

Tanzania Merger Control: How the FCC Detects Unnotified Mergers

Introduction

As of April 2026, unnotified mergers accounted for **38 of the 43 competition-related cases** handled by the Fair Competition Commission (FCC). The figures come from the Minister for Industry and Trade's Budget Speech for the 2026/2027 financial year, delivered to the National Assembly on 22 May 2026. For dealmakers, this raises an uncomfortable question:

If a merger is never notified to the FCC, how does the Commission find out about it?

The FCC does not rely solely on voluntary disclosures, complaints, or media reports. It actively cross-checks corporate records held by the Business Registrations and Licensing Agency (BRELA). According to the Budget Speech, the FCC, in collaboration with BRELA, screened a total of **1,214 companies** recorded in the Register of Companies as of April 2026.

The stated purpose was to verify whether companies that had changed their ownership or control structure had done so without undermining compliance with the Fair Competition Act's merger control provisions.

What Does the FCC Review?

In practice, the FCC can examine filings submitted to BRELA, including:

- Share transfers;
- Changes in shareholding structures;
- Share allotments;
- Changes in directors;
- Changes in beneficial ownership; and
- Other filings that may indicate a change in control.

The FCC then assesses whether the transaction satisfies Tanzania's merger notification requirements, namely:

1. **A change of control**, and
2. **The applicable merger notification threshold**, currently based on a combined turnover or asset value of at least TZS 3.5 billion.

Where a transaction appears to meet these requirements but was not notified to the FCC before implementation, it may be flagged for further review.

Can the FCC Discover an Unnotified Merger Without a Complaint?

Yes. The FCC's review of BRELA records demonstrates that it does not depend solely on:

- Competitor complaints;
- Whistleblowers;
- Market intelligence; or

- Media announcements.

Instead, the Commission can independently identify transactions from corporate filings submitted as part of ordinary company compliance obligations.

This significantly reduces the likelihood that a qualifying merger will go unnoticed.

What Happens After the FCC Flags a Transaction?

Once a transaction is identified, whether through BRELA records or another source, the FCC will typically contact the parties involved, particularly the target company.

The parties may be asked to provide information regarding:

- The transaction structure;
- How ownership or control changed;
- The financial position of the parties at the relevant time; and
- The reasons why the transaction was not notified before implementation.

This stage is critical: the parties' explanation may influence whether the matter proceeds as a routine (if late) notification or escalates into a formal investigation.

Specifically, the matter may proceed as:

- A late merger notification with potential gun-jumping implications; or
- A formal investigation that could lead to enforcement action.

The FCC Actively Follows Up on Unnotified Deals

The available data indicates that the FCC does not simply identify potential violations and leave them unresolved.

Of the **38 unnotified merger cases** recorded as of April 2026:

- **4 cases** had reached final decisions;
- **18 cases** had preliminary decisions; and
- **16 cases** remained under investigation.

These figures demonstrate that the Commission actively pursues matters once they have been identified.

Why This Matters: The Penalties Are Not Trivial

Detection is only half the story. Under section 60(1) of the Fair Competition Act, 2003, read together with the Finance Act, 2020, a party that implements a merger without FCC approval risks an administrative penalty of between 5% and 10% of the merging parties' combined annual turnover in mainland Tanzania. Where the FCC can quantify harm suffered by an affected person, the offending party may also be ordered to pay that person twice the quantified amount, on top of the administrative penalty.

The FCC's powers do not stop at fines. Where an acquisition is found to have created or strengthened a dominant position in breach of the Act, the FCC can order divestiture, declare the transaction void,



and require shares or assets to be unwound and returned to the original owner. Since the Fair Competition (Amendment) Act came into force on 11 October 2024, there is no longer any time limit within which the FCC can make such an order, meaning a deal completed years ago remains exposed.

Key Takeaway for Businesses and Investors

A common misconception is that an unnotified merger will remain undetected if the parties do not voluntarily approach the FCC. The FCC's collaboration with BRELA suggests otherwise.

Because share transfers, ownership changes, director appointments, and other corporate actions are routinely filed with BRELA, a change of control is often visible to regulators even where no merger notification is submitted.

The practical lesson is that proceed on the assumption that any transaction meeting Tanzania's merger notification thresholds will eventually surface on the FCC's radar, whether through BRELA, a competitor, or the media. Getting merger control advice before signing is a fraction of the cost, in money and management time, of explaining an unnotified deal to the FCC after the fact.