

## **GUIDELINES ON LETTERS OF NON-COVERAGE FROM COMPULSORY NOTIFICATION**

### **MERGERS AND ACQUISITIONS OFFICE**

1. These Guidelines are issued to guide the public submitting information to the Mergers and Acquisitions Office (MAO) on mergers and acquisitions that fall below the notification thresholds provided under Section 17 of Republic Act No. 10667, otherwise known as the "Philippine Competition Act" ("PCA"), and Rule 4, Section 3 of the Implementing Rules and Regulations of Republic Act No. 10667 ("IRR"), as amended by PCC Memorandum Circular No. 18-001 ("M.C. No. 18-001"), and requests for confirmation of coverage under PCC Clarificatory No. 16-002 ("C.N. No. 16-002").

2. *Mergers and acquisitions falling below the notification thresholds.* Parties submitting information that their transaction is not subject to compulsory notification under the PCA and IRR shall include in their letter the following information, such as but not limited to:

- a. Description of the proposed transaction;
- b. Names of the acquiring and acquired parties to the transaction including their respective ultimate parent entities ("UPE");
- c. Description of their operations in the Philippines *i.e.* those that have assets in the Philippines or generate revenues from sales in, into or from the Philippines;
- d. Assets, shares, or other interests being acquired;
- e. Intended structure of ownership and control after the completion of the transaction;
- f. For acquisition of assets, a description of all general classes of the assets to be acquired; and
- g. For acquisition of shares, a description of all general classes of the assets of the acquired entity and entities it controls.

The following documents shall be attached to the letter:

- a. Latest Audited Financial Statements of the parties;
- b. Latest General Information Sheets of the parties; and
- c. Preliminary binding agreement or draft definitive agreement, if available.

3. *Confirmation of internal restructuring under C.N. No. 16-002.* For mergers and acquisitions that are claimed to be internal restructuring covered under C.N. No. 16-002, the parties must additionally submit the following:

- a. Diagrams or charts showing the relationship between the acquiring group and the acquired entity before and after the proposed transaction; and
- b. Evidence of control in cases where the parent company owns one-half (1/2) or less of the voting power of the other entity.

4. All letters shall be accompanied by a certification from an authorized person within the group of companies of the requesting party that (a) the letter, together with all appendices and attachments thereto, was prepared and assembled under his supervision; and (b) the information and data provided are complete, true and correct to the best of his knowledge and/or based on authentic records.

5. All letters shall be made by submitting one (1) original hard copy and an electronic version saved in a secure Universal Serial Bus (USB).

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