THE PHILIPPINE COMPETITION COMMISSION

The Philippine Competition Commission (PCC) is an independent quasi-judicial body mandated to implement the National Competition Policy and enforce Republic Act No. 10667 or the Philippine Competition Act (PCA).

MISSION

PCC shall prohibit anti-competitive agreements, abuses of dominant position, and anti-competitive mergers and acquisitions. Sound market regulation will help foster business innovation, increase global competitiveness, and expand consumer choice to improve public welfare.

VISION

PCC aims to be a world-class authority in promoting fair market competition to help achieve a vibrant and inclusive economy and to advance consumer welfare.

ROLE

The PCC ensures the well-being of consumers and preserves the efficiency of businesses by instituting a regulatory environment for market competition and by protecting markets from anti-competitive conduct.

PHILIPPINE COMPETITION COMMISSION

Ensuring businesses compete and consumers benefit

The Philippine Competition Commission is open Mondays through Fridays from 8:00 a.m. to 5:00 p.m. Submission of notifications and complaints are accepted during these hours.

25/F Vertis North Corporate Center 1
North Avenue, Quezon City 1105
Philippines

(+632) 8771-9PCC (722)

www.phcc.gov.ph

queries@phcc.gov.ph

facebook.com/competitionph

x.com/CompetitionPH

linkedin.com/company/competitionph

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THE PHILIPPINE COMPETITION ACT

Republic Act No. 10667, otherwise known as the **PHILIPPINE COMPETITION ACT (PCA)**, is the primary competition law in the Philippines for promoting and protecting competitive markets.

I. Key prohibitions

A. Anti-competitive agreements

The PCA prohibits the following agreements between or among competitors:

- Restricting competition as to price, or components thereof, or other terms of trade; and
- Fixing prices at an auction or in any form of bidding, including cover bidding, bid suppression, bid rotation and market allocation, and other analogous practices of bid manipulation.

  These acts or agreements are illegal per se, meaning that they are inherently illegal, and no further inquiry into their actual effect on the market or the intentions of the parties who engaged in the illegal act or agreement is necessary.

- Other anti-competitive agreements which have the object or effect of substantially preventing, restricting, or lessening competition, are also prohibited under the PCA, but subject to "rule of reason". These include:
  - Setting, limiting, or controlling production, markets, technical development, or investment; and
  - Dividing or sharing the market, whether by volume of sales or purchases, territory, type of goods or services, buyers or sellers, or any other means.

B. Anti-competitive mergers and acquisitions

Merger or acquisition transactions that could substantially prevent, restrict, or lessen competition in the market are prohibited. Parties to a merger or acquisition agreement where the size of transaction and size of party exceed the thresholds set annually by the PCC, pursuant to PCC Memorandum Circular No. 18-001, are required to notify the Commission of such agreement. The Commission may, *motu proprio* or on its own, also review even those mergers and acquisitions that do not require notification, if such transactions could harm competition. In these instances, and in case of an interim order in *motu proprio* reviews, the parties are not allowed to consummate their agreement without the approval of the Commission.

C. Abuse of dominance

Entities, whether companies or individuals, that have a significant degree of power in the relevant market, are prohibited from exploiting their dominant position by engaging in conduct that would substantially prevent, restrict, or lessen competition. Such conduct that might indicate abuse of dominant position includes predatory pricing, imposing barriers to entry in an anti-competitive manner, and unfair exercise of monopoly and monopsony power, among others.

II. Powers and functions of the Philippine Competition Commission

As the antitrust authority of the country, the Commission is mandated to exercise the following powers and functions:

- Conduct inquiry, investigate, and hear and decide on cases involving violations of the PCA, its implementing rules, and other competition laws;
- Review proposed merger or acquisition transactions, determine thresholds, requirements, and procedures;
- Prohibit mergers and acquisition transactions that will substantially lessen competition in the relevant market;
- Monitor and analyze the practice of competition in markets, and issue advisory opinion, rules, and guidelines on competition matters for the effective enforcement of the PCA;
- Conduct, publish, and disseminate studies, reports, and other publications on competition matters to inform and guide the industry and consumers; and
- Advocate pro-competitive policies of the government.

III. Prohibition on the issuance of temporary restraining orders, preliminary injunctions and preliminary mandatory injunctions

As a general rule, only the Court of Appeals and the Supreme Court may issue a temporary restraining order, preliminary injunction or preliminary mandatory injunction against the Commission in the exercise of its duties or functions.

IV. PCC and sector regulators

The Commission has original and primary jurisdiction over the enforcement and regulation of all competition-related issues. In cases that involve both competition and non-competition issues, the Commission shall still have jurisdiction, but the concerned sector regulator must be consulted and afforded reasonable opportunity to submit its own opinion and recommendation on the matter before the Commission can make its decision.

V. Fines and penalties

The Commission can impose criminal and administrative penalties for violations of the PCA, after due notice and hearing. Administrative fines can be imposed on any entity found to have violated the PCA. The schedule of fines is subject to adjustment every five years to maintain its real value. Criminal penalties of imprisonment from two to seven years and a fine shall be imposed on entities that enter into anti-competitive agreements, as defined under the PCA. In addition, the Commission is empowered to impose significant fines and penalties for contempt, failure to comply with its orders, or for supplying misleading or false information.

VI. Basic necessities and prime commodities

If the violation involves the trade or movement of basic necessities and prime commodities as defined by RA 7581, as amended, the fine imposed by the Commission or the courts, as the case may be, shall be tripled.

VII. Leniency

Pursuant to the provision under the PCA, the Commission launched its leniency program in 2019. The PCC leniency program offers either immunity from suit or reduction of administrative fines to an entity that was or is a participant in a price fixing, bid rigging, market allocation, or output restriction agreement, in exchange for the entity's voluntary disclosure of information regarding such agreement. Under the rules, an entity applying for leniency may be granted immunity from administrative and criminal liability, as well as immunity from civil actions initiated by the PCC on behalf of affected parties and third parties.

VIII. Confidentiality of information

The law protects confidential business information submitted to the Commission. The identity of the persons who provide information to the Commission under condition of anonymity, as a rule, would likewise remain confidential.

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