

Egypt Enacts New Competition Law: Competition Authority to Impose Monetary Sanctions on Companies

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Overview

On 22 April 2026, the Egyptian Parliament gave final approval to a comprehensive new competition law, replacing the legislation that has governed competition policy in Egypt since 2005. This landmark reform represents the most significant overhaul of Egypt's antitrust framework in two decades and signals the government's commitment to aligning the country's competition regime with international best practices.

The new law fundamentally transforms Egypt's competition enforcement landscape by enhancing the independence of the Egyptian Competition Authority (ECA), introducing financial sanctions that allow the ECA to directly impose monetary sanctions on companies, establishing a High Committee for Competitive Neutrality, and strengthening procedural safeguards for investigated parties.

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Key Provisions of the New Law

1. Enhanced ECA Independence and Governance

To ensure impartiality and effectiveness, in line with international best practices and constitutional standards for independent regulatory bodies, the new law elevates the ECA's institutional status. The ECA is now considered as an autonomous regulatory body under the Egyptian Constitution. Key governance changes include:

- Full technical, financial, and administrative autonomy for the ECA.
- The ECA Chairman is now appointed by the President following approval by a majority of Parliament (previously appointed by the Prime Minister).
- The ECA now reports directly to the President rather than the Prime Minister.
- A reconstituted Board of Directors with reduced membership and no government representatives now composed exclusively of administrative judges and legal and economic experts.

2. Introduction of Financial Sanctions

In order to enable faster, more efficient enforcement and shift liability directly to corporate entities, the new law introduces financial sanctions powers for the ECA. Under the previous regime, monetary sanctions for antitrust violations could only be imposed by criminal courts on natural persons, which often resulted in lengthy proceedings and enforcement delays. The new framework introduces the following:

- The ECA may now directly impose financial sanctions on legal entities (companies) for anticompetitive practices and merger control violations.
- Clear statutory criteria for determining sanctions amounts to ensure proportionality with the nature and gravity of violations.
- Enhanced due process protections, including the right to be heard before sanctions are imposed.

3. Substantive Antitrust Provisions

In line with international best practices, and in order to close enforcement gaps, capture evolving forms of anticompetitive conduct, and provide greater legal certainty for businesses, the new law refines and strengthens the substantive competition rules:

- **Concerted Practices:** A new category of prohibited coordination has been added alongside existing prohibitions on anticompetitive agreements, capturing informal coordination between market players that falls short of a formal agreement.

- **Clarified Prohibitions:** The new law provides greater clarity on prohibited horizontal and vertical agreements and abuse of dominant position, including more detailed descriptions of restricted conduct.
- **Dominance Assessment:** The law now provides more concrete criteria for assessing market dominance, enabling companies to better self-assess their competitive position and compliance obligations.
- **Expanded Exemptions and Leniency:** The exemption and leniency regimes now apply to both horizontal and vertical agreements, providing broader opportunities for companies to seek relief from liability.

4. Merger Control Updates

The ex-ante merger control regime introduced in 2022 has been updated with increased notification thresholds. The turnover and asset value thresholds have been adjusted upward to reflect inflation and currency developments.

5. Enhanced Investigation and Enforcement Powers

To strengthen the ECA's ability to effectively investigate violations, the new law enhances the ECA's enforcement toolkit while retaining existing investigation powers (including requests for information, dawn raids, cease-and-desist and interim measures):

- **Authority to impose both behavioral and structural remedies to address anticompetitive practices.**
- **Mandatory appearance requirements for company representatives summoned for ECA interviews (previously voluntary).**
- **New sanctions for non-compliance with ECA decisions (under the prior law, non-compliance merely served as a basis for doubling prescribed fines).**
- **Increased penalties for violations of ECA investigative powers.**

6. High Committee for Competitive Neutrality

To institutionalize oversight of state measures that may distort competition and ensure a level playing field between public and private market participants, the new law formally establishes the High Committee for Competitive Neutrality. Headed by the Prime Minister, with the ECA Chairman serving as Technical Secretary, this committee, previously established by Prime Ministerial decree, is now enshrined in statute and tasked with identifying and removing anticompetitive state measures that distort market competition.

Impact on Businesses

The new Competition Law creates a more transparent, predictable, and internationally aligned regulatory environment for businesses operating in Egypt:

- **Streamlined Enforcement:** The ECA's new financial sanctions powers will enable faster resolution of competition matters, providing greater certainty for businesses and reducing prolonged criminal proceedings.
- **Corporate Accountability:** The shift to corporate liability creates clearer compliance expectations for legal entities, encouraging robust internal compliance programs.
- **Enhanced Legal Certainty:** Clarified dominance criteria, expanded leniency programs, and more detailed prohibitions provide businesses with greater guidance for self-assessment and compliance.
- **M&As Flexibility:** Increased merger notification thresholds reduce regulatory burden on smaller transactions, while clearer remedial frameworks provide predictability for larger deals.
- **Proactive Engagement Opportunities:** The ECA's enhanced independence and expanded mandate present opportunities for constructive dialogue on competition matters and market developments.

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