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Financial regulators sign accord to promote ease of bank mergers, consolidations, and acquisitions

The Bangko Sentral ng Pilipinas, Philippine Deposit Insurance Corporation, Securities and Exchange Commission, Cooperative Development Authority, and the Philippine Competition Commission signed today a multi-agency agreement to streamline the merger, consolidation, and acquisition (MCA) process among banks.

Initiated by the Philippine Deposit Insurance Corporation, the multi-agency project, which is the first of its kind among financial regulators, aims to harmonize the requirements and synchronize the timelines in the processing of MCA proposals of banks. The project, which is in support of the government's thrust of promoting ease of doing business, was commended by the Anti-Red Tape Authority in March 2020.

The agreement was signed by BSP Governor Benjamin E. Diokno, PDIC President and CEO Roberto B. Tan, SEC Chairperson Emilio B. Aquino, CDA Chairperson Joseph B. Encabo, and PCC Chairperson Arsenio M. Balisacan in a virtual ceremony.

The Memorandum of Agreement on the Procedures for Applications for Mergers, Consolidations, and Acquisition of Banks is the culmination of the MCA Project, which is a collaboration of financial regulators involved in the processing of MCA proposals of banks.

The agreement embodies the responsibilities and commitments of each of the regulators on the simplified requirements and streamlined procedures and timelines in processing of MCA applications. The regulators agreed on a harmonized list of requirements for MCA proposals of banks which will effectively cut in half the number of documentary requirements from 58 to only 30. The synchronized timelines and the elimination of duplicate functions among the concerned agencies will significantly reduce the total processing time of MCA proposals from an average of about 160 business days to only 55.

The Implementing Guidelines on the procedures for MCA applications will subsequently be issued via a Joint Circular by the partner-agencies.

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