

Merger fees information (July 2023)

Subject to some limited exceptions (see below), all mergers that qualify for reference for a phase 2 investigation are subject to a fee, irrespective of whether a reference for a phase 2 investigation is made. The fee is collected by the Competition and Markets Authority (CMA) on behalf of HM Treasury.

For mergers which involve the acquisition of a controlling interest, the fee becomes payable on the announcement of the CMA's decision (or the Secretary of State's decision in public interest cases) whether or not to refer the merger for a phase 2 investigation. The CMA's practice is to send an invoice to the merger parties after the decision on reference has been announced. Payment must be made within 30 days of the date of the invoice.

Merger fees are also discussed at Chapter 20 of [Mergers: Guidance on the CMA's jurisdiction and procedure](#) (CMA2, January 2022), and, in respect of mergers between water enterprises, paragraphs 2.17-19 of [Water and sewerage mergers: Guidance on the CMA's procedure and assessment](#) (CMA49, 13 November 2015)¹.

Level of merger fees

Fees vary according to the value of the UK turnover of the acquired enterprise(s) in the business year preceding the date of completion of the merger (for completed mergers) or the date of the CMA's (or the Secretary of State's) decision on reference (for anticipated mergers), or an earlier business year if the CMA (or Secretary of State) considers this appropriate. The following fees will apply²:

Fee	Charge band
£40,000	Value of the UK turnover of the enterprises being acquired is £20 million or less
£80,000	Value of the UK turnover of the enterprises being acquired is over £20 million but not over £70 million
£120,000	Value of the UK turnover of the enterprises being acquired exceeds £70 million, but does not exceed £120 million
£160,000	Value of the UK turnover of the enterprises being acquired exceeds £120 million

¹ In respect of water mergers, see articles 3(d), 4(3) and 5(4) of the Enterprise Act 2002 (Merger Fees and Determination of Turnover) Order 2003 SI 2003/1370 (the 'Merger Fees Order'), as amended by regulations 23 and 24 of the Water Mergers (Miscellaneous Amendments) Regulations 2015 SI 2015/1936.

² Article 5 of the Merger Fees Order. The value of the UK turnover may be adjusted where, since the end of the preceding business year, the enterprises being acquired have been involved in an acquisition or divestment, or another relevant transaction or event has occurred (article (11(3) of the Merger Fees Order).

Circumstances in which a merger fee is not payable

A merger fee is not payable if the merger involves the acquisition of an interest that is less than a controlling interest and the CMA investigated the acquisition on its own initiative.³ This exception does not apply if the merger parties notified such an acquisition by submitting a merger notice.

Further, an acquirer is exempt from paying a merger fee if, in its most recent financial year before the time the fee would become payable, it meets the criteria for small or medium-sized enterprises, as defined by reference to certain provisions in the Companies Act 2006.⁴ The acquirer qualifies as small or medium-sized if it, and also (if applicable) the group of which it is a member (as defined in section 474 of the Companies Act 2006), satisfies at least two of the following three criteria in its most recent financial year⁵:

	Turnover	Balance sheet total (aggregate amount of assets)	Number of employees
Small company	£10.2 million	£5.1 million	50
Small group	£10.2 million net (or £12.2 million gross)	£5.1 million net (or £6.1 million gross)	50
Medium-sized company	£36 million	£18 million	250
Medium-sized group	£36 million net (or £43.2 million gross)	£18 million net (or £21.6 million gross)	250

Payment of merger fees

Fees may either be paid by banker's draft, or cheque, payable to the Competition and Markets Authority and crossed 'AC Payee Only', or by Bankers Automated Clearing Systems (BACS) or Clearing House Automated Payments Systems (CHAPS). The fee must be paid in sterling. If payment is made by an electronic transfer the amount of payment received must be net of any service, transfer or wiring fees charged by any bank or financial institution.

³ Article 4(1) and (3) of the Merger Fees Order. See Chapter 4 (in particular paragraph 4.35) of [Mergers: Guidance on the CMA's jurisdiction and procedure](#) for an explanation of the term 'controlling interest'.

⁴ Article 7 of the Merger Fees Order.

⁵ Sections 382(3) to (6), 383(4) to (7), 465(3) and 466(4) of the Companies Act 2006, as amended by Regulations 4 and 9 of the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 SI 2015/980.

Please use the following information if paying by BACS or CHAPS.

National Westminster Bank (NatWest)

Sort Code: 60-70-80

Account Number: 10018220

Account Name: CMA TRUST ACCOUNT

IBAN Number: GB97NWBK60708010018220

BIC/SWIFT Code: NWBKGB2L

Bank Address:

NatWest
Government Banking Service Branch
2nd Floor, 280 Bishopsgate
London
EC2M 4RB

Any cheque sent as payment should be accompanied by the payment slip at the end of the fees request letter. The BACS or CHAPS payment should contain the acquirer's name.

Please send an email giving the acquirer's name, the CMA's file reference and invoice number, if applicable, and the CHAPS / BACS reference number to MergerSupportTeam@cma.gov.uk so that the transfer can be matched to the relevant case.