.g., definitive agreement) and the deadline following the event. Do the deadline and triggering event depend on the structure of the transaction? Are there special rules for public takeover bids?</p>	<p>See 5(D) above.</p> <p>For bids rules, Article 5(A (5)) of the Competition Law stipulated: " Practices, alliances and agreements, explicit or implicit, that prejudice, contravene, limit or prevent competition, shall be prohibited, especially those whose subject or aim is to:</p> <p style="padding-left: 40px;">5) Collusion in tenders or bids, whether in overbidding or underbidding, but it shall not be considered collusive to submit joint offers in which the parties announce such joint offer <i>ab initio</i>, and without the goal of such joint bidding being to prevent competition in any way.</p>
<p>F. Can parties request an extension for the notification deadline? If yes, please describe the procedure and whether there is a maximum length of time for the extension.</p>	<p>No.</p>

6. Simplified procedures

Describe any special procedures for notifying transactions that do not raise competition concerns (e.g., short form, simplified procedures, advanced ruling certificates, discretion to waive certain responses, etc.).

There are no special procedures.

7. Documents to be submitted

A. Describe the types of documents that parties must submit with the notification (e.g., agreement, annual reports, market studies, transaction documents).

- A copy of the articles and memoranda of the Enterprises concerned.
- A copy of the draft contract or agreement on the concentration.
- A list of the most important products and services in which the concerned Enterprises are involved and their shares thereof.
- A report on the consequences of the operation, especially its positive effects on the market.
- Financial statements for the two most recent fiscal years of the Enterprises concerned with economic concentration operation and their branches.
- A list of the shareholders or partners of the concerned Enterprises and the share of each therein.
- A list of their officers, members of their management boards, or members of their boards of directors.
- A list of the branches of each Enterprise.

B. Are there any document legalization requirements (e.g., notarization or apostille)?

All documents must be endorsed.

C. Are there special rules for exemptions from information requirements (e.g. information submitted or document legalization) for transactions in which the acquiring and acquired parties are foreign?

No.

8. Translation

A. In what language(s) can the notification forms be submitted?	All requested documents and information must be submitted in Arabic.
B. Describe any requirements to submit translations of documents with the initial notification, or later in response to requests for information, including the categories or types of documents for which translation is required, requirements for certification of the translation, language(s) accepted, and whether summaries or excerpts are allowed in lieu of complete translations.	In case of foreign companies, all submitted documents must be translated to Arabic by certified translator.

9. Review periods

A. Describe any applicable review periods following notification.	According to Article 11 (C) of the Competition Law, the Minister shall issue his reasoned decision regarding the economic concentration operation within a period not exceeding one hundred days starting on the date of issuing the notice evidencing the completion of the application.
B. Are there different rules for public tenders (e.g. open market stock purchases or hostile bids)?	No.
C. What are the procedures for an extension of the review periods, if any (e.g., suspended by requests for additional information, suspended at the authority's discretion or with the parties' consent)? Is there a statutory	There are no specified procedures to extent the review period.

