

MEMORANDUM CIRCULAR

No. _____

SUBJECT: RULES AND REGULATIONS ON COMMERCIAL AGREEMENTS ENTERED INTO BY AUTHORIZED RADIO AND TELEVISION STATIONS/ENTITIES

WHEREAS, Executive Order (EO) No. 546 creating the National Telecommunications Commission (NTC) authorizes the Commission to issue Certificates of Public Convenience for the operation of radio and television broadcasting systems.

WHEREAS, the same law likewise grants the NTC the power to establish and prescribe rules, regulations, standards specifications in all cases related to the issued Certificate of Public Convenience and to administer and enforce the same.

NOW, THEREFORE, pursuant to this mandate, the NTC hereby promulgates the following rules which shall be mandatory for all holders of radio and television station Provisional Authorities (PA) or Certificates of Public Convenience (CPC).

1. **Coverage.** This shall cover all holders/grantees of Certificates of Public Convenience (CPC) and/or Provisional Authorities (PA) to install, operate and maintain radio and television broadcast stations.
2. **Commercial Agreements.** In addition to the conditions and limitations provided in the grantees' legislative franchise on mergers and acquisitions, the grantee shall not enter into mergers, joint venture agreements, sale, or any other commercial agreements/arrangements on matters within the Commission's mandate and jurisdiction, such as transfer of authority and sale/use of NTC regulated equipment, with those who have outstanding obligations to the national government and local government units.

For this purpose, the Grantee shall ensure that all parties it transacts or enters into agreements with obtain clearances to that effect from the appropriate government agencies, particularly the Department of Finance (Bureau of Internal Revenue and Bureau of Customs), National Telecommunications Commission and Securities & Exchange Commission.

Commercial agreements/arrangements on matters within the Commission's mandate and jurisdiction, along with the required clearances shall be submitted by the Grantee to the Commission for approval prior to its consummation.

3. **Repealing Clause.** Any circular, order, memoranda or parts thereof inconsistent herewith are deemed repealed or amended accordingly.
4. **Separability Clause.** If any section or part of this MC is held unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

5. **Effectivity Clause.** This Circular shall take effect fifteen days after publication in a newspaper of general circulation and three (3) certified true copies furnished the University of the Philippines Law Center.

Quezon City, Philippines.

Done this ____ day of _____, 2022.