Legal Watch

DRAFT CIRCULAR ON THE PROCESS FOR EXEMPTION FROM COMPULSORY NOTIFICATION OF PUBLIC-PRIVATE PARTNERSHIP PROJECTS

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Agency Name

Philippine Competition Commission (PCC)

Issuance Title

Draft Circular on the Process for Exemption from Compulsory Notification of Public-Private Partnership Projects

Link

https://www.phcc.gov.ph/file-manager/file-manager/MAO/[DRAFT]%20Circular%20on%20PPP%20Projects.pdf

SUMMARY

The Philippine Competition Commission (PCC) has released for public comment a draft circular establishing a consolidated framework for exempting certain joint ventures entered into in connection with Public-Private Partnership (PPP) Projects from the compulsory notification requirements under the Philippine Competition Act. The proposed circular will replace the existing PCC issuances governing exemptions for solicited PPP Projects, unsolicited PPP proposals, and National Economic and Development Authority (NEDA) joint venture projects.

Under the draft circular, a joint venture relating to a PPP project may be exempt from compulsory notification on the following grounds:

1. **Initial Investment in new Economic Activity*** in a disadvantaged region, city, or municipality**
2. **Sectoral Projects for Regional and National Development**, covering qualified projects in the (a) Data Transmission Sector, (b) Tourism Sector, and (c) Agricultural Sector
3. **Research, Development and Innovation Projects**, subject to fair, reasonable, non-discriminatory and market-based access to public research infrastructure
4. **Regional Airport Infrastructure Projects**, subject to conditions provided in the draft circular
5. **Maritime Port Infrastructure Projects**, likewise subject to conditions provided in the draft circular

To obtain an exemption, the Implementing Agency and/or the Private Proponent must submit a Request for Exemption, with required project documents, with the PCC's Mergers and Acquisitions Office within applicable filing periods. Applications filed beyond the prescribed periods will not qualify for exemption. If the PCC determines that the proposed venture qualifies for exemption, it will issue a Certificate of Project Exemption. Otherwise, the parties will remain subject to the compulsory notification requirements.

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An exemption granted shall not apply to any subsequent merger or acquisition after the PPP Project is awarded.

A Certificate of Project Exemption may be revoked if it was obtained through fraud or false material information, if the parties fail to comply with the project contract, or if the project is substantially modified after the PCC's review. For unsolicited proposals, the certificate is likewise deemed revoked if the project is subsequently pursued as a solicited project or the Original Proponent Status is revoked or lapses.

*An "initial investment in favor of new economic activity" refers to (1) an investment in tangible and intangible assets related to the setting up of a new establishment or the diversification of the activity of an establishment, provided the new activity is not the same or similar to an activity that is previously performed by the private partner in the establishment; or (2) the acquisition of the assets of an establishment that has closed or would have closed, provided the investor is unrelated to the seller and the new activity to be performed is not the same or similar to an activity previously performed in the establishment prior to the acquisition.

**A region, city or municipality may be considered disadvantaged if it has a gross domestic product (GDP) per capita below or equal to 75% of the national average in the last official update by the Philippine Statistics Authority.

ACTIONABLE ADVICE

Although the period for submitting comments closed on 19 June 2026, stakeholders should continue to monitor the progress of the proposed circular and prepare for its possible adoption. If implemented, the proposed framework would ease the regulatory burden for qualifying PPP projects by allowing certain joint ventures to proceed without undergoing the PCC's compulsory notification process, subject to the prescribed conditions. Prospective private proponents and implementing agencies should assess whether their current or planned PPP projects may qualify for an exemption and ensure that they are prepared to comply with the applicable eligibility requirements and filing timelines once the circular takes effect.