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## **PCC eases merger review to 15 days on qualified transactions**

In line with the government's move to ease doing business in the country, the Philippine Competition Commission (PCC) is offering a fast-track review route for qualified merger and acquisition transactions.

In a Commission Resolution issued on May 28, the PCC set down the rules for an expedited review process for transactions that are less likely to substantially prevent, lessen, or restrict competition in their relevant markets.

The expedited merger review will take 15 working days instead of 30 calendar days under the regular phase 1 merger assessment. The new rules shall take effect on July 2 or 15 days after its publication today.

Merging parties may apply for the expedited review within 30 days after signing the definitive agreement on the deal, but prior to any acts of consummation.

"The PCC recognizes that a strong and vibrant economy stimulates firms' appetite for business consolidation, corporate takeovers, and market expansion. The expedited merger review is a testament of PCC's commitment to be efficient in the review of transactions deemed less likely to pose competition concerns," said PCC Chair Arsenio M. Balisacan.

The following types of transactions may qualify for the expedited merger review process:

- **No overlaps:** There are no actual or potential horizontal or vertical (including complementary) business relationship in the Philippines between the acquiring entity, including its Notifying Group, and the acquired entity and the entities it controls.
- **Global transaction with PH as assemblers, export manufacturers:** The merger is a global transaction where the acquiring and acquired entities identified in the definitive agreement are foreign entities, and their subsidiaries in the Philippines act merely as manufacturers or assemblers of products with at least 95% of such products exported to the foreign parents, subsidiaries, affiliates or third parties



located outside the Philippines: Provided, That the remaining 5% product sales in a market in the Philippines is minimal in relation to the entirety of such Philippine product market.

- **Global transaction with limited presence in PH:** The candidate relevant geographic market of the merger is global and the acquiring and acquired entities have negligible or limited presence in the Philippines.

- **Joint ventures for real estate projects:** Joint ventures, whether incorporated or not, formed purely for the construction and development of a residential and/or commercial real estate development project.

“The expedited merger review demonstrates PCC’s commitment in enabling a conducive regulatory environment for doing business while implementing its legal mandate of guarding against transactions that may substantially lessen competition in the market,” Balisacan added.

“Every merger review employs different levels of technical expertise and resources. The expedited review of mergers that are less likely to pose competition issues will lead to more efficient use of Commission resources towards the implementation of a holistic merger control regime,” he said.

PCC notes that the regular 30-calendar day period for merger review is among the shortest review periods in the world. PCC also offers free pre-notification consultation to parties, including if transactions may qualify for the expedited process.

PCC, the country’s antitrust body, is mandated under the Philippine Competition Act to review mergers and acquisitions to ensure that these deals will not result in substantial lessening of competition in the market and harm the interest of consumers.

To date, the PCC has received 184 notifications, approved 174 transactions, and blocked 1 transaction, with a total transaction value of P2.87 Trillion. The top 5 most active sectors for mergers and acquisitions are manufacturing with 42 transactions; finance and insurance, 30; real estate, 24; electricity and gas, 24; and transportation and storage, 13.

[Download \(Commission-Resolution-No.-008-2019-and-Rules.pdf\)](#)

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