



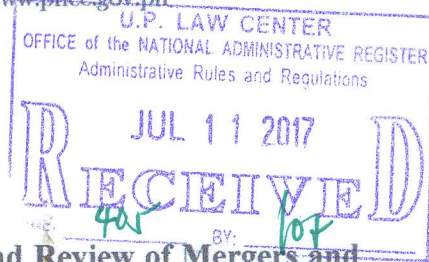
Republic of the Philippines

**PHILIPPINE COMPETITION COMMISSION**

2/F DAP Building, San Miguel Avenue, Ortigas Center, Pasig City 1600

Tel./Fax: (632) 6312129 • Email: [queries@phcc.gov.ph](mailto:queries@phcc.gov.ph) • Website: [www.phcc.gov.ph](http://www.phcc.gov.ph)

**PCC Memorandum Circular No. 17-002  
Series of 2017**



To: All Concerned

Subject: **Revised Rules on Payment of Fees for Notification and Review of Mergers and Acquisitions**

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As approved by the Philippine Competition Commission (“PCC” or the “Commission”) in its meeting on 15 June 2017, the following revised rules on payment of fees for notification and review of proposed mergers and acquisitions (“M&A”) are hereby adopted:

Stage/Phase	Fee	Payment Schedule
1. Notification Filing and Phase I Review	Php250,000.00 <sup>1</sup>	Within ten (10) days from receipt of an Order of Payment from the PCC
2. Phase II Review	1% of 1% of the value of the transaction which shall not be less than Php1,000,000.00 nor exceed Php5,000,000.00. <sup>2</sup>	Within ten (10) days from receipt of an Order of Payment from the PCC

**A. Fees**

The notification and review of M&As required to be notified to the Commission under the Philippine Competition Act (“Act”) and its Implementing Rules and Regulations (“Rules”) shall be subject to the payment of fees corresponding to the following stages of a notified M&A review:

- (i) Notification Filing and Phase I Review – An Order of Payment shall be sent to the notifying parties once the Mergers and Acquisitions Office determines that the notification filing is complete pursuant to Rule 4, Section 5 (f) of the Rules. Once payment has been made, the Mergers and Acquisitions Office shall issue notices of sufficiency to the notifying parties for purposes of commencing Phase I review of the M&A.
- (ii) Phase II Review – An Order of Payment shall be sent to the notifying parties within five (5) days from the notifying parties’ receipt of a notice from the Mergers and Acquisitions Office stating that it will proceed to a Phase II review of the M&A.

<sup>1</sup> inclusive of 1% Legal Research Fund.

<sup>2</sup> inclusive of 1% Legal Research Fund.



## B. Schedule and Manner of Payment

All fees subject of this Circular shall be paid by the acquiring entity within ten (10) days from its receipt of an Order of Payment for the Notification Fee or the Phase II Review Fee, as the case may be, from the PCC.

All fees covered by this Circular shall be paid by manager's cheque, payable to the Philippine Competition Commission.

## C. Effect of Non-Payment

Failure to pay the applicable fees in accordance with this Circular shall result in the return of the Notification Forms to the notifying parties. Accordingly, no notification of the M&A is deemed to have been made to the PCC.

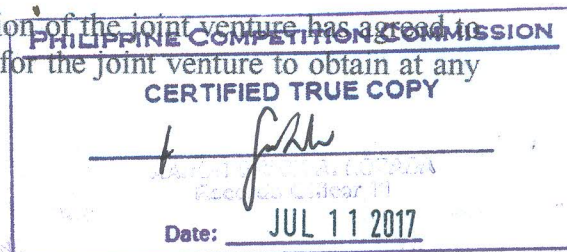
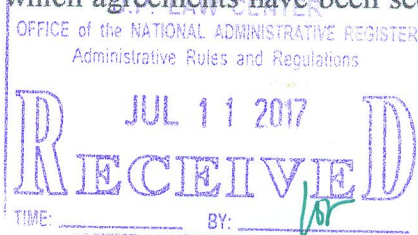
## D. Determining the Value of the Transaction

The value of the transaction shall be computed based on the following schedule, whichever is higher:

1. If the transaction is one of merger or acquisition of assets in the Philippines:
  - a) the aggregate value of the assets in the Philippines being acquired or
  - b) the gross revenues generated in the Philippines by assets acquired in the Philippines.
2. If the transaction is one of merger or acquisition of assets outside the Philippines:
  - a) the aggregate value of the assets in the Philippines of the acquiring entity; or
  - b) the gross revenues generated in or into the Philippines by those assets acquired outside the Philippines.
3. If the transaction is one of merger or acquisition of assets inside and outside the Philippines:
  - a) the aggregate value of the assets in the Philippines of the acquiring entity; or
  - b) the aggregate gross revenues generated in or into the Philippines by assets acquired in the Philippines and any assets acquired outside the Philippines collectively.
4. If the transaction is one of acquisition of voting shares of a corporation or of an interest in a non corporate entity:
  - a) the aggregate value of the assets in the Philippines that are owned by the corporation or non-corporate entity or by entities it controls, other than assets that are shares of any of those corporations; or
  - b) the gross revenues from sales in, into, or from the Philippines of the corporation or non entity or by the entities it controls.
5. If the transaction is one of joint venture:
  - a) the aggregate value of the assets that will be combined in the Philippines or contributed into the joint venture; or
  - b) the gross revenues generated in the Philippines by assets to be combined or contributed into the proposed joint venture.

In computing the assets in a joint venture, the following shall be included:

- i) all assets which any entity contributing to the formation of the joint venture has agreed to transfer, or for which agreements have been secured for the joint venture to obtain at any time; and



- ii) any amount of credit or any obligations of the joint venture which any entity contributing to the formation has agreed to extend or guarantee, at any time.

#### E. Determining the Value of Assets and Gross Revenues

The aggregate value of assets in the Philippines shall be based on the last regularly prepared balance sheet or the most recent audited financial statements in which those assets are accounted for. The gross revenues from sales of an entity shall be the amount stated on the last regularly prepared annual statement of income and expense of that entity.

For joint ventures, the value of assets that will be transferred into the joint venture shall be (i) that as stated on the last regularly prepared balance sheet or the most recent audited financial statements in which those assets are accounted for, or (ii) an independent valuation report, whichever is higher. The value of assets for which agreements have been secured for the joint venture to obtain shall be the transaction price as stated in such agreement.

The value of the credit or obligations of the joint venture extended or guaranteed to such joint venture shall be that as stated in the transaction document that provides for the extended credit or guaranteed obligation.

#### F. Separability Clause

If any section or part of this Circular is held unconstitutional or invalid by a court of competent jurisdiction, the other sections or provisions not otherwise affected shall remain in full force or effect.

#### G. Repealing Clause

PCC Memorandum Circular No. 16-003 (*Filing Fees for Merger Notification and Review*) is hereby repealed and superseded by this Circular.


All other orders, rules and regulations, and issuances of the Commission, or any part thereof inconsistent with the provisions of this Circular are hereby repealed, amended or modified accordingly.

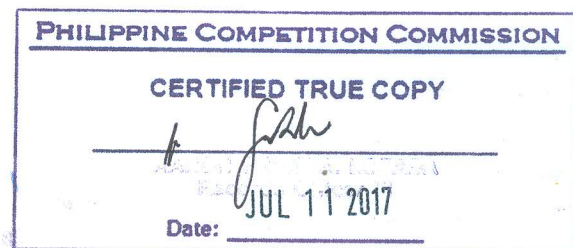
#### H. Effectivity


This Circular shall take effect after fifteen (15) days from publication in a newspaper of general circulation.


Pasig City, Philippines.

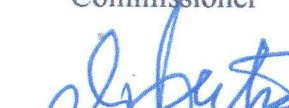
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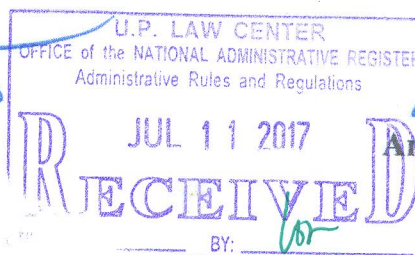
  
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