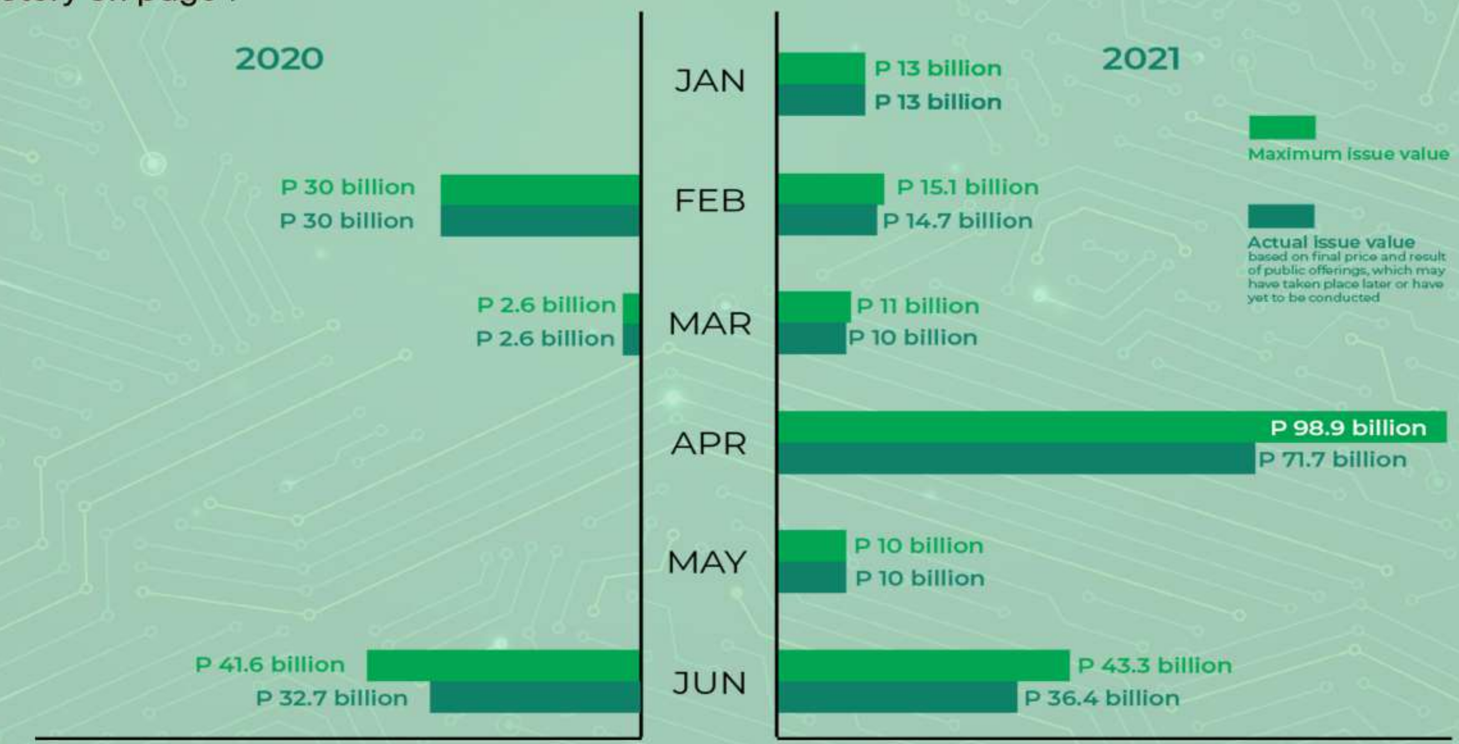
Securities and Exchange Commission
PHILIPPINES

# THE NEWSEC NEWSLETTER

JANUARY - JUNE 2021 VOLUME NO. 1 ISSUE NO. 1

# SEC GREENLIGHTS MORE CAPITAL RAISING AMID PANDEMIC

Story on page 1



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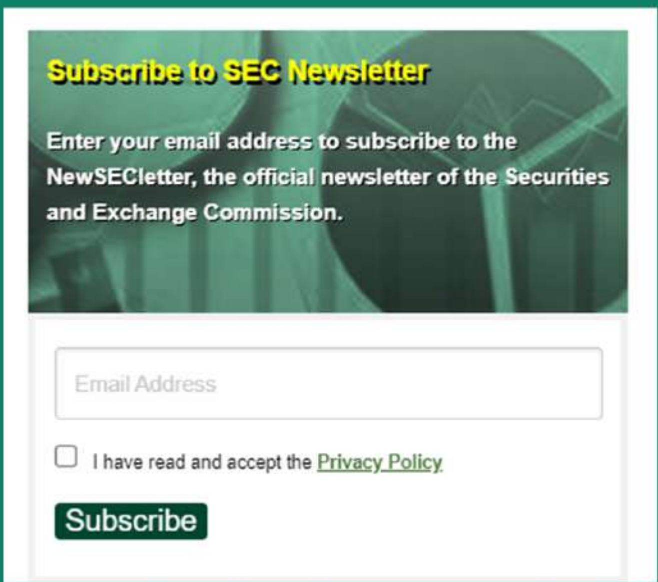


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# Chairman EM@IL Message

From Emilio B. Aquino ebaquino@sec.gov.ph
To Our SEC Stakeholders
Date July 23, 2021, 8:00 AM

The year 2020 has been filled with unprecedented challenges for all of us. Dealing with the COVID-19 pandemic was a difficult ordeal for both the public and private sector, forcing most of us to recalibrate our operations to ensure the continuous delivery of services to our valued stakeholders.

We, at the Securities and Exchange Commission (SEC) were able to continue our operations through our hardworking personnel, who thrived despite the sudden shift to a skeleton workforce and the work-from-home arrangement. It is because of the efforts of our dear frontliners that the Commission was able to do its part in keeping the corporate sector running.

We thus entered 2021 with renewed optimism. I believe we can already say that the worst of the pandemic is behind us, so now we can steer our eyes toward preparing for recovery and the new normal.

As we move forward into the next phase, the Commission will endeavor to find new ways to keep you, our stakeholders, well informed of the plans and programs we have in store. With this, we present to you the NewSECletter, the official newsletter of the Commission.

For our maiden issue, we take a look at how corporations tapped the capital market and how investors readily supported them in weathering and ensuring its fast recovery from the COVID-19 pandemic. We also present an overview of the measures we have taken to cushion the capital market and the broader corporate sector from the impact of the unprecedented global health crisis, as well as our enforcement actions aimed at protecting investors and borrowers from fraud and other illicit activities arising from the misuse of the corporate vehicle.

Moving forward, we will fill the pages of this newsletter with relevant content that would make it easier for everyone to keep up with the latest happenings at the Commission.

Because, as we like to say, it's easy at SEC!

Reply Forward

# SEC greenlights more capital raising amid pandemic

By Arra B. Francia
SEC Information Officer

Read more about the approved public offerings by visiting bit.ly/3zjN0eA or scanning the QR code.

The Securities and Exchange Commission (SEC) has approved about P191.34 billion worth of public offerings halfway into the year, as corporations weather an unprecedented pandemic and recover lost ground.

The value of the public offerings approved by the Commission from January to June is more than twice the P74.15 billion green-lighted during the same period in 2020, based on the maximum offer price set by the issuer-companies.

A total of 17 companies braved the capital markets for the period, more than double the eight companies seen in the first six months of 2020. The issuers include the country's second real estate investment trust (REIT).

Of the public offerings so far approved this year, P108.56 billion comprise common shares and other equities from eight companies, while P82.77 billion represent debt securities issued by 10 companies.

At their final price, the public offerings raised about P109.32 billion, giving the issuer-companies fresh capital for their expansion, loan repayments and other business needs.

The success of the public offerings reflects investors' confidence in the Philippine economy's growth prospects, as well as optimism toward a speedy recovery from the pandemic.

**Equities**

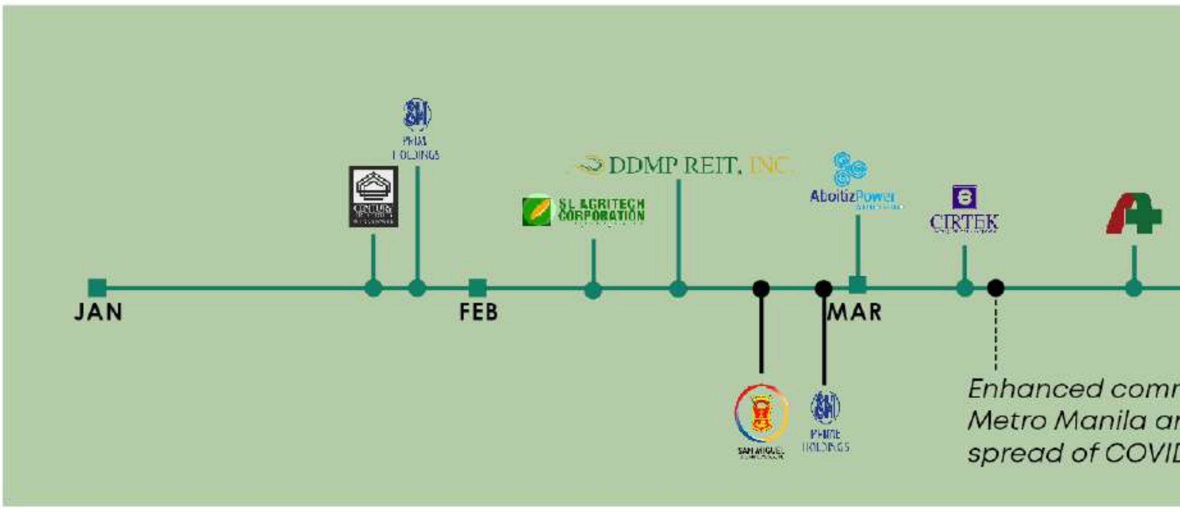
On April 20, the SEC approved the country's largest ever and Southeast Asia's second-biggest initial public offering (IPO).

Monde Nissin Corporation registered with the Commission 3.6 billion primary common shares with an overallotment option of 540 million common shares for its maiden share sale with a maximum price of P17.50 apiece or P72.45 billion in total.

The food manufacturer eventually set the offer price at P13.50, raising P48.6 billion for capital expenditures and loan repayment by the time it debuted on the Main Board of the Philippine Stock Exchange (PSE) on June 1.

Monde Nissin followed the listing of the REIT largely sponsored by DoubleDragon Properties Corp. on March 24.

DDMP REIT, Inc. raised P14.71 billion from the sale of about 6.5 billion common shares at the maximum offer price of P2.25 each. The entire proceeds shall be reinvested in the Philippines, pursuant to the Revised



Implementing Rules and Regulations of Republic Act No. 9856, or the REIT Act of 2009.

Earlier in February, Allied Care Experts Medical Center-Palawan Inc. (ACE-Palawan) received regulatory approval for its nearly P1 billion IPO. Proceeds from the sale of the shares over the counter will cover the construction of ACE Palawan Hospital.

The January-June period likewise saw the approval of the follow-on offering by AC Energy Corporation of more than 2 billion common shares at an offer price of P6.50 apiece.

AC Energy listed the shares on May 14, raising P13.07 billion for the development of power projects, other growth opportunities and loan repayment, among others.

The SEC further approved the stock rights offering of Cirtek Holdings Philippines Corporation composed of 250 million common shares priced at up to P7.25 each, for a total of up to P1.79 billion. Cirtek plans to use the proceeds of the offer to pay off the company's existing debt as well as that of its subsidiaries.

On June 24, the SEC cleared the IPOs of Tarlac Electric, Inc. (TEI) and Asia Pacific Medical Center (APMC) - Aklan, Inc., both of which will trade their shares over the counter.

TEI is pursuing its P665-million IPO to comply with requirements under its legislative franchise, which mandates the company to publicly offer 30% of its outstanding capital stock to Filipino citizens on or before the fifth year from the start of its operations.

On the other hand, APCM-Aklan seeks to raise P985.5 million from the IPO primarily for the construction of its seven-story hospital worth P1.3 billion.

The SEC closed the first half of 2021 with the approval of the P480 million IPO of Saint Pio's Medical Center, Inc. Proceeds from the offer, intended mainly for medical specialists, will be used for the construction of the company's hospital.

**Debt securities**

Meanwhile, 10 companies turned to the fixed-income market to secure capital for their business needs during the first six months of the year.

The largest bond offering approved for the period was San Miguel Corporation's P30-billion fixed-rate bonds due 2027. Cleared by the SEC on June 15, the offering will allow the listed conglomerate to redenominate its dollar-denominated obligations.

The bonds, which comprise the first tranche of SMC's P50-billion shelf registration program, were listed on the Philippine Dealing and Exchange (PDEx) for July 8.

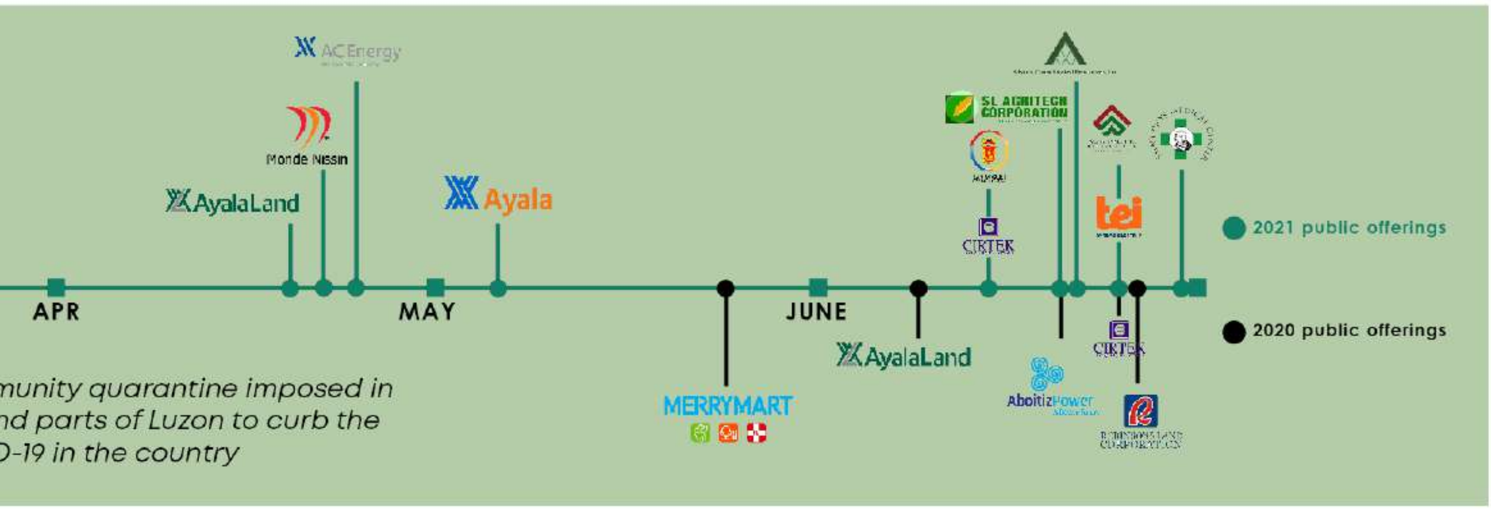
On January 25, the SEC issued a permit to SM Prime Holdings, Inc., allowing the company to offer for sale P10 billion worth of bonds due 2023 and 2026. The bonds comprised the second tranche of the company's P100-billion shelf registration program.

Proceeds from the issuance of the bonds, which were listed on the PDEx on February 5, will allow the listed property developer to pursue its expansion plans.

Century Properties Group, Inc. followed with a P3 billion listing of three-year bonds due 2024 on March 1. The bonds provided the company with fresh funds for its vertical developments.

In the same month, Aboitiz Power Corporation issued the first tranche of its P30 billion fixed-rate bond program to bolster its capital by refinancing maturing debt and replacing existing premium cost debt. The company listed five-year bonds worth P8 billion on March 16.

*Continued on page 11*



# NEWSEC

The first five months of 2021 saw the rollout of the Securities and Exchange Commission's (SEC) major digitalization efforts to ensure ease of doing business and its entry into international organizations for the development of the country's capital markets. Read up on other milestones turned by the Commission by visiting bit.ly/3zjN0eA or by scanning the QR code.

## SEC wins global award for advocating good corporate governance

The SEC is this year's recipient of the Global Good Governance Advocacy and Commitment to Corporate Governance Award from London-based Cambridge International Financial Advisory.

The award, given on May 23, recognizes the SEC's efforts toward championing good governance in the Philippine corporate sector.


## SEC cited for championing ease of doing business

The SEC was recognized on May 6 by the Anti-Red Tape Authority as a "Doing Business Competitiveness Ranking Mover" for instituting the most number of reforms considered in the World Bank's Doing Business 2020 Report. It was also cited for measures toward protecting minority investors, which served as "Big Impact Indicator" and "Most Improved Indicator" of ease of doing business in the Philippines.

## SEC keeps highest audit rating from COA for third straight year

The SEC has received the highest audit rating from the COA for the third consecutive year, as it continues to champion good governance within and outside the organization. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions.

This is the longest streak of unqualified opinions received by the Commission over the past decade, after the Commission also received an unqualified opinion on the fairness of presentation of its financial statements for 2018 and 2019.

## Global financial innovation network welcomes SEC as member

The SEC on February 23 joined the Global Financial Innovation Network (GFIN), a network of more than 60 organizations committed to supporting financial innovation in the interest of consumers.

Through the GFIN, the SEC will widen its avenue for collaborative knowledge sharing with other financial services regulators and international organizations.

As a member of the GFIN, the SEC will likewise be able to perform pilot testing of new technologies to assess how a product or service might operate in a live market setting in multiple jurisdictions.

## SEC online submission tool goes live

The SEC on March 15 launched its online submission tool for annual financial statements (AFS), General Information Sheet (GIS) and other annual reports.

Corporations and their authorized filers may now enroll in the Electronic Filing and Submission Tool (eFAST) and thereafter submit their annual reports in digital format and without going to the Commission's offices. Reports that may be submitted through eFAST include the as the AFS, GIS, Sworn Statement for Foundation, General Form for Financial Statements, Special Form for Financial Statements, Affidavit of Non-Operation, together with the GIS or AFS, and Affidavit of Non-Holding of Annual Meeting.

## SEC makes payments easy with online portal

Paying registration and other transaction fees in the SEC is now faster, more convenient, and secure with the launch of the Electronic System for Payments to SEC (eSPAYSEC) on March 1.

The newly developed portal allows for the payment of registration and other transaction fees, as well as penalties, online using debit and credit cards, digital wallets and other cashless payment options.

## SEC launches new company registration system

The SEC on April 19 launched the Electronic Simplified Processing of Application for Registration of Company (eSPARC) to facilitate faster and easier registration of corporations in the country.

The eSPARC will accept and process all applications for registration of one person corporations as well as both stock and nonstock domestic corporations with at least two but not more than 15 incorporators who may either be natural persons, partnerships, associations or corporations.


## SEC Philippines joins ASEAN Collective Investment Schemes Framework

The Securities Commission Malaysia (SC), the Monetary Authority of Singapore (MAS), and the Securities and Exchange Commission, Thailand (SEC Thailand) on May 11 signed a supplemental Memorandum of Understanding welcomed the SEC Philippines (SEC Philippines) as a new signatory to the ASEAN Collective Investment Schemes (CIS) Framework.

With this, qualified investment companies in the Philippines and their fund managers will now be able to offer eligible funds to retail investors in the other three member jurisdictions, and vice versa.

# SEC RULES

From January to May 2021, the Securities and Exchange Commission (SEC) has issued seven memorandum circulars embodying new rules and regulations concerning corporations and other SEC-supervised entities.. You may read the full text of the following memorandum circulars on the SEC website by visiting bit.ly/2SwmZbg or scanning the QR code.

**BY GRACE LEGUARDA**

SEC Memorandum Circular

## No. 01

Series of 2021

Publication Date: January 29, 2021
Date of Effectivity: January 29, 2021

### Guidelines in Preventing the Misuse of Corporations for Illicit Activities through Measures Designed to Promote

This provides for the guidelines in preventing the misuse of corporate vehicles for illicit activities,such as money laundering and terrorist financing, which arises from the lack of transparency of beneficial ownership of such corporate vehicles. It primarily mandates the disclosure of the person or persons on whose behalf the registration of the corporation was applied for.

SEC Memorandum Circular

## No. 02

Series of 2021

Publication Date: February 17, 2021
Date of Effectivity: February 17, 2021

### Compliance with Section 4 of SEC Memorandum Circular No. 18, Series of 2019 for Newly Registered Financing Companies and Lending Companies

This mandates that financing companies (FCs) and lending companies (LCs) incorporated after September 8, 2019 shall submit the Sworn Certification within 30 calendar days from the effectivity of this Circular, while those incorporated after the effectivity of this Circular shall submit the Sworn Certification within 30 calendar days from the issuance of their Certificates of Authority to Operate as a Financing/Lending Company.

SEC Memorandum Circular

## No. 03

Series of 2021

Publication Date: March 13, 2021
Date of Effectivity: March 13, 2021

### Schedule and Procedure for the Filing of Annual Financial Statements, General Information Sheet and Other Covered Reports

This provides for the schedule and procedure for the filing of Annual Financial Statements, General Information Sheet and Other Covered Reports using the Commission's Online Submission Tool. Different deadlines are set for the submission of reports for stock and non-stock corporations, respectively.

SEC Memorandum Circular

**No. 04**

**Series of 2021**

Publication Date: April 5, 2021
Date of Effectivity: April 20, 2021

### Amendment of Memorandum Circular No. 16, Series of 2018 or the Guidelines on Anti-Money Laundering and Combating the Financing of Terrorism for SEC Covered Institutions

This mandates that all FCs and LCs, as well as those not yet registered with the Anti-Money Laundering Council (AMLC) should formulate and implement a comprehensive and risk-based Money Laundering and Terrorist Prevention Program that is compliant with the Anti-Money Laundering Act, as amended; the Terrorist Financing Prevention and Suppression Act, and their Implementing Rules and Regulations, as well as other AMLC issuances; and the 2018 AML/CFT Guidelines, designed according to their corporate structure and risk profile.

SEC Memorandum Circular

**No. 05**

**Series of 2021**

Publication Date: April 11, 2021
Date of Effectivity: April 11, 2021

### Extension of the Deadline for the Submission of 2020 Annual Reports for the Calendar Year Ended December 31, 2020

This extends the deadline for the submission of 2020 Annual Reports for the calendar year ended December 31, 2020, to May 17, 2021, from the initial deadline of April 15, 2021, in consideration of the challenges in the preparation and finalization of the audited financial statements, as well as the completion of statutory audits, brought about by the reimposition of the enhanced community quarantine in some major parts of the country.

SEC Memorandum Circular

**No. 06**

**Series of 2021**

Publication Date: April 23, 2021
Date of Effectivity: April 23, 2021

### The amendments provide for exemption from registration requirements under Sections 8 and 12, those securities and transactions enumerated in Rule 9 and 10, respectively

This provides for the amendments to the Securities and Regulation Code Rule Nos. 9 and 10. The amendments provide for exemption from registration requirements under Sections 8 and 12, those securities and transactions enumerated in Rule 9 and 10, respectively.

SEC Memorandum Circular

**No. 07**

**Series of 2021**

Publication Date: April 24, 2021
Date of Effectivity: April 24, 2021

### Calling of Special Stockholders' Meetings

This provides that any number of shareholders of a corporation who hold at least ten percent (10%) or more of the outstanding capital stock of a publicly listed company shall have the right to call for a special stockholders' meeting, subject to the Guidelines set under Section 49 of the Revised Corporation Code and other relevant regulations. The rule was issued in line with the Commission's mandate of promoting good corporate governance and the protection of minority investors.

# #CheckwithSEC

The Securities and Exchange Commission (SEC) regularly issues advisories, as well as cease and desist orders, to protect the public from individuals and groups soliciting investments without the necessary licenses from the Commission. It also revokes the certificates of registration of partnerships and corporations engaged in unauthorized investment-taking activities, and actively pursues them in court. Read the advisories issued by the Commission by visiting bit.ly/3pVUqjW or by scanning the QR code.

## Broker sentenced to 14 years in prison, P1 million fine for BW Resources market manipulation

The SEC secured a fifth conviction under Republic Act No. 8799, or the Securities Regulation Code (SRC), after the Pasig City Regional Trial Court Branch 67 ruled that the president of a brokerage manipulated the market in illegal trade transactions involving stocks of then listed firm Best World Resources Corporation (BW).

Johnny S. Yap of Solar Securities Inc. was found guilty beyond reasonable doubt of violation of Section 26(a)(l)(1) of the Revised Securities Act, now Section 24.1(a)(i) of the SRC.

The court sentenced Yap to a penalty of imprisonment of 14 years and a fine of P1 million. It also ordered the issuance of a warrant of arrest against Yap.

## Court of Appeals affirms SEC revocation of KAPA's corporate registration

The Court of Appeals, in its decision dated March 11, upheld the SEC's order revoking the certificate of incorporation of Kapa Community Ministry International for its fraudulent investment-taking activities.

The Commission issued the revocation order on April 3, 2019 after finding that KAPA had offered and sold securities in the form of investment contracts, without the necessary license from the SEC and in a manner resembling a Ponzi scheme.

## SEC cancels Chiyuto's OPC registration over illegal investment scheme

The SEC revoked the certificate of incorporation of Chiyuto Creative Wealth Documentation Facilitation Services for offering and selling securities to the public through a double-your-money roulette game without the necessary license from the Commission.

The Commission also imposed penalties totaling P9 million against Chiyuto and its single stockholder Patrocenio Calvez Chiyuto, Jr. for administrative violations of The Securities Regulation Code.

## Money laundering, terrorist financing risks 'medium' in securities sector

The SEC has released the results of its money laundering (ML) and terrorist financing (TF) risk assessment of the securities sector, giving investment companies, brokers, dealers and other covered capital market participants an overall "medium" risk rating.

The assessment covered all of the 304 brokers, dealers, investment houses, underwriters of securities, government securities eligible dealers, investment company advisers, mutual fund distributors and investment companies under the supervision of the SEC.

## SEC revokes, fines Venture Securities for fraud

The SEC has revoked the license of Venture Securities, Inc. (VSI) and imposed penalties totaling P32 million against the brokerage and its officers for the fraudulent transfer of client shares from R&L Investments, Inc. to the account of a certain Julieto Sulapas in VSI. The transactions resulted in the loss of P700 million worth of client shares in R&L.

## SEC cancels R&L Investments' license over fraud

A special hearing panel (SHP) at the SEC has revoked the license of R&L Investments, Inc., as well as disqualified its key officers and the owner of the account used to siphon off client shares from the stock brokerage. The SHP also imposed monetary penalties totaling P25 million against the brokerage, its key officers and the client involved in the fraudulent scheme that led to the company's collapse.

## SEC affirms CMIC action against Venture Securities over multiple trading violations

The SEC has upheld the findings of the Capital Market Integrity Corporation (CMIC) that Venture Securities, Inc. (VSI) violated multiple trading rules in facilitating transactions that eventually wiped out client shares in R&L Investments, Inc.

The CMIC had found the stock brokerage in violation of the self-regulatory organization's rules and imposed a penalty of P5.16 million.

## SEC approves country's first crowdfunding portal

The SEC has allowed Investree Philippines, Inc. to operate a crowdfunding platform that will connect small, medium and emerging enterprises with banks and other lenders.

A joint venture between Filinvest Development Corporation and Investree Singapore Pte. Ltd., Investree is the first crowdfunding intermediary and funding portal registered with the Commission since the Rules and Regulations Covering Crowdfunding took effect in July 2019.

## Lending company's founders convicted for falsified registration documents

The SEC has secured its fifth legal victory in an ongoing crackdown on predatory lending, after a regional trial court, in a decision dated February 8, convicted the incorporators and directors of Naurasidhu55 Lending and Trading Corporation for submitting falsified documents for its registration.

## SEC revokes Bill Ford VIP Trading's incorporation for illegal investment scheme

The SEC has revoked the corporate registration of Bill Ford VIP Trading, Inc. for engaging in unauthorized investment activities resembling a Ponzi scheme.

BillFord Trading's investment scheme involved the sale of pigs for P2,500 each, with the promise of returning the investment that would then amount to P4,375 three months later.

## SEC cancels Eco Hatchery's corporate registration over unauthorized investment scheme

The SEC revoked on April 23 the corporate registration of Eco Hatchery and Trading Corporation for soliciting investments from the public through a Ponzi scheme.

Eco Hatchery entices the public to invest with the promise of earning 15% every 15 days in a span of four months. Its main strategy is actually to earn from the recruitment of new members or investors, presented in the guise of running a prawn, shrimp, crab and fish farm.

## SEC revokes Pigdeals International's registration

The SEC on March 15 revoked the corporate registration of Pigdeals International Holdings Inc. for its unauthorized investment taking activities resembling a Ponzi scheme.

Pigdeals' scheme involved securities, particularly an investment contract, whereby a person invests his money in a common enterprise and is led to expect profits primarily from the efforts of others. However, it has neither registered any securities nor applied for the necessary license to offer such securities for sale.

# INVESTOR ADVISORIES

*The SEC has issued advisories against the following entities for soliciting investments from the public without the necessary license from the Commission.*

Sec – Securities Enforcement Commission
Masa Mart Business Center OPC
Intelligence Samusai
Royal O Financial Consultancy Services
Bitaccelerate / Bitaccelerateproject.Com / Ba / Bitaccelerator
Jamsmart
Solmax Global Limited and Igniter 100
Royal O' International Import and Export OPC
R.L. Aggregates and Diversified Lending Group Inc.
Rgs World Marketing Corp.
Yumboss Corporation/Yumboss Putok
Batok/ Fresh Smart Super Store, Inc.
Philhelp Administration of Financial Marketing/ Philhelp International Lending Company
Bitexpress Security and Commodity Contracts Brokerage
Tradexpert/Tradexpert Technology Information Services
Align Assets
Wonkacash/Wonka Cash App Financial Consultancy Services
Ix Trade/Ixtrade
Learn and Earn Online, 247 Cryptotrading Fx, 247 Cryptotrade Online, Exchangestock, Binary Options Trading, and Wolves Options
Investrade Marketing / Investrade Digital Marketing Services
Iwatch.Ph Corporation
Beyond Generations Digital Marketing Services
Big Dreams International and Bdi Product Trading OPC
Cash Fx/Cash Fx Group/Cfx
Doors Opportunity Online / Door Opportunity Digital Marketing Services
Jpcompany Online Shop/Jp Company
Infinity Payb / Payb Bills Payment and Remittance Center
Hedge Trading
Coco-J Funds Corp. And Coco-J Funds Digital Marketing Services
Seven Stag International OPC
Mer's Business Center
Massdrop Marketing and Franchising OPC "Massdrop Marketing"
Project 1.8 Financial Program
Premium Business

Before you invest, always remember to #CheckwithSEC. Report investment scams to the SEC Enforcement and Investor Protection Department at epd@sec.gov.ph

# SEC MATTERS

Read the latest notices and announcements of the Securities and Exchange Commission (SEC) by visiting bit.ly/3hU4dDc or by scanning the QR code.

## FILING SCHEDULE
## ANNUAL FINANCIAL STATEMENT (AFS)

| | | |
|---|---|---|
| **June 1-30** | : | **1** |
| **July 1-31** | : | **2** |
| **August 1 -31** | : | **3 & 4** |
| **September 1-30** | : | **5 & 6** |
| **October 1-31** | : | **7 & 8** |
| **November 1-30** | : | **9 & 0** |

### Use of electronic signatures for the submission of Audited Financial Statements during the enhanced community quarantine period beginning 29 March 2021 and until further notice

Corporations duly enrolled with the OST may file their electronically signed AFS through the system. The management and external auditors of corporations that filed their electronically signed AFS must strictly observe their respective protocols or procedures in signing documents electronically and should ensure that manually signed AFS will be available upon directive by the Commission pursuant to the exercise of its supervisory and investigative authority and visitorial power under the SRC and Revised Corporation Code.

### Extension of Deadline for Submission of General Information Sheet

The Commission extends the deadline for the submission of the General Information Sheet (GIS) in consideration of the implementation of the Enhanced Community Quarantine in the National Capital Region and contiguous provinces. This is also in view of the implementation of the Online Submission Tool (OST) for the submission of reports online.

For all corporations, whether stock or non-stock, the GIS shall be submitted within 90 calendar days after the Annual Stockholder's Meeting (ASM) or Annual Members' Meeting. This will also apply to stock corporations that were able to hold their ASM prior and/or during the OST enrollment period, and for those corporations that were not able to hold any ASM in 2020, who have until January 30, 2021 to submit their GIS.

## Submission of CRMD Application Documents through Courier

The transacting public are highly encouraged to submit hard copies of approved applications to the SEC Company Registration and Monitoring Department (CRMD) through courier, with an attachment of a return envelope/pouch and a return address. All queries and applications for pre-processing shall be assessed online through the CRMD's contact information and email.

## Extension of Deadline to file Mandatory Declarations to 31 July 2021

The deadline for submission of all mandatory disclosures under Sections 6 and 7 of Memorandum Circular No. 1, Series of 2021, has been further extended to 31 July 2021 in consideration of the strict measures imposed under the Enhanced Community Quarantine and Modified Enhanced Community Quarantine from 29 March to 14 May 2021.

## Compliance with SEC Memorandum Circular No. 19, Series of 2019

Financing and lending companies are hereby warned to strictly comply with SEC Memorandum Circular No. 19, Series of 2019 on the Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms. Penalties shall be imposed for violations of non-compliance with Items A and B of Section 1, or Required Disclosures, and Section 2, or Registration of Business Name, among others.

Continuous failure to comply despite being given notice of violations and an opportunity to make the necessary corrections shall constrain the Commission to revoke the company's Certificate of Authority to Operate as a Financing/Lending Company.

## Registration with the Anti-Money Laundering Council and Submission of Proof of Registration

All financing companies and lending companies (FCs/LCs) are required to register with the Anti-Money Laundering Council (AMLC) through the AMLC Portal. Compliance officers are also required to update their respective company's user account information in the AMLC Portal every two years. Those who are not yet registered with the AMLC are given until 21 June 2021 to register and submit proof of such registration to the Anti-Money Laundering Division of the Enforcement and Investor Protection Department (AMLD-EIPD) of the Commission. Failure to register or update the AMLC registration is subject to applicable penalties.

## Submission of Money Laundering and Terrorist Financing Prevention Program

All newly covered financing companies and lending companies are required to formulate and implement a comprehensive and risk-based Money Laundering and Terrorist Financing Prevention Program (MTPP). Those who have not yet submitted their MTPPs are given until June 21, 2021 to submit them to the Anti-Money Laundering Division of the Enforcement and Investment Protection Department of the Commission.

Failure to submit the MTPP is subject to applicable penalties as provided for under the 2018 AML/CFT Guideline for SEC Covered Persons and/or the Implementing Rules and Regulations of the AMLA, as amended.

*SEC greenlights more capital raising...*

The Ayala Group, meanwhile, opened and closed the month of May with the listing of bonds on the fixed-income market.

The group's property arm Ayala Land, Inc. drew from its P50-billion shelf registration and raised P10 billion worth of bonds due 2025 for the payment of short-term loans on May 4. This marked the sixth tranche of the company's securities program that was initially registered in 2019.

On May 28, Ayala Corp. raised P10 billion from the issuance of three- and five-year bonds under the first tranche of its P30-billion debt securities program to partially refinance its outstanding bonds and to fund capital expenditures for its health and infrastructure business.

The PDEx scored the first issuance of green securities for the year with Energy Development Corporation's P5 billion bonds due 2024 and 2026. Approved by the SEC on June 8, the bonds were then listed on the PDEx on June 25, allowing the company to finance the growth and maintenance of its geothermal projects.

The SEC also approved the offering of commercial papers by Alsons Consolidated Resources Inc., Cirtek, and by SL Agritech Corporation for P3 billion, P2 billion, and P1.77 billion, respectively. SL Agritech's commercial papers comprise two tranches, with P427.7 million for the first tranche and P1.34 billion for the second.

Cirtek raised P1 billion from the offering of the commercial papers, according to the company's disclosure to the stock exchange. Meanwhile, Alsons Consolidated Resources and SL Agritech's commercial papers are not yet on the list of issued securities based on data from PDEx.

**Data exclude public offerings by financial institutions licensed by the Bangko Sentral ng Pilipinas which are not required to secure approval from the SEC per Rule 9.2 of the Implementing Rules and Regulations of Republic Act No. 8799, or the Securities Regulation Code. As of June 30, 2021, China Banking Corporation, Rizal Commercial Banking Corporation, and Metropolitan Bank and Trust Company have tapped the bond market to raise a total of P56.87 billion in fresh funds. No equity offerings have been conducted by financial institutions in the same period.*

# SEC PUBLICATIONS

Check out these other SEC publications to learn more about the Philippine capital markets, business sector, and overall economy.

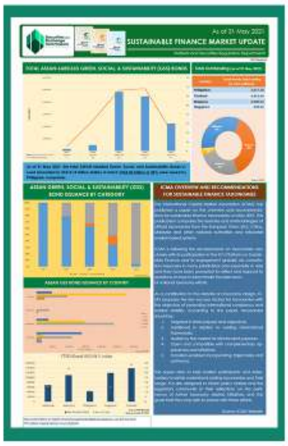
## DAILY MARKET UPDATES

bit.ly/3B4smjg


Track the movement of stock, bond and commodity prices, as well as foreign exchange rates, by tuning in to this daily publication by the SEC Markets and Securities Regulation Department. Daily updates are available for the Equity, Fixed Income, and Foreign Exchange and Commodities Markets.

## SUSTAINABLE FINANCE MARKET UPDATE

bit.ly/2U4i9mz




This monthly publication by the SEC Markets and Securities Regulation Department contains news on sustainable finance, as well as a rundown of green, social, and sustainability bonds issued in the Philippines and the ASEAN region for the period.

## SECONOMICS

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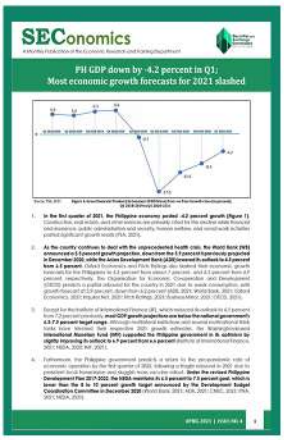


The SEC Economic and Research Training Department provides monthly updates on the Philippine economy, i.e., the country's economic growth, government spending, developments in the business sector, performance of the capital markets, as well as other pertinent domestic and international news for the period.