

CLARIFICATORY NOTE No. 16-002
Subject: Coverage of Compulsory Notification

1. This Clarificatory Note is issued as guide to the public on the coverage of compulsory notification under the Implementing Rules and Regulations of R.A.10667 particularly Rule 4, Section 2 and 3 on the compulsory notification requirement.

2. **Internal restructuring.**
 - (a) An internal restructuring within a group of companies is exempt from notification if the acquiring and acquired entities have the same ultimate parent entity (UPE).

 - (b) Notwithstanding the foregoing, mergers or acquisitions are not considered purely internal and, therefore, do not qualify for the exemption, if the restructuring leads to a change in control.

3. The foregoing shall not prevent the Commission from commencing a *motu proprio* review of mergers and acquisitions under the IRR.

4. This Clarificatory Note is issued only for the purpose of giving clarity and guidance to all concerned. The Commission may modify or revise as it deems necessary.

Pasig City, Philippines.

16 September 2016.