

THE PHILIPPINE COMPETITION COMMISSION RELEASES THE NON-HORIZONTAL MERGER REVIEW GUIDELINES

On 18 May 2023, the Philippine Competition Commission (“PCC”) issued the Non-Horizontal Merger Review Guidelines (the “Guidelines”), aimed primarily at outlining the principal policy of the PCC with respect to non-horizontal mergers and acquisitions that may have an effect on trade, industry, or commerce in the Philippines.

The Guidelines extensively cover the analytical process employed by the PCC when evaluating vertical and conglomerate mergers within the country. The Guidelines delve into several key aspects, including: (1) the specific information sought by the PCC during their examination of non-horizontal mergers; (2) the diverse factors taken into consideration by the PCC when assessing the impact of non-horizontal mergers on market competition; (3) the application of the SLC Test, which determines the likelihood of a non-horizontal merger substantially preventing, restricting, or lessening competition in the relevant market, serving as the main substantive legal standard used by the PCC for analysis and review; and (4) the evaluation of potential adverse effects that a non-horizontal merger may have on competition.

With the issuance of the Guidelines, there is an increased transparency with regard to the analytical process the PCC undertakes in its evaluation of non-horizontal mergers. While primarily serving as a guide for the PCC’s review procedures, the Guidelines should assist the business sector in comprehending the diverse standards that need to be considered in their prospective transactions, allowing them to properly structure the transaction or modify their practices.

Access the PCC Non-Horizontal Merger Review Guidelines here:
<https://www.phcc.gov.ph/non-horizontal-merger-guidelines/>

~o0o~

Ma. Carla P. Mapalo

Partner

mp.mapalo@thefirmva.com

