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Insights

M&A REGULATION IN THE EU (AND UK) – WHAT TO EXPECT IN 2026

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SUMMARY

Teresa Ribera has completed her first year at the helm of the European Commission's competition directorate ("DG COMP"). It was a year in which DG COMP has been busy working on possible amendments to key competition policies and guidance. But it was also a year that ended with questions unanswered regarding DG COMP's strategic direction for the next four years.

2026 could be the year in which we gain greater clarity on major policies and priorities at DG COMP, in particular in the regulation of M&A. In this article, we examine the strategic decisions that could be taken over the next 12 months, looking ahead to the draft revised merger guidelines and at the evolving relationship between DG COMP and its major international counterparts, notably in the US. We also consider key updates regarding the EU's Foreign Subsidies Regulation – which is attracting greater political attention after a notable case in 2025. And, as an addition to our annual look-ahead article, we cast our eye to the recently-revised merger remedies guidance in the EU's former Member State, the UK.

WHO WILL LEAD THE COMMISSION'S COMPETITION STRATEGY?

In summer 2025, Olivier Guersent stepped down as Director-General at DG COMP. As the Commission's top civil servant at the directorate, Guersent was an active and visible presence within the EU and global competition community. The process to find his replacement is ongoing, and it appears that this post could remain unoccupied well into 2026 – with Linsey McCallum, Deputy Director-General for Antitrust, also serving as the Acting Director-General in the meantime. Until the post is filled permanently, and potentially afterwards too depending on who is appointed, the Deputy Director-General for Mergers, Guillaume Loriot, is expected to have more influence than ever before in leading the Commission's merger cases and shaping its merger policies, including the on-going revision of the Merger Guidelines.

The Director-General, once appointed, and the Deputy Director-Generals in DG COMP will likely continue to have a larger role than usual in shaping the Commission's competition policy, as Ribera is not a subject matter expert – and her attention is divided in her multifaceted role. Alongside the competition portfolio, she is also responsible for ensuring that the EU meets its Green Deal goals and for bringing down energy prices. Environmental sustainability is a matter of great importance to Ribera, and there is a sense within the EU competition law bubble that the focus of her attention will remain on that subject, touching upon certain competition matters involving sustainability. As a result, Loriot – and the new Director-General once appointed – could be even more pivotal for the bloc's competition policy than their predecessors.

As we mentioned in 2025's "look ahead" article, the Commission's competition policymakers have to balance the competing priorities of enforcement orthodoxy and the political drive for enhanced European competitiveness. The outcome of this balancing was not clear come the end of 2025. Indeed, there are rumours of discord between Ribera and Commission President Ursula von der Leyen over DG COMP's strategies and priorities.

It is apparent that von der Leyen's and Ribera's views on competition policy differ markedly, with Ribera's process-driven approach seemingly diverging from von der Leyen's drive to stimulate European growth. Ribera's approach to competition enforcement favours technical assessments rather than political priorities, and (like her predecessor Margrethe Vestager) she has not shied away when faced with criticism from the US over the EU's digital regulations. Von der Leyen wants to ensure that Europe remains competitive globally, at a time when relations with the US are strained and the EU's economy remains well behind the US and China. The Commission's President appears to be asserting her authority directly over DG COMP's work in order to fulfil her political and economic aims – including in a speech in September 2025 where she called for the revision of the merger guidelines to completed much sooner than had been planned at staff level (as discussed further below).

In this case, the narrative of political conflict is easy to see, especially with von der Leyen and Ribera coming from different sides of the political spectrum. The coming year will undoubtedly provide further insights into whether this narrative will hold.

FORTHCOMING REVISION TO THE COMMISSION'S MERGER GUIDELINES

DG COMP ran a consultation during the summer of 2025 aimed at gathering views on themes and issues that could shape its revision of the merger guidelines. It sought input on general matters relating to the merger control process, and on technical questions for seven key topics: competitiveness and resilience; assessing market power; innovation and other dynamic elements; sustainability and clean technologies (a particular interest for Ribera); digitalisation; efficiencies; and public policy, security and labour market considerations.

As of now, DG COMP has not published any concrete proposals for the revised guidelines and is still in consultation mode. The DG COMP staff held a stakeholder workshop in January 2026 focusing on many of the key topics noted above. In particular, they sought input on whether – and if so, how – to include in the new guidelines concepts relating to innovation, sustainability, ecosystems, media and labour markets. While the staff are looking at these topics through the "competition lens", the end result could be an expansion of DG COMP's power to decide cases in new and untested ways. We understand that the merger team at DG COMP is working hard to prepare the draft, and that they are under pressure from the Commission's central leadership to put out draft guidelines by Spring 2026 and potentially to finalise the guidelines by the end of 2026. The importance placed on these revised guidelines by the Commission's leadership is in keeping with the priorities set out in the Draghi Report, which called for the merger guidelines to be brought up to date and made "*fit for purpose*" as part of the broader drive to improve European competitiveness. We can expect DG COMP's work on the revised guidelines to be closely monitored by senior Commission officials, including other Commissioners, to ensure that it supports their objectives.

NEW UK MERGER CONTROL PROCESSES AND PRIORITIES

At the very end of 2025, the UK's Competition and Markets Authority ("CMA") published its revised merger remedies guidance. This was a surprisingly quick turnaround from the CMA, which had published its draft revised guidance for consultation only two months earlier. In addition, in mid-January 2026 the CMA launched a broader consultation on a package of reforms to both its markets and mergers functions.

Similar to DG COMP, the CMA's revision of its guidance comes at a time when it is under the microscope of the UK Government, which expects the CMA to ensure that its merger control function does not hinder investment in the UK. The CMA's 4Ps – pace, predictability, proportionality, process – were introduced in 2025 as guiding principles for its work. The amendments to the merger remedies guidance should be viewed in this context.

The CMA's amendments to the merger remedies guidance are focused on its approach to remedies, preserving efficiencies and merger benefits, and running an efficient remedies process. Underpinning this is a desire to ensure that the CMA's approach to remedies is not overly rigid, in particular as regards behavioural remedies (such as granting third parties access to specific goods or services). Historically, the CMA has been less willing than other competition authorities to clear a deal with behavioural remedies (i.e. a commitment to do or not do something), preferring instead to rely on structural remedies (where the parts of the business(es) causing concern are sold off). This reluctance to engage with behavioural remedies put the CMA at odds with other global competition authorities and major businesses – and the revised guidance is intended in part to reassure businesses that the CMA will engage constructively with them.

However, this is unlikely to mean that behavioural remedies become the CMA's standard or preferred approach to addressing competition concerns. The CMA's preference for structural remedies is set to continue, but in some cases behavioural remedies may be treated more favourably by the CMA than has been the case to date.

A welcome aspect of the CMA's new remedies guidance is that behavioural remedies may now be considered during a phase 1 review (the initial merger review stage at which the CMA decides whether to launch an in-depth phase 2 investigation). This is a departure from the CMA's previous position, under which only structural remedies could be accepted during phase 1. However, the CMA will continue to require that remedies accepted at phase 1 are "clear cut" for addressing competition concerns, and are "capable of ready implementation". Given this high bar at phase 1, it remains to be seen whether many deals are cleared at phase 1 with behavioural remedies – or whether in practice it is too complicated to arrive at a clear cut behavioural remedy within the strict time limits of a phase 1 review.

The CMA's revised remedies guidance, though narrower in scope than DG COMP's merger guidelines, is of significant importance to deals which present competition concerns. Such deals typically attract greater attention from industry and the media. With pressure from the UK Government to support its pro-growth agenda, the CMA's conduct of cases over the next 12 months – and in particular its application of the revised remedies guidance and its relatively new phase 2 investigation process – will likely indicate how far the CMA has adapted its approach to mergers. In addition, we could gain even more insights into the CMA's priorities and approach as it progresses its consultation on its broader markets and mergers reforms package.

PROSPECTS FOR INTERNATIONAL COOPERATION BETWEEN AGENCIES

Businesses with activities in multiple jurisdictions typically hope for consistency in how various merger control regimes treat their deals. However, the prospect of consistent treatment of deals between the US and EU – and of potential cooperation between competition authorities – could be tested over the coming months and years. In particular, the US merger control regime is becoming less predictable, with certain deals attracting greater political scrutiny featuring significant political lobbying. This comes at a time when US/EU relations are under greater strain, all of which could hamper cooperation between DG COMP and its counterparts in the Department of Justice and the Federal Trade Commission. As a result, businesses with deals that are subject to merger control reviews in both the US and EU are facing greater uncertainty from the outset.

By contrast, the European Commission is striving for greater consistency and harmonisation within Member States' foreign direct investment ("FDI") screening regimes. Although an element of divergence is to be expected between FDI regimes given the more political nature of the process, nevertheless the EU is taking steps to encourage greater harmonisation within the EU via its

forthcoming revised FDI regulation. For further information on the proposed revised regulation, please see our team's recent article.

FOREIGN SUBSIDIES REGULATION – NEW GUIDANCE, AND POSSIBLY MORE AMENDMENTS TO COME?

On 9 January 2026, the European Commission published its guidelines for the Foreign Subsidies Regulation ("FSR") regime. The new FSR guidelines provide further explanation on how the Commission assesses whether a foreign subsidy distorts the EU's internal market, and how it balances the negative and possible positive effects of a distortive foreign subsidy. The guidelines also provide detail on the Commission's *ex ante* review powers under the FSR, including limited safe harbours within which the Commission will not launch an investigation on its own initiative. For further information about the FSR in general, you can read our team's previous article on the FSR regime.

Although the Commission has sought to add clarity to the functioning of the FSR regime, others are seeking broader change. Most notably, in December 2025 the German government called for the mandatory M&A notification regime to be replaced by a call-in mechanism, on the basis that less than 1% of notifications had resulted in an in-depth investigation. It also recommended that the Commission's remedial powers under the FSR be pared back. This call for proportionality would be welcomed by businesses, although a call-in mechanism could introduce a greater level of uncertainty compared with a mandatory notification regime.

Given that the Commission has only recently finalised its FSR guidelines, it is perhaps unlikely that a more fundamental review of the FSR will be forthcoming in the next few months – but never say never.

If you would like to discuss any of the matters raised in this article – or have a question more generally on merger control, FDI or the FSR – please contact the authors.

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