



# **OFC-DOF Cooperation in Competition Policy and Law**

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**“The APEC Training Course on Competition Policy”**

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# Department Of Justice-Office for Competition (DOJ-OFC)

- Enforcement and advocacy of competition policy and law

## Priority Sectors

- Energy
- Telecommunications
- Transportation
- Commodities



## Department of Finance

- **Formulation, institutionalization and administration of fiscal policies**

*Ex. Provision of tax incentives for the downstream oil industry and international carriers*

*Anti-trust safeguards were also instituted in the Oil Deregulation Law under Sec. 11 of Republic Act No. 8479.*



## Cont. - Department of Finance

- Generation and management of the financial resources of government

*The BIR and the BOC are the main revenue-generating agencies of the government.*

- Rationalization, privatization and public accountability of corporations and assets owned, controlled or acquired by the government



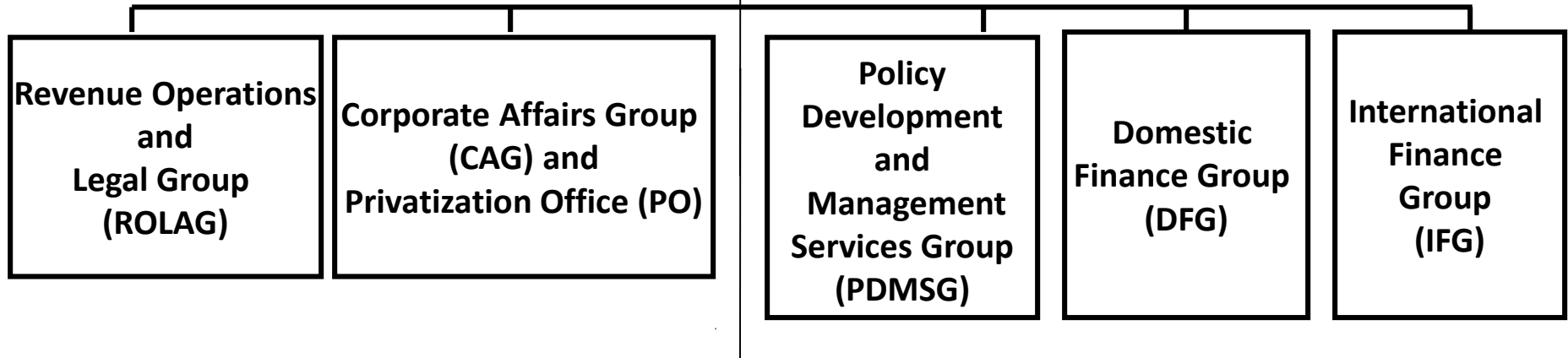
## OFC-DOJ Cooperation

- Merger control regime
- Rule of law
- **Fiscal accountability**
- Good governance
- Regulatory reforms
- Financial stability of markets through  
free, fair, accountable competition policy



# ***DEPARTMENT OF FINANCE WORKING ORGANIZATIONAL CHART***

**SECRETARY**



## **ATTACHED BUREAUS, AGENCIES AND CORPORATIONS**

**BIR SEC BOC IC BTr BLGF NTRC CBAA PHILEXIM CDA PDIC**



# OFC-DOF Engagement

## *Bureau of Internal Revenue (BIR) - Enforcement and Legal WG*

- a. Establish standards for screening of cases and preliminary fact finding;
- b. Prepare guidelines for investigation and referral to the National Bureau of Investigation (NBI) and National Prosecution Service (NPS);
- c. Formulate guidelines for complaints handling and referral between the OFC and appropriate agencies; and
- d. Conduct a study on the imposition of monetary penalties and/or develop a schedule of fines or penalties for anti-competitive offenses



# OFC-DOF Engagement

## *Securities and Exchange Commission (SEC) - Business and Economics WG*

- a. Monitor reported transactions involving mergers of corporations, acquisitions, consolidations, and other anti-competitive conduct in the market or concerned industries;
- b. Coordinate, liaise and develop relationship with government agencies or entities that are likely to be sources of information relating to competition in the market;
- c. Enter into an agreement with established research institutions or the private sector in cases requiring extensive research and market analysis;
- d. Conduct orientation conferences for businesses and business associations to promote pro-competition practices and advocate strong competitive markets and business environment.





# Cartel Enforcement: OFC



## Garlic Cartel Case

- Garlic importation controlled by few, cornering supply
- Arbitrary issuance of permits
- Lack of transparency, anti-competitive processes
- Network of perpetrators: same modus operandi for other commodities



## Rice Cartel Case

- Violation of Government Procurement Reform Act for bid-rigging
- Several bidders for rice import allocations are mere dummies
- Filing of criminal complaints against officials for violation of Anti-Graft and Corrupt Practices Act



## **Recent legislations in enhancing fair competition**

1. Republic Act 10641 – allowing full entry of foreign banks in the Philippines
2. Republic Act 10642 – strengthening consumer protection in the purchase of brand new motor vehicles (“Philippine Lemon Law”)
3. Republic Act 10668 – allowing foreign vessels to transport and co-load foreign cargoes for domestic transshipment



## 4. Republic Act 10667 or the “Philippine Competition Act”

- Created the Philippine Competition Commission under the Office of the President.
- Imposed stiff penalties on entities which would violate the provisions of the law.
- Imposed criminal penalties for entities which enter into any anti-competitive agreement.
- Explicitly identified the Prohibited Acts under Anti-Competitive Agreements and Abuse of Dominant Position

# OFC and Philippine Competition Act

Strengthened OFC mandate to:

- conduct preliminary investigation
- undertake prosecution of all criminal offenses under Act and other competition related laws

OFC role anchored on DOJ mandate as principal law agency for effective, efficient, and equitable administration of justice



*Thank you!*