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**PRESS RELEASE**  
**4 September 2018**

## **PCC approves AXA-XL Group merger but imposes fine for late filing**

The Philippine Competition Commission has approved the acquisition by AXA S.A. of XL Group Ltd. but has subjected the merging insurance firms a fine for their late filing of notification to the antitrust commission.

AXA, through its subsidiary Camelot Holdings Ltd., is set to merge with XL Group, with XL Group surviving the merger as a wholly-owned subsidiary of AXA.

The AXA-XL Group merger is the first case to be fined for late filing of the compulsory notification. Under the PCC Rules of Merger Procedure, the firms should have filed their notification on or before April 4 or within 30 days after signing the definitive agreement executed on March 5. The firms filed on June 25, or 112 days after the signing of the merger agreement. Upon subsequent review, the PCC Mergers & Acquisitions Office found that the transaction is not likely to result in a substantial lessening of competition and was approved on August 16.

Aside from filing notification before the PCC, both AXA and XL have global operations that required 11 notifications to be filed with different competition authorities.

A merger or acquisition is considered consummated when the parties have transferred, conveyed, assigned, encumbered any right, title, interest, property or asset that is subject of the definitive agreement.

Under the PCC Rules of Merger Procedure, merging firms have to notify the PCC within 30 days of executing a definitive agreement. If the firms notify beyond the 30-day period but before consummating the transaction, they may be subjected to a fine of ½ of 1% of 1% of the value of transaction. As applied to the AXA-XL Group, the fine amounted to P123,861.86.

“We urge firms to observe a standard of diligence in complying with notification requirements across countries whether large or small. Merging parties that file after the notification period, even prior to consummation of the deal, will be fined,” said Chairman Arsenio M. Balisacan.

### **Life and Non-Life Insurance**

AXA is known primarily to handle life insurances, while XL Group is established in providing non-life insurance.

Acquiring entity AXA is the holding company of the AXA Group, a prominent player in insurance and asset management in Europe, the US, Middle East, Latin America, and Asia, including the Philippines. In the Philippines, AXA Group maintains its operations through Philippine AXA Life Insurance Corporation, among others.

On the other hand, the XL Group is a global insurance company incorporated in Bermuda that provides casualty, property and specialty products to enterprises in North America, London, Asia Pacific and Bermuda.

### **Avail PNCs**

PCC provides pre-notification consultation (PNC) which can help merging parties in their timing of notifications. In PNCs, firms are given non-binding advice on required information needed, guidance on thresholds, and identified markets covered by the merging firms.

### **M&A reviews**

To date, PCC has received 154 transactions including 44 global mergers, and has approved 143 of them.

PCC, the country's anti-trust body, is mandated under the Philippine Competition Act to review mergers and acquisitions to ensure that these deals will not prejudice competition in the market and the interest of the consumers.

**AXA-XL Group Merger Decision Link:** <https://www.phcc.gov.ph/commission-decision-no-29-m-026-2018-acquisition-by-axa-s-a-through-camelot-holdings-ltd-of-sole-control-over-xl-group-ltd/>

### **AXA-XL Group Late Notification Decision**

**Link:** <https://www.phcc.gov.ph/commission-decision-no-30-m-03-2018-in-the-matter-of-axa-s-a-camelot-holdings-ltd-and-xl-groups-alleged-violation-of-the-compulsory-notification-requirements-under-section-2-1-of-the-pcc-rules/>

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