

COMMISSION RESOLUTION No. 02-2020

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, and Rule 4, Section 3 of its Implementing Rules and Regulations (“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 No. 18-001 (“MC 18-001”) dated 1 March 2018 and Commission Resolution No. 03-2019 dated 21 February 2019, 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 Six Hundred Million Pesos (PhP 5,600,000,000.00), and (b) the value of the transaction, as determined under subsections (1), (2), (3), or (4) thereof (the “**Size of Transaction**”), exceeds Two Billion Two Hundred Million Pesos (PhP 2,200,000,000.00) ;

WHEREAS, Section 3 of MC 18-001 provides that unless otherwise modified or repealed by the Commission, the thresholds set out in Rule 4, Section 3 (a), (b) and (d) of the IRR, as amended, shall be automatically adjusted commencing on 1 March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;

WHEREAS, based on PSA’s official estimate as of January 2020, the nominal GDP grew by 6.8 percent from 2018 to 2019;

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 1 March 2020, parties to a merger or acquisition shall be required to provide notification when:

- a) **The Size of Party exceeds Six Billion Pesos (PhP 6,000,000,000.00);**

and

- b) **The Size of Transaction, as determined under Rule 4, Section 3(b) of the IRR, exceeds Two Billion Four Hundred Million Pesos (PhP 2,400,000,000.00).**

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

DONE this 11 February 2020 in Quezon City, Philippines.


ARSENIO M. BALISACAN
Chairman


JOHANNES BENJAMIN R. BERNABE
Commissioner


AMABELLE C. ASUNCION
Commissioner


MACARIO R. DE CLARO, JR.
Commissioner