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PCC raises fines for competition law violations

The Philippine Competition Commission (PCC) has made inflation adjustment to its schedule of fines, effectively raising the administrative penalties for violations of the competition law.

In its [Memorandum Circular No. 21-001](#) published today, the PCC has increased the fines for anti-competitive agreements, abuses of dominance, anti-competitive mergers, and violations of compulsory merger notification by 10%. The Philippine Competition Act provides for the inflation adjustment in administrative penalties every 5 years to maintain their real value from the time the law was enacted.

“Indexing the value of imposable fines to inflation ensures that the competition law’s sanctions maintain sufficient deterrent effect,” said PCC Chairperson Arsenio M. Balisacan.

For cartels, abuses of dominance, and prohibited mergers, the maximum administrative fine for the first offense has been raised from PHP 100 million to PHP 110 million. For belated merger notification, the maximum fine is now at PHP 2.2 million, up from PHP 2 million.

The adjustment also includes fines for offenses committed in the course of PCC’s competition enforcement and merger review, such as the supply of incorrect or misleading information and failure to comply with an order of the Commission.

The fine increase will take effect on 9 February 2021 or 15 days after publication of the circular. It will only apply to violations committed after the circular’s effectivity.

While the circular recalibrates the range of fines, the computation of actual fines are determined by several factors, such as the gravity and duration of the infringement, profits derived from the illegal conduct, and consumer harm.

“Along with effective detection and prosecution of infringements, increasing PCC’s fines is meant to deter cartelistic and abusive business practices that take advantage of consumers amid the pandemic,” added Balisacan.

Since 2016, the competition authority has imposed a total of PHP162.5 million fines on erring entities.

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