
COMMISSION RESOLUTION NO. 18-2022

ADJUSTING THE MERGER NOTIFICATION THRESHOLDS PURSUANT TO MEMORANDUM CIRCULAR 18 – 001

WHEREAS, parties to a merger or acquisition with a transaction value that meets 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 Republic Act No. 10667 (“IRR”) are required to notify the Commission within thirty (30) days from signing of definitive agreements relating to the merger or acquisition;

WHEREAS, Section 3 of PCC Memorandum Circular 18-001 (“MC 18-001”) dated 1 March 2018 provides that unless otherwise modified or repealed by the Commission, the thresholds set out in Rule 4, Section 3 (a), (b) and (d) of the IRR as amended, shall be automatically adjusted commencing 1 March 2019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. As such, the PCC merger notification thresholds were adjusted in 2019 and 2020;

WHEREAS, pursuant to to Section 4 (eee) of Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act (“**R.A. 11494**”), the PCC issued Commission Resolution No. 22-2020 dated 24 September 2020 which provides that, to promote business continuity and capacity building, all mergers and acquisitions with transaction values below Fifty Billion Pesos (Php50,000,000,000.00) shall be exempt from compulsory notification under Section 17 of the Act if entered into within a period of two (2) years from the effectivity of R.A. 11494. R.A.11494 took effect on 15 September 2020;

WHEREAS, the two-year period under R.A. 11494 providing for a higher notification threshold has lapsed;

WHEREAS, based on PSA’s official estimate as of 2022, the nominal GDP grew by 8.13 percent in 2020 - 2021;

WHEREAS, the Commission will undertake further studies to consider all factors relevant to the adjustment of notification thresholds in addition to the PSA’s official estimate of the nominal GDP growth of the previous calendar year beginning the year 2023;

NOW, THEREFORE, by virtue of MC 18-001, the Commission has **RESOLVED**, as it hereby **RESOLVES**, to provisionally adjust the notification thresholds based on PSA's official estimate of the nominal GDP growth until the approval by the Commission en banc of new thresholds for compulsory notification.

Effective 16 September 2022, parties to a merger or acquisition shall be required to provide notification when:


a) **The Size of Party exceeds Six Billion One Hundred Million Pesos (PhP 6,100,000,000.00);**

and

b) **The Size of Transaction [under Rule 4, Section 3(b), subsections (1), (2), (3), or (4), or Section 3(d) of the IRR, as the case may be] exceeds Two Billion Five Hundred Million Pesos (PhP 2,500,000,000.00).**

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

DONE this 13 September 2022 in Quezon City, Philippines.


JOHANNES BENJAMIN R. BERNABE
Officer-in-Charge, Office of the Chairperson


EMERSON B. AQUENDE
Commissioner


MARAH VICTORIA S. QUEROL
Commissioner


MICHAEL B. PELOTON
Commissioner