

# Notification thresholds

There is a monetary threshold that captures large merged firms ...

Large merged firm  
threshold



An acquisition must be notified if:

- The combined Australian revenue of the merger parties is at least **\$200 million** AND
- EITHER the target's Australian revenue is at least **\$50 million** OR the global transaction value is at least **\$250 million**

... with an additional threshold for very large companies making smaller acquisitions ...

Very large acquirer  
threshold



An acquisition must be notified if:

- The acquirer group's Australian revenue is at least **\$500 million** AND
- The target's Australian revenue is at least **\$10 million**

... and a separate cumulative threshold to target creeping or serial acquisitions

Creeping or serial  
acquisitions  
thresholds



For medium to large merged firms

An acquisition must be notified if:

- The combined Australian revenue of the merger parties is at least **\$200 million** AND
- The cumulative Australian revenue from acquisitions in the past 3 years that predominantly involves the same or substitutable goods or services is at least **\$50 million**

For very large acquirers

An acquisition must be notified if:

- The acquirer group's Australian revenue is at least **\$500 million** AND
- The cumulative Australian revenue from acquisitions in the past 3 years that predominantly involves the same or substitutable goods or services is at least **\$10 million**

The following acquisitions are excluded from being accumulated:

- Acquisitions **notified to the ACCC**, except those notified under the creeping or serial acquisitions threshold
- Acquisitions **below \$2 million Australian revenue**
- Acquisitions **not connected with Australia**



Even when at least one of the notification thresholds above are met, an acquisition is only required to be notified if:

- the target is **connected with Australia**, that is, they are 'carrying on business in Australia'
- no exemptions apply.

# Exemptions from notification

There are exemptions for certain acquisitions to reduce burden and prevent disruption

## Primary law exemptions



The *Competition and Consumer Act* exempts from notification acquisitions of shares where:

- the acquirer **does not obtain control of the target** or **had already controlled the target before the acquisition**, unless a determination requires notification **despite the acquisition not resulting in control**
- the target is a Chapter 6 entity and the acquisition results in a **voting power of 20% or less**

## Land exemptions



The following **types of land acquisitions** are exempt from notification:

- land acquisitions made in relation to **residential property development**
- land acquisitions for any purpose by a business **primarily engaged in buying, selling, leasing or developing land, other than to operate a commercial business on the land** that is not ancillary or incidental to the primary purpose
- lease extensions and renewals
- land acquisitions where an acquisition of an **equitable interest in that land was previously notified**
- sale and leaseback arrangements.

These land exemptions extend to acquisitions of **land entities** and **land development rights**.

## Financial market exemptions



To **avoid disruptions to financial markets** and **ensure benign acquisitions are not captured**, acquisitions relating to the following are exempt from notification:

- debt instruments, debt interests in an entity, money lending, asset securitisation arrangements, securities financing transactions, financial accommodation, security interests and derivatives where the acquisition does not result in control
- rights issues and fundraising (including underwriting), share buy-backs and dividend reinvestment
- financial market infrastructure, including clearing and settlement facilities, exercising a contractual right of set-off, or of combination of accounts, or to close out a transaction
- nominees and other trustees, and custodial or depository services.

## Other exemptions



There are other exemptions for acquisitions relating to:

- liquidation, administration and receivership
- the operation of a law of the Commonwealth, or of a State or Territory.

## Additional requirements for major supermarkets

There are additional targeted notification requirements on the following acquisitions by Coles and Woolworths



### All acquisitions of supermarket businesses



### All land acquisitions above certain land sizes

- Land with a commercial building – 1,000 square metres gross lettable area
- Land without a commercial building – 2,000 square metres land

### *The following land acquisitions are exempt from notification:*

- Land upon which a non-supermarket business is operating or will operate
- Lease renewals or extensions for land upon which a commercial business is being operated by the acquirer
- Land acquisitions where an acquisition of an equitable interest in that land was previously notified
- Sale and leaseback arrangements

These acquisitions are notifiable regardless of the **general notification thresholds** or **control exemption**