

ACCC MERGER REFORMS: WHAT YOU NEED TO KNOW

Australia's merger control landscape is undergoing significant changes. The Australian Competition and Consumer Commission (ACCC) will implement a **mandatory and suspensory merger notification regime starting 1 January 2026**. The reform aims to enhance competition oversight and prevent anti-competitive mergers before they occur. This factsheet outlines the key aspects of the new regime, focusing on the notification thresholds, the ACCC's assessment process, and practical steps businesses should take to comply.

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1. MANDATORY NOTIFICATION



Under the new regime, the ACCC must be notified of certain acquisitions before completion. The notification thresholds capture transactions that may significantly impact competition.

Monetary Thresholds

An acquisition is notifiable if:

- the combined Australian turnover of the acquiring and target entities exceeds \$200 million; or
- the acquiring entity's Australian turnover exceeds \$500 million.

Market Share Thresholds

An acquisition is also notifiable if:

- the combined market share of the acquiring and target entities in any relevant market exceeds 25%; or
- the acquiring entity's market share in any relevant market exceeds 40%.

These thresholds focus scrutiny on transactions with the potential to substantially lessen competition.

2. SUSPENSORY EFFECT



Once notified, mergers cannot proceed until the ACCC grants clearance.

Assessment Process

- Phase 1 Assessments: Up to 30 business days.
- Phase 2 Assessments: Up to 90 business days (with possible extensions for complex cases).

Completion Requirements

- If clearance is granted, acquisition must be completed within 12 months of the clearance decision.
- Failure to complete within this timeframe may require re-notification.

3. ACCC ASSESSMENT CRITERIA



The ACCC evaluates whether proposed acquisitions substantially lessen competition by examining:

- market concentration and post-acquisition competition levels;
- counterfactual analysis of competition without the merger;
- barriers to entry for new competitors; and
- public benefits versus anti-competitive effects.

Particular Focus Areas

- *'Killer Acquisitions'*: Companies buying competitors to eliminate market challenges.
- *'Creeping Acquisitions'*: Gradual acquisition of multiple smaller competitors.
- *Multi-Sided Platform Mergers*: Transactions affecting platforms connecting different user groups, which could harm competition between them.

4. PRACTICAL STEPS FOR BUSINESSES



Businesses should take these steps to navigate this new regime.

Early Engagement

Initiate discussions with the ACCC early in the transaction process to understand potential concerns.

Detailed Documentation

Prepare comprehensive information on the merger's impact on competition, including market shares and barriers to entry.

Consider Timing

Factor in the ACCC's assessment timelines when planning transaction schedules.

Monitor Developments

Stay informed about any updates or changes to the merger guidelines and thresholds.