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## **PRESS RELEASE**

### **21 February 2017**

## **PCC says P1-B M&A threshold stays**

The PCC released a policy statement today outlining its view that there is no pressing need to raise the P1-billion threshold for reviewing merger and acquisition (M&A) deals in the country.

“The Commission initiated a preliminary review of all relevant data and finds that there is a sound basis to maintain the P1-billion threshold, at least for now,” PCC Chairman Arsenio Balisacan said.

Under Republic Act No. 10667, or the Philippine Competition Act, the antitrust regulator should be notified for M&A deals whose transaction values are above P1-billion before the transaction is consummated.

The PCC conducted the review to find out whether the P1-billion threshold is too low. A low threshold could mean additional delays for companies engaged in M&A transactions, while at the same time over-burdening the one-year old competition agency.

The Commission said the P1-billion minimum is reasonable as a cross-country comparison with other jurisdictions with mandatory notification requirements showed that the country’s threshold is similar to economies of comparable size such as Colombia and South Africa.

Moreover, over the past year of operation, there has been no backlog in the PCC’s merger review docket.

Based on the assets of companies in the Philippines, less than 1 percent or at most 1,500 firms would be subject to the current threshold if they decide to expand their businesses through M&A.

Transaction value refers to the companies’ total assets located in the Philippines or the revenues that are earned from the country.

The PCC will conduct regular monitoring of the M&A notifications and will revisit the threshold level periodically to make sure it is responsive to changes in the markets and the economy.

“The Commission will continue to monitor developments in the country’s markets and consider additional information from forthcoming notifications,” Balisacan said.



“PCC’s review of the threshold could consider factors such as inflation, GDP growth, and changes in technology, consistent with the practices in other jurisdictions. Ultimately, in determining the threshold, the PCC will consider what is best for the country.”

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