Regulatory Authorities: A primer

Jurisdiction	Regulatory Authority	Recent Focus Areas (prior 2 years)
US	**Securities and Exchange Commission (SEC)**	• Purchase or sale of a US Public company, guided by US Securities Exchange Act • Reviewing and clearing all necessary financial reporting information, including balance sheet and income statement, form 8-k, registration statement form S-4 and proxy statement requirement
	Federal Trade Commission (FTC) & Department of Justice (DOJ)	• Determining whether M&A transactions are likely to result in anticompetitive effects and thus whether the agencies will insist on remedies such as divestitures or ultimate blockage of such transactions, guided by Hart-Scott-Rodino Act • DOJ has sole jurisdiction in telecommunications, banks, railroads and airlines • FTC is focused on areas where consumer spending is high: health care, pharmaceuticals, professional services, food, energy, computer technology and internet service • Data privacy and security if it constitutes a key part of the competition
	Committee on Foreign Investment in the United States (CFIUS)	• Identifying and mitigating risks to US national security arising from foreign investment in US businesses • Sensitive industries, such as defense, aerospace, utilities, transportation, computer and electronic manufacturing, scientific and technical service, information technology and telecommunications, with increasing focus on data privacy and intellectual property • Data including sensitive personal and geolocation data; critical technologies including robotics, drones, advanced materials; critical infrastructure including pipelines, satellites
UK	**Competition and Markets Authority (CMA)**	• "Killer acquisitions" and harmful non-horizontal mergers aimed at removing nascent competition from market • If buyer has an existing 33% share of supply of goods or services in the UK and turnover exceeds £350 million • If target company's UK turnover exceeds £100 million • 17 sensitive areas of the economy outlined in National Security and Investment Act (NSI) • Effective competition in digital market (e.g. search and digital advertising) • Foreign transactions, even if it is a "foreign-to-foreign" transaction, if the target company carries on activities in the UK or supplies goods and services to people in the UK — making UK Foreign Direct Investment (FDI) regime one of the most far-reaching in the world
EU	**European Commission (EC)**	• Larger mergers with an EU presence, where worldwide or EU-wide turnover of the combined entity exceeds the value threshold set by the commission to examine large mergers • Notification of regulatory bodies by the transaction parties, procedural infringements, and incorrect or misleading information in the filing • "Killer acquisitions" that are potentially distortive to competition, especially in the technology sector

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China	**The State Administration for Market Regulation**	• Protection of state-owned assets, emerging domestic enterprises and key native brands • Market entry restrictions outlined in the “negative list” • National security and economic security; technology transfer • Data compliance of target enterprise, especially for those whose data assets account for a high portion of their total asset value or are of high importance to\ the businesses; post-deal data management • The anti-monopoly enforcement agency recently passed the Amendment to the Anti-Monopoly Law and released six revised draft supporting rules that govern antitrust enforcement. It refers to the State Anti-Monopoly Bureau, a deputy ministerial-level unit elevated from the anti-monopoly department of the State Administration of Market Supervision in 2021
India	**Competition Commission of India (CCI)**	• Principal regulators, antitrust • Failure of notifying and suppression/omission of material information
	Reserve Bank of India (RBI)	• Reporting mechanism for foreign investments
	Securities Exchange Board of India (SEBI)	• Acquisitions involving companies listed on Indian stock exchanges
Israel	**Israel Competition Authority (ICA)**	• Likelihood that, as a result of proposed merger, competition in the relevant market may be harmed or public would be injured, which is assessed by identifying relevant product and geographic markets, players in the market, and the level concentration before and after the merger • Cross Border Mergers: – When deals require approval in multiple jurisdictions, the IAA takes into consideration the decisions made by other authorities, primarily the FTC, DOJ and EC, considering there are no unique circumstances concerning the Israeli markets – It is also common practice that parties in such circumstances waive their right to confidentiality with respect to information provided to competition authorities, in order to allow the IAA to seek information from those authorities with respect to the merger, thus accelerating the competitive review • For internet/digital sector, product characteristics of the acquired company and buyer's motivation for the transaction

EU Turnover Threshold

[1] There are two alternative ways to reach turnover thresholds for EU dimension. The first alternative requires:
(i) a combined worldwide turnover of all merging firms over €5.000 million, and
(ii) an EU-wide turnover for each of at least two of the firms over €250 million.

The second alternative requires:
(i) a worldwide turnover of all the merging firms over €2.500 million, and
(ii) a combined turnover of all the merging firms over €100 million in each of at least three Member States,
(iii) a turnover of over €25 million for each of at least two of the firms in each of the three Member States included under ii, and,
(iv) EU-wide turnover of each of at least two firms of more than €100 million.

In both alternatives, an EU dimension is not met if each of the firms archives more than two thirds of its EU-wide turnover within one and the same Member State.