

PCC MEMORANDUM CIRCULAR NO. 20-003

Subject: **MERGERS AND ACQUISITIONS ENTERED INTO PRIOR TO THE EFFECTIVITY OF THE BAYANIHAN TO RECOVER AS ONE ACT (R.A. No. 11494)**

Section 1. Purpose. This Circular provides information and guidance to the public regarding mergers and acquisitions entered into prior to the effectivity of Republic Act No. 11494 (“R.A. 11494”) on 15 September 2020, otherwise known as the Bayanihan to Recover As One Act.

Section 2. Exemption from compulsory notification and motu proprio review. Section 4 (eee) of R.A. No. 11494 provides that “all mergers and acquisitions with transaction values below Fifty billion pesos (P50,000,000,000.00) shall be exempt from compulsory notification under Section 17 of Republic Act No. 10667 or the ‘Philippine Competition Act’ if entered into within a period of two (2) years from the effectivity of this Act, and further, shall be exempt from the PCC’s power to review mergers and acquisitions *motu proprio* provided in Section 12 of Republic Act No. 10667 for a period of one (1) year from the effectivity of this Act.”

Section 3. Transactions prior to the effectivity of R.A. No. 11494. Mergers and acquisitions entered into prior to the effectivity of R.A. No. 11494 which exceed the thresholds of two billion four hundred million pesos (P2,400,000,000.00) for the Size of Transaction and six billion pesos (P6,000,000,000.00) for the Size of Parties, including those that are now pending before the Philippine Competition Commission (“PCC”) for review, are still subject to compulsory notification and review in accordance with Section 17 of the Philippine Competition Act (“PCA”) and existing PCC rules, guidelines, and issuances. Similarly, all mergers and acquisitions entered into prior to the effectivity of R.A. No. 11494 may still be subject to *motu proprio* review in accordance with Sections 12(b), 16, and 20 of the PCA and existing PCC rules, guidelines, and issuances.

Section 4. Interim guidelines. The PCC will issue appropriate guidelines to implement Section 4 (eee) of R.A. No. 11494.

Quezon City, Philippines, 17 September 2020.


ARSENIO M. BALISACAN
Chairman


JOHANNES BENJAMIN R. BERNABE
Commissioner


AMABELLE C. ASUNGION
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MACARIO R. DE CLARO, JR.
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