

**MARKET TESTING  
PROPOSED ACQUISITION BY GLOBE FINTECH INNOVATIONS, INC. OF THE ENTIRE  
ISSUED AND OUTSTANDING CAPITAL STOCK OF ELECTRONIC COMMERCE  
PAYMENTS, INC.**

**PCC Case No. M-2025-001-SOC**

*Stakeholders, interested parties, and consumers* are invited to submit their views or feedback on the suitability and effectiveness of the proposed voluntary commitments for the proposed acquisition by Globe Fintech Innovations, Inc. (“**Mynt**”) of the entire issued and outstanding capital of Electronic Commerce Payments, Inc. (“**ECPay**”) (collectively, the “**Parties**”) from Globe Telecom, Inc. (“**Globe**”) and Payment One, Inc. (“**Payment One**”) (the “**Transaction**”).

**About the Parties**

***Mynt***

Mynt provides mobile financial services focused on accelerating financial inclusion through mobile money, financial services, and technology. It operates two (2) fintech companies: (i) G-Xchange, Inc (GXI), the mobile wallet operator of GCash, an innovative finance app in the Philippines, and (ii) FUSE Lending, a tech-based lending company that gives Filipinos access to microloans and business loans.

GCash’s merchant and social seller base stands at around six million. Cash-in and cash-out outlets are at 732,000, and small-scale community outlets are at 935,000.

***ECPay***

ECPay is an electronic customer purchase and payment system provider in the Philippines, enabling merchants in both the offline and online channels with one-stop-shop proposition and offer customers convenient payment platforms. For over 22 years, ECPay has enabled retail outlets and collection partners to offer accurate, secure, and timely payment services, while providing merchants, portfolio partners, and biller partners with real-time electronic reconciliation, web-based reporting, and system management.

ECPay currently has over 700 biller partners and portfolio partners and more than 490,000 over-the-counter and 3,000+ digital touchpoint channels nationwide.

**About the Transaction**

Pursuant to a Share Purchase Agreement executed on 29 September 2023, Mynt proposes to acquire 100% stake in ECPay for PHP 3 billion from Globe and Payment One.



### Review of the Transaction

The PCC's Mergers and Acquisitions Office (**MAO**) finds that the Transaction will substantially prevent, restrict, or lessen competition in the following relevant markets: (i) provision of payment services in sari-sari stores; (ii) provision of aggregator services to issuers; and (iii) nationwide market for the provision of payment channel solutions in digital touchpoints to portfolio partners. In addition, the MAO finds that the Transaction will lead to anti-competitive ecosystem-based effects and data-driven relative foreclosure.

Under the PCC's Rules on Merger Procedure (**Merger Rules**), at any stage of a Phase 1 or 2 review, merger parties may propose commitments that will remedy, mitigate, or prevent the competition concerns identified. Before accepting any commitments, the PCC must be of reasonable belief that these are sufficient to clearly address the possible competition concerns and are proportionate to them. The PCC may consult with concerned stakeholders or the public to aid in its evaluation of the effectiveness of proposed commitments.

### Proposed Voluntary Commitments

The Parties proposed voluntary commitments which aim to address the following possible competition concerns, for an initial period of **three (3) years**, which may be extended in one (1) year increments, but not exceeding five (5) years in total:

1. Loss of actual competition in the payment services offered through Sari-Sari Stores;
2. Input and Customer Foreclosure in the market for aggregator services for payment transactions to issuers;
3. Customer Foreclosure affecting digital payment touchpoints for portfolio partners; and
4. Data-Driven Relative Foreclosure and Ecosystem-based effects.

#### ***Addressing Loss of Actual Competition in Sari-Sari Store Payment Services***

Sari-Sari Store payment services enable consumers to send or receive money or avail of other services through the facilitation of Sari-Sari Stores. Based on the MAO's evaluation of the relevant market, payment services in Sari-Sari Stores include: (i) Cash-in, (ii) Cash-out, (iii) Bills payment, and (iv) Electronic loading (e-load) transactions.

Sari-Sari Stores offer payment services by using platforms, like GCash Pera Outlet (Mynt) or KaECPay. While Mynt and ECPay set fees for these services to Sari-Sari Stores, each Sari-Sari Store may add their own charges on top of these services, to which Mynt and ECPay has no control over.

To maintain competition in payment services offered through Sari-Sari Stores, the Parties commit to the following:

1. **Maintain pre-Transaction Pricing Mechanism.** Mynt and ECPay will retain pre-Transaction pricing mechanisms for existing fees charged for payment services in Sari-Sari Stores, particularly for:
  - a. Cash-in;
  - b. Cash-out;
  - c. Bills payment; and
  - d. E-load.
2. **Disclosure of Payment Services Fees.**

To ensure consumers are informed about the fees charged by Mynt or ECPay to consumers through Mynt or ECPay's partner Sari-Sari Store outlets for payment services, Mynt and ECPay's fees will be:

  - a. Published on Mynt and ECPay's websites in accordance with Bangko Sentral ng Pilipinas regulations, including a 60-day notice before any changes on fees;
  - b. Quarterly posting of fees on Mynt and ECPay's Facebook social media pages.
3. **Sari-Sari Store Partners.** Mynt and ECPay will also provide Sari-Sari Stores partner outlets with posters showing fee ranges with QR codes linking to detailed fees.
4. **Continued Access to Services.** Mynt and ECPay commit to ensuring continued access to their services to Sari-Sari Store outlets by prohibiting exclusivity clauses or any provisions that penalize multi-homing.
5. **Corporate Social Responsibility.** Mynt and ECPay shall maintain a page in their respective websites which shall contain at least an article or a post that educates end-consumers on the benefits of cashless transactions and using financial technology applications and services. The page shall also contain a link to a post on the PCC website on why competition matters in the digital payments industry.

***Addressing foreclosure in the markets  
for (i) aggregator services for payment  
transactions to issuers and (ii) digital  
payment touchpoints for portfolio  
partners***

The following are key participants in payment services:

1. An **Issuer** is a financial institution or entity that operates payment channels, whether online or offline.
2. An **Aggregator** is a third-party service provider that is engaged in the business of connecting multiple billers (like utilities, merchants) with issuers.

3. A **Digital Touchpoint** is any point of contact between a customer and a financial services provider that takes place via a physical hardware housing a digital medium.
4. **Digital Touchpoint Provider** is an entity which offers technology and infrastructure needed for digital touchpoints to function.
5. **Portfolio Partners** are billers and merchants that avail of Aggregator and Payment Services. These merchants are grouped together in a portfolio for ease of offering and transacting.

To address concerns about possible restrictions on competition in this relevant market, the Parties proposed commitments to preserve service quality and access, currently being offered to Issuers and Portfolio Partners, including their competitors:

1. **Maintain pre-Transaction system quality and access.** ECPay commits to maintaining at least the same level of service quality. This means:
  - a. Billers and issuers will continue to have access to aggregator services;
  - b. Services must remain available to all, unless restricted by regulatory issuances;
  - c. Key performance indicators will be used to ensure service standards are followed.
2. **Continued access to services.** Mynt and ECPay commit to ensuring continued access to their services by prohibiting exclusivity clauses or any provisions that penalize multi-homing in the following services:
  - a. Provision of aggregator services to billers;
  - b. Provision of aggregator services to issuers;
  - c. Procurement of aggregator services from aggregators;
  - d. Provision of payment channel solutions in digital touchpoints for portfolio partners; and
  - e. Procurement of payment services from digital payment touchpoint providers.

Existing contracts with third-parties will not be terminated without just cause. Any new and renewed contracts for the services listed above shall contain a non-exclusivity provision allowing partners to engage other service providers to perform services similar to those listed above.

Mynt and ECPay shall also ensure that any contracts between Mynt and ECPay remain at arms-length and that any contracts, whether newly entered into or negotiated for renewal, between Mynt or ECPay and third parties, are also kept at arms-length, and shall remain to have terms that are commercially fair, reasonable, and non-discriminatory.

***Addressing Data-Driven Relative  
Foreclosure and Ecosystem-based  
effects***

To prevent the possible misuse of data of consumers, the Parties commit to maintain separate data systems and operations.

1. **Data limitation and protection.** The Parties commit to limit data use and data access between Mynt and ECPay by:
  - a. Not integrating GXI's data system with ECPay's data system during the term of the commitments, except for existing and future connections that are necessary and desirable to process transactions;
  - b. Maintaining separate Information Technology (IT) systems and teams;
  - c. Maintaining separate Personal Information Controllers of personal data of each of Mynt and ECPay's respective users and customers.
2. **Data Policy Transparency to Platform End-Users.** Mynt and ECPay shall ensure that end-users of either platform continue to be adequately informed of any data processing or data sharing, the terms and conditions of such data processing and sharing, and when such data sharing is necessary or otherwise for the use of Mynt and ECPay's services, pursuant to the Data Privacy Act of 2012, its Implementing Rules and Regulations, National Privacy Commission issuances, and BSP issuances.
3. **Strengthening data security measures and safeguards against fraud.** Mynt and ECPay will maintain and further develop existing cybersecurity, fraud detection, and consumer protection measures.

**Monitoring and Compliance**

To ensure proper implementation and monitoring of the proposed commitments, the Parties commit to the following:

1. Submission of regular reports to the PCC or its designated Third-Party Monitor for the duration of the commitments;
2. Appointment of a Competition Compliance Officer for cooperation with the PCC and the designated Third-Party Monitor;
3. Adherence to the Philippine Competition Act, its Implementing Rules and Regulations, and other relevant issuances.

Non-compliance with the proposed commitments may result in penalties under Section 29 of the PCA and relevant PCC rules.

### Submission of Comments

Comments may be submitted until **7 May 2025** via e-mail to **vc\_reviewteam@phcc.gov.ph** with subject title ***“[Mynt-ECPay] Comments on the Proposed Voluntary Commitments”*** or via mail to **Philippine Competition Commission** located at **25<sup>th</sup> floor, Tower 1, Vertis North Corporate Center, North Avenue, Quezon City 1105**, with attention to the PCC VC Review Team c/o Adjudication Services Division.

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