

COMMISSION RESOLUTION NO. 03-2019

ADJUSTING THE MERGER NOTIFICATION THRESHOLDS PURSUANT TO MEMORANDUM CIRCULAR NO. 18-001

WHEREAS, parties to a merger or acquisition with a transaction value that satisfies the thresholds under Section 17 of Republic Act No. 10667, otherwise known as the Philippine Competition Act (“Act”), and Rule 4, Section 3 of the Implementing Rules and Regulations of the Act (“IRR”) are required to notify the Commission within thirty (30) days from signing of definitive agreements relating to the merger or acquisition;

WHEREAS, Rule 4, Section 3 of the IRR, as amended by PCC Memorandum Circular 18-001 (“MC 18-001”) dated 01 March 2018, provides that parties to a merger or acquisition are required to provide notification when: (a) the aggregate annual gross revenues in, into, or from the Philippines, or the value of the assets in the Philippines of the ultimate parent entity of at least one of the acquiring or acquired entities, including that of all entities that the ultimate parent entity controls, directly or indirectly (the “**Size of Party**”) exceeds Five Billion Pesos (PhP 5,000,000,000.00), and (b) the value of the transaction exceeds Two Billion Pesos (PhP 2,000,000,000.00), as determined in subsections (1), (2), (3), or (4) thereof (the “**Size of Transaction**”);

WHEREAS, Section 3 of MC 18-001 provides that unless otherwise modified or repealed by the Commission, the thresholds set out in Rule 4, Section 3 (a), (b) and (d) of the IRR, as amended, shall be automatically adjusted commencing 01 March 2019 and on March 1st of every succeeding year, using as index the Philippine Statistics Authority’s (“PSA”) official estimate of the nominal Gross Domestic Product (“GDP”) growth of the previous calendar year rounded up to the nearest hundred millions;

WHEREAS, based on PSA’s official estimate as of January 2019, the nominal GDP grew by 10.23 percent from 2017 to 2018;

NOW, THEREFORE, by virtue of MC 18-001, the Commission has **RESOLVED**, as it hereby **RESOLVES**, to adjust the notification thresholds based on PSA’s official estimate of the nominal GDP growth as follows:

Effective 01 March 2019, parties to a merger or acquisition shall be required to provide notification when:

- a) **The Size of Party exceeds Five Billion Six Hundred Million Pesos (PhP 5,600,000,000.00);**

and

- b) The Size of Transaction exceeds Two Billion Two Hundred Million Pesos (PhP 2,200,000,000.00) as determined under Rule 4, Section 3(b), subsections (1), (2), (3) or (4), or Section 3(d) of the IRR, as the case may be.

The revised Size of Transaction shall also apply to joint venture transactions under Rule 4, Section 3(d) of the IRR.

DONE this 21 February 2019 in Quezon City, Philippines.



ARSENIO M. BALISACAN
Chairman



JOHANNES BENJAMIN R. BERNABE
Commissioner



AMABELLE C. ASUNCION
Commissioner



MACARIO R. DE CLARO, JR.
Commissioner