



REPUBLIC OF THE PHILIPPINES
PHILIPPINE COMPETITION COMMISSION

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

MEMORANDUM CIRCULAR No. 16-002

Series of 2016.

TO : ALL CONCERNED

**SUBJECT : MERGERS AND ACQUISITIONS EFFECTED THROUGH THE
PHILIPPINE STOCK EXCHANGE EXECUTED AND
IMPLEMENTED AFTER THE EFFECTIVITY OF R.A. 10667 AND
BEFORE THE EFFECTIVITY OF ITS IMPLEMENTING RULES
AND REGULATIONS**

WHEREAS, the Philippine Competition Commission issued on 12 February 2016 Memorandum Circular No. 16-001 ("MC No. 16-001") providing transitory rules and guidelines anent mergers and acquisitions that were, or are to be, executed or otherwise implemented after the effectivity of Republic Act No. 10667 (otherwise known as the "Philippine Competition Act") but before the effectivity of the implementing rules and regulations of the law;

WHEREAS, MC No. 16-001 provides that given the special nature of transactions effected through the Philippine Stock Exchange, transitory rules and guidelines pertinent to the notification of relevant transactions therein after the effectivity of MC No. 16-001 but before the effectivity of the implementing rules and regulations shall be promulgated by the Commission in a separate memorandum circular;

IN VIEW OF THE FOREGOING and by virtue of the powers vested by R.A. 10667, the Commission resolved to adopt the following transitory rules and guidelines with regard to transactions to be effected through the Philippine Stock Exchange:

1. Parties to a merger or acquisition agreement (i) where one of the parties is a company whose shares of stock are listed in the Philippine Stock Exchange pursuant to Republic Act No. 8799 (otherwise known as the "Securities Regulation Code"); (ii) where the value of the transaction exceeds One Billion Pesos (P1,000,000,000.00) (these two conditions [i] and [ii] constituting what is hereinafter referred to as a "covered transaction"); (iii) which, prior to being consummated, is required to be disclosed or otherwise notified to the Philippine Stock Exchange under the Securities Regulation Code and its implementing rules and regulations; and (iv) is to be consummated after the effectivity of this Memorandum Circular but before the effectivity of the implementing rules and regulations (hereinafter referred to as the "covered period") shall, prior to executing the covered transaction, notify the Commission through a letter addressed to the Commission containing the following information:
 - a. the parties to the merger or acquisition;
 - b. the name and contact details of the authorized representatives of each of the parties to the merger or acquisition to whom the Commission may address any correspondence;
 - c. a brief description of the businesses of the parties to the transaction;
 - d. the type of transaction (whether a merger or an acquisition);
 - e. the consideration;
 - f. the key terms of the transaction; and
 - g. the timing for the execution or implementation of the transaction.
2. Parties to a covered transaction which is not required to be disclosed or notified to the Philippine Stock Exchange prior to being

consummated under the Securities Regulation Code and its implementing rules and regulations and is to be consummated within the covered period shall notify the Commission before the close of business of the first working day after that in which the covered transaction occurred through a letter addressed to the Commission containing the same information enumerated in the immediately preceding paragraph;

3. To aid the Commission in obtaining relevant information about covered transactions, the Philippine Stock Exchange shall regularly provide the Commission with a list of covered transactions which fall under the two immediately preceding paragraphs on the first working day after that in which the covered transactions occur.

The Philippine Stock Exchange shall also establish an information-sharing mechanism to facilitate the Commission's ability to obtain relevant information regarding covered transactions after the Philippine Stock Exchange has informed the Commission of the said transactions.

4. Covered transactions notified through paragraphs 1 and 2 above shall be deemed approved.
5. Covered transactions that are deemed approved under this Memorandum Circular shall benefit from Section 23 of R.A. 10667 and may not be challenged under this law, except when the notification required under paragraph 2 above contains false material information.
6. Covered transactions which are not notified to the Commission in accordance with this Memorandum Circular are subject to the provisions of Section 17 of R.A. 10667.

7. The transitory rules and guidelines contained in this Memorandum Circular shall remain valid until superseded upon effectivity of the implementing rules and regulations to be promulgated by the Commission.

This Circular shall take effect fifteen (15) days after its publication in the Official Gazette and one (1) newspaper of general circulation.

Pasig City, Philippines.

16 February 2016.

For the Commission:



ARSENIO M. BALISACAN

Chairperson