# THE NEWSEC NEWSLETTER

Securities and Exchange Commission
PHILIPPINES

JULY- DECEMBER 2021 VOLUME NO. 1 ISSUE NO. 2

## DIGITAL TRANSFORMATION:
## Keeping Philippine Corporations Ahead of the Game

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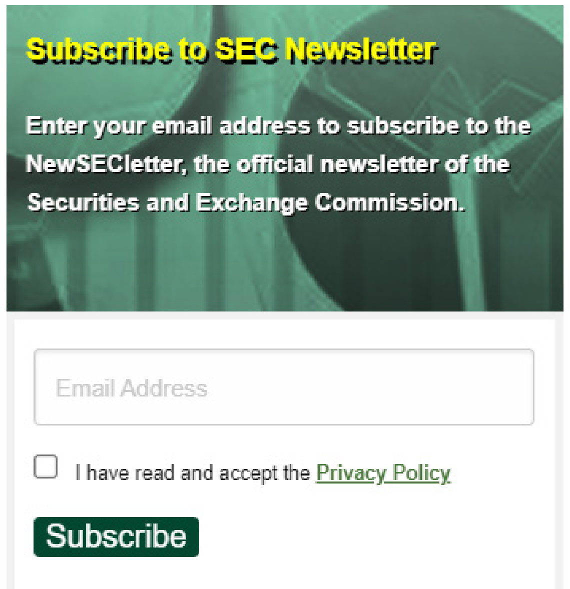


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# Chairman EM@IL Message

| | |
|---|---|
| From | Emilio B. Aquino ebaquino@sec.gov.ph |
| To | Our SEC Stakeholders |
| Date | November 12, 2021 |

2021 was a milestone year for the Securities and Exchange Commission (SEC). On top of our celebration of the Commission's 85th Founding Anniversary, we attained equally momentous achievements showing that we are, truly, the home of champions.

We championed the ease of doing business in the country through breakthrough regulatory reforms in starting a business and protecting minority investors, as well as digital transformation of our core services for optimal stakeholder experience. Collectively, these encouraged business formation and enabled enterprises to grow their business despite the pandemic.

The SEC pursued the growth of the capital markets as a viable source for financing the country's economic recovery. With this, the amount of initial public offerings cleared by SEC reached an all-time high, and retail participation in both equity and bonds have exceeded the pre-pandemic levels, indicating the growing investor confidence in the economy.

We also championed good corporate governance and sustainability in the Philippine corporate sector, and received international recognitions for our demonstrated leadership and commitment in these efforts.

To protect the investing public and other financial consumers, we relentlessly went after fraudulent investment schemes and illegal lending through convictions, corporate revocations, cease-and-desist orders, and public warnings.

The SEC also championed financial inclusion through broad-scale investor education with the growing SEC CAMPAIGN Network, consisting of both government offices and private institutions.

2021 saw the launch of our PhiliFintech Innovation Office, to keep up with new technologies and foster innovations, especially initiatives in the financial technology space.

With the groundwork all laid out for the capital market and business sector to thrive all laid out, the SEC is never slowing down. We will continue to pursue our mandate and do our part to contribute toward the robust growth of the Philippine economy.

Soon, we will launch the Anti Scam Task iGroup (ASTiG) Network to better monitor investment-taking activities and stop the fraudulent schemes at the LGU level. We are also continuing our crackdown against illegal lending, as we rid the corporate sector of individuals who abuse vulnerable Filipinos in need of quick cash.

To sustain the momentum of our capital markets, we are putting up our the Office for the Advancement of Strategic Investments in SMEs, or OASIS, that SMEs may tap to secure their funding needs through the capital markets. By our 88th anniversary in 2024, there shall have been 888 companies listing or raising funds in the capital market – that's our 888@88 target.

The Commission is just getting started. We look forward to seeing you, our stakeholders, in the many plans and programs we have ahead, as we carve out the path towards a more modern and energized SEC for the Philippines.

Thank you and mabuhay!

Reply | Reply all | Forward

# DIGITAL TRANSFORMATION

## Keeping Philippine Corporations Ahead of the Game

The Securities and Exchange Commission (SEC) has accelerated its digital transformation, making doing business in the country easier than ever and bringing closer to realization its vision of a more empowered business sector considered among the best in Southeast Asia.

The SEC launched new and upgraded online systems for the registration of companies, submission of annual reports, and payment of transaction fees. These allow corporations and the public, in general, to transact with the Commission conveniently anytime and anywhere.

The Commission also established and expanded offices to promote innovation and growth in the financial technology (fintech) space and to advance capital market development, among others.

This digital migration signals a new era for the SEC, introducing its stakeholders to a modernized and more efficient way of doing business. And in doing so, the Commission looks to keep corporations focused on getting ahead of the game.

### eSPARC and OneSEC

In April, the SEC started offering a faster and easier company registration process through the Electronic Simplified Processing of Application for Registration of Company (eSPARC).

The facility caters to applications for the registration of one person corporations and both stock and nonstock domestic corporations with two but not more than 15 incorporators.

eSPARC is seamlessly linked to the Central Business Portal, the national government's centralized platform that gives the public access to business registration and related transactions.

Further accelerating the company registration process in the country is the One-Day Submission and Express Registration of Companies (OneSEC), which may be used in applications for registration of one person corporations or corporations with two to 15 incorporators, directors, and stockholders.

OneSEC is considered a "pass through" system, as most company information required in the application are already prefilled, requiring only minimal encoding of data for the registrants.

Within a week following its launch, the SEC saw record time for company registration through the OneSEC at less than two minutes, proof of the speed and ease with which the system can be used.

Applicants who use OneSEC to register their companies will immediately receive their digital Certificates of Incorporation (COIs) upon completing the online process. They may claim their printed COIs upon submission of their original registration documents to the Commission.

### eSPAYSEC

The Commission also introduced the Electronic System for Payment to SEC (eSPAYSEC), paving the way for an end-to-end, purely online customer journey.

The system allows for the payment of registration and other transaction fees, as well as penalties. Users can choose from debit cards, credit cards, digital wallets, and other cashless payment options to complete their transaction.

The eSPAYSEC is linked to eSPARC and OneSEC, and may be used for payments to the SEC as long as they have been issued a Payment Assessment Form by the Commission. With this, clients no longer have to line up at SEC offices just to pay for their fees and proceed with their transactions with the ease of their mobile phones.

### eFAST

The Electronic Filing and Submission Tool (eFAST) adds to the major innovations introduced by the SEC on the technology front.

Previously launched as the Online Submission Tool on March 15, 2021, eFAST shifted the submission of covered reports such as audited financial statements and the General Information Sheet (GIS) online.

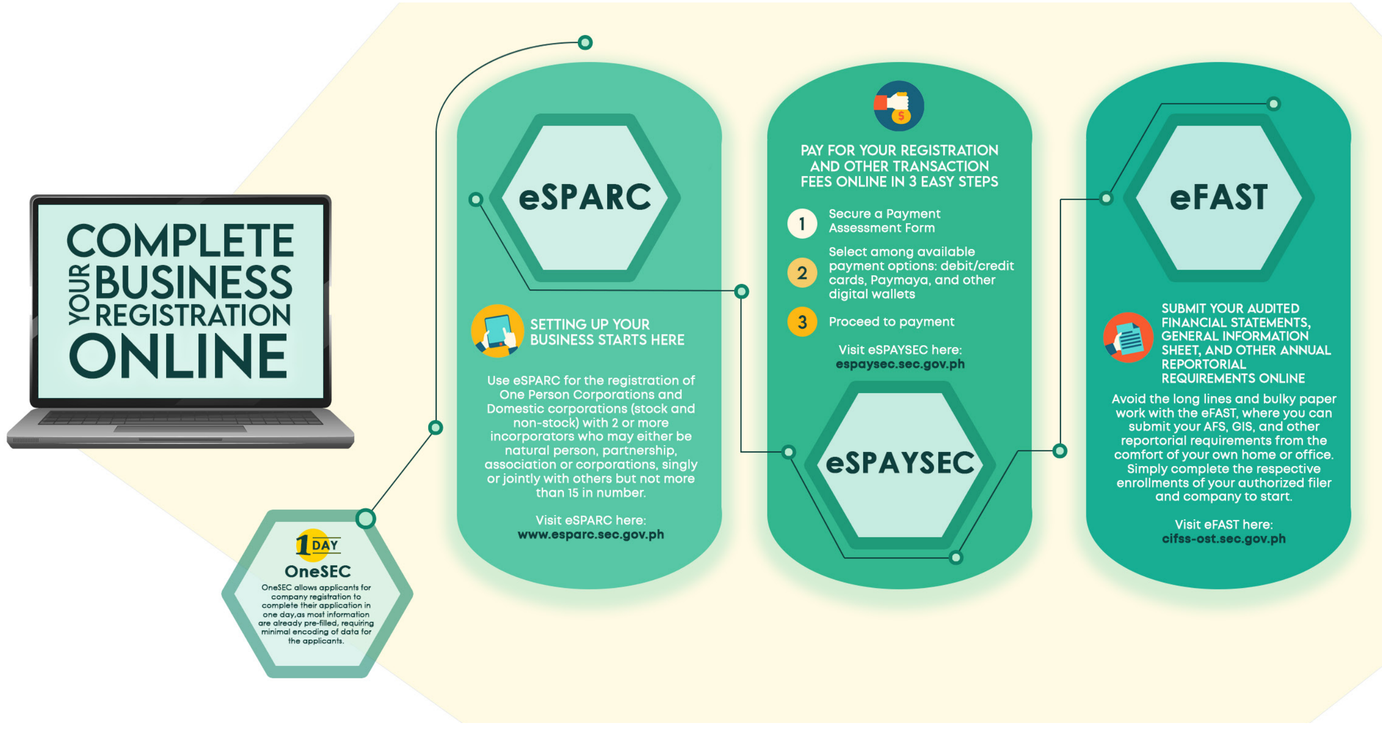
eFAST eliminates the need for face-to-face transactions across SEC offices, helping the Commission stop the spread of COVID-19 especially at the height of the pandemic. With the online portal, corporations and their authorized filers only need to undergo a one-time enrolment process to submit their reports moving forward.

Other documents that can be submitted through the eFAST include the Sworn Statement for Foundations, General Form for Financial Statements, Special Form for Financial Statement, Affidavit of Non-Operation, together with the GIS or AFS, and Affidavit of Non-Holding of Annual Meeting, together with the GIS.

The launch of eFAST is also in line with the SEC's sustainability goals, as it frees the Commission of the tons of paper products that go through its offices from the submission of reportorial requirements of covered entities.

### SEC Check App

Rounding up the online services offered by the Commission is the SEC Check App, a mobile app envisioned to serve as an on-the-go guide in investing and doing business in the Philippines.




Launched during the celebration of the 2021 Investor Protection Week, the SEC Check App seeks to guide prospective investors into legitimate investment options through the #CheckwithSEC feature. This allows them to verify whether a particular company or entity is registered with or is duly licensed by the Commission – a crucial step that investors should take before deciding whether they should invest in a certain company or not.

Users can also watch previous webinars and educational videos produced by the SEC to learn more about how they can protect themselves from investment scams under the "Investor Education" section.

The SEC Check App, which is available for both iOS and Android users, further provides the public with on-the-go access to the latest investor alerts, rules and regulations, and other updates from the SEC.

Aside from features promoting investor protection, the SEC Check App directly links to the SEC website, extending available data such as forms and fees required for company registration, reportorial requirements, and other information relevant to the Commission.

### PIO

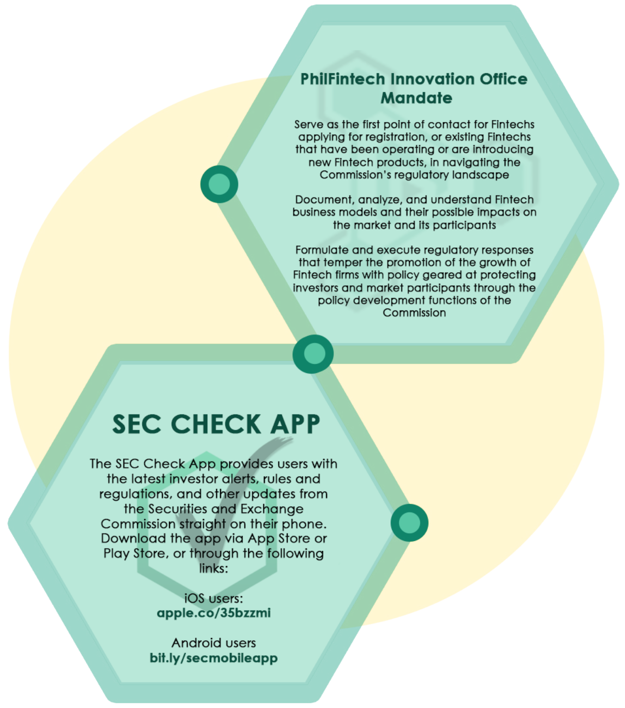
As the world increasingly becomes digital, the Commission unveiled a new office that would keep it abreast with advancements in technology.

The PhiliFintech Innovation Office (PIO), under the SEC Corporate Governance and Finance Department (CGFD), will focus on the regulation of the use of fintech, or financial technology, in the Philippines.

The office is mandated to reduce gaps in consumer and investor protection tempered by financial inclusion, integrity, and stability through a dedicated focus on the regulation and growth of fintech activities; create better-informed policies for new and existing fintech innovators; and capacitate the SEC with expertise to effectively regulate fintech activities and promote an innovative culture in the corporate sector.

The PIO will facilitate the processing of the registration of new fintech companies along with the appropriate department of the Commission. It shall likewise serve as the first point of contact for existing fintech companies, or those who will introduce new fintech products.

Through PIO, the SEC will be able to formulate and execute regulatory responses geared toward protecting investors and market participants, while concurrently promoting the growth of fintech firms.




*Getting into fintech? Show your ideas and get regulatory guidance from the PhiliFintech Innovation Office through its Present Me Anything Sessions:* ***https://bit.ly/PMASessions***

# NEWSEC

The Securities and Exchange Commission (SEC) participated in the global celebration of World Investor Week led by the International Organization of Securities Commissions, and continued its mission toward digital innovation through partnerships and the launch of new programs. Read about the celebration and other milestones of the Commission by visiting **bit.ly/SECNews2021** or scanning the QR code.

## SEC pushes for scam-free future as it celebrates IOSCO World Investor Week

The SEC called on the public to secure their financial future by becoming smart investors, as it joins the celebration of World Investor Week from October 4 to 10, 2021.

The World Investor Week is a global campaign by the International Organization of Securities Commissions (IOSCO) that encourages securities regulators to put a spotlight on efforts to promote investor protection. For 2021, the theme focused on sustainable finance and the prevention of frauds and scams.

The celebration opened with a bell-ringing ceremony in partnership with the Philippine Stock Exchange, followed by webinars and other online activities hosted on the Commission's Facebook page together with its SEC Campaign Network partners.



## SEC champions smart, sustainable investing as Investor Protection Week begins

The SEC encouraged Filipinos to become investor champions by securing their future through smart and sustainable investments, as it led the celebration of the 2021 Investor Protection Week (IPW) from November 8 to 12.

The Commission marked IPW with webinars on when and where to invest, social media challenges, interactive quizzes, and other activities aimed at raising the level of financial literacy among Filipinos.

## SEC boosts fight against cybercrime through partnership with CICC

The SEC has partnered with the cybersecurity arm of the Department of Information and Communications Technology (DICT) to intensify efforts to prevent and suppress cybercrime activities in the country. In a virtual signing ceremony on September 28, 2021, the SEC entered into a Memorandum of Agreement (MOA) with the Cybercrime Investigation and Coordinating Center (CICC) for collaboration on programs, projects, and activities in accordance with RA 10175 or the Cybercrime Prevention Act of 2012.

## SEC issues rules for ASEAN cross-border investments

Qualified investment companies from the Philippines may now offer its shares to Malaysia, Singapore, and Thailand, and vice versa, following the SEC's issuance of Memorandum Circular No. 9, Series of 2021, or the Rules on Authorisation of an Investment Company as a Qualifying CIS and Recognition of a Foreign CIS under the ASEAN CIS Framework.

The initiative will allow fund managers operating in a member jurisdiction to offer collective investment schemes such as unit trust funds or mutual funds to retail investors in other member jurisdictions under a streamlined authorization process.


## SEC launches new office for Fintech innovation

The SEC is paving the way for more innovations in the fintech industry to further promote financial inclusion and, at the same time, protect investors and other financial consumers.

On July 30, 2021 ,the SEC formally launched the PhiliFintech Innovation Office, under its Corporate Governance and Finance Department, which will focus on the regulation of the use of fintech, or financial technology, in the Philippines.

## SEC assures continued operations of Philippine capital markets

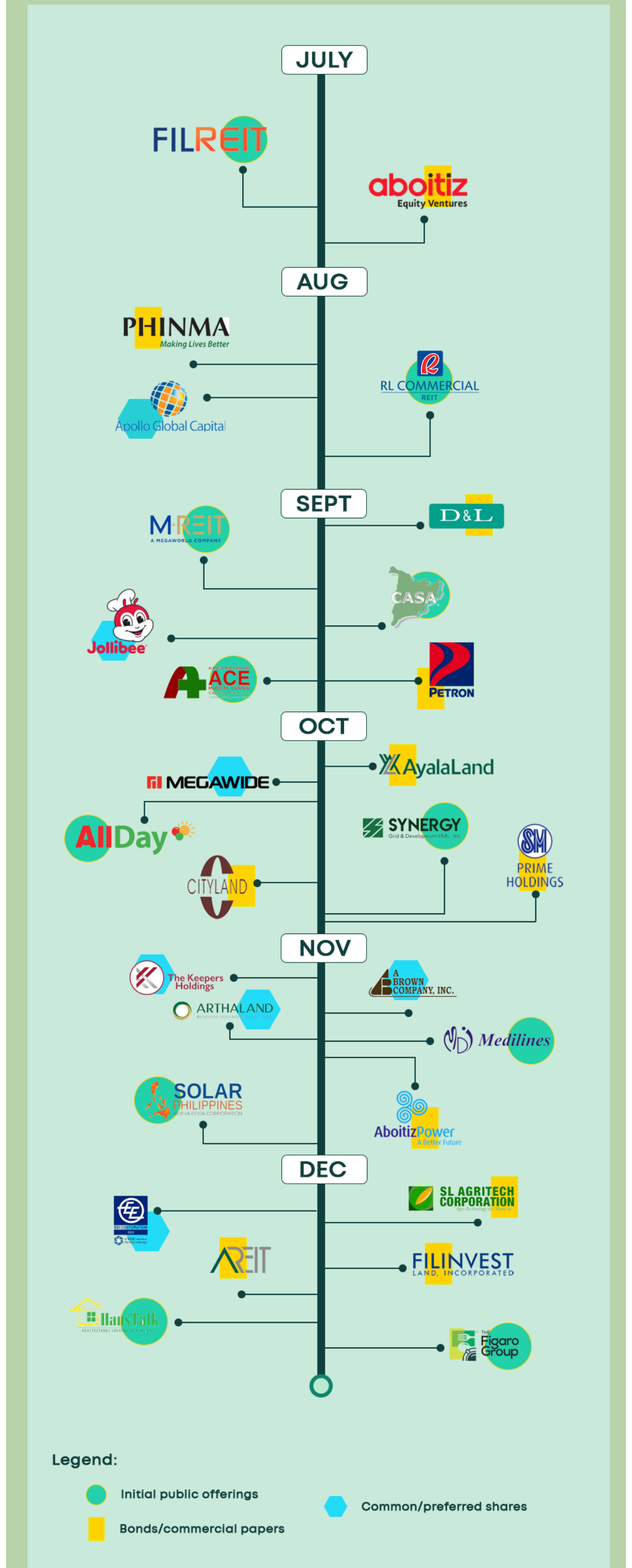
The SEC ensured the continued operations of the domestic capital market as the National Capital Region and nearby areas went under another round of enchanced community quarantine from August 6 to 20.

The Commission allowed capital market participants to deploy their skeleton workforce, who were considered as Authorized Persons Outside of Residence.

Capital market institutions allowed to operate included the Philippine Stock Exchange, Inc., Securities Clearing Corporation of the Philippines, and the Philippine Dealing and Exchange Corp., among others.

## CAPITAL MARKET UPDATES

*2021 was a banner year for the Philippine capital market, seeing a record number of initial public offerings despite the continued disruption brought about by the pandemic. Know about what companies braved the markets during the second half of the year below.*



# #MAGING INVESTOR CHAMPION

Look back on the celebration of the second Investor Protection Week from November 8 to 12. The Securities and Exchange Commission led the celebration with webinars and other events aimed at empowering the public to become investor champions by securing their financial future through smart and sustainable investments.





Tokyo 2020 Olympic medalists for boxing **Eumir Marcial, Nesthy Petecio,** and **Carlo Paalam** answer the Commission's call to become **investor champions**, serving as an inspiration that everyone can become champions in life through honest, hard work.






SEC Chairperson **Emilio B. Aquino** kicks off the celebration of **Investor Protection Week 2021**, inviting the public to join the fight against investment scams and become investor champions. The Commission conducted webinars on "**How to Spot an Investment Scam**" and "**When and Where to Invest**," and produced information materials to spread awareness on legitimate investment options available in the Philippines.




TV host and social media influencer **Robi Domingo** and celebrated actress **Dimples Romana** share tips and lessons learned in their own investment journeys, encouraging their viewers to always #CheckWithSEC before pushing through with any investment.




**Kyle "Kulas" Jennerman** of the popular Youtube channel **BecomingFilipino** joins the SEC's Pass-it-on Challenge, which encouraged the public to pass on the message of what makes them investor champions. The social media challenge created an online movement with the help of other influencers such as **Weeko Gan, Dora de Zamboanga, Nana Silayro,** and **Aira Lopez**, among others.

# #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/SECAdvisories or by scanning the QR code.

## DOJ to file criminal case against Organico over investment scam

The Department of Justice has recommended the filing of criminal charges against Organico Agribusiness Ventures Corp. and its officers for its unauthorized solicitation of investments from the public, affirming the findings of the SEC.

In a resolution dated September 3, state prosecutors found probable cause to charge Organico and its officers for violations of the Securities Regulation Code. Accordingly, the business operations carried out by respondent Organico is in the form of a Ponzi scheme whereby purported returns to existing are culled from funds contributed by new investors.

The Commission also noted that Organico Chairman and President Cerrone Roial Posas Posas and his other co-accused officers have a standing warrant of arrest for five counts of syndicated estafa.

## SEC scores 8th conviction in crackdown against illegal lending

The SEC advanced its crackdown on illegal lending with another legal victory, after a regional trial court convicted the incorporators and directors of X-CEE789 Lending and Trading, Inc. for submitting falsified documents for its registration as a lending company.

In a decision dated June 30, the Pasay City Regional Trial Court Branch 118 found the incorporators and directors guilty beyond reasonable doubt of violating the Lending Company Regulation Act of 2007.

The conviction of the incorporators and directors of X-CEE789 represents the eighth conviction the SEC has won under a crackdown initiated in 2017 on illegal lenders, including those engaged in "5-6" schemes and other usurious practices.

## CA upholds SEC cease and desist order against Planpromatrix Online

The Court of Appeals (CA) has upheld the order of the SEC stopping Planpromatrix Online Co. from soliciting investments from the public without the necessary license.

In a decision dated July 19, the CA Special 10th Division affirmed the cease and desist order (CDO) issued by the SEC against Planpromatrix for perpetrating fraud and causing grave injury to the investing public.

The Commission En Banc issued the CDO after finding that the partnership offered and sold to the public securities in the form of investment contracts under the guise of an electronic loading business, without securing the requisite license from the SEC.

## SEC orders Royal O' to stop luring investors

The SEC has ordered Royal O' Consultancy Services OPC, Royal O' International Import and Export OPC, and their affiliate companies to stop soliciting investments from the public under a scheme disguised as an investment platform for alleged gambling, medical supplies, and export firms.

The order was issued after Royal O' was found to have been offering and selling securities without securing a secondary license from the Commission. The investment scheme employed by Royal O' has the characteristics of a Ponzi scheme as it promises exorbitant returns with little or no risk at all to investors.

The SEC highlighted that the certificate of registration granted to Royal O' explicitly prohibited it from soliciting, accepting, or taking investments or placements from the public, as well as issuing investment contracts, without securing a secondary license. The Commission warned the public against investing in Royal O' through an advisory.

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

## SEC stops R.L. Aggregates' fraudulent, deceitful investment scheme

The SEC ordered R.L. Aggregates and Diversified Lending Group, Inc. to immediately stop soliciting investments from the public through a fraudulent scheme that involves the use of falsified registration documents.

The Commission issued the order after finding that R.L. Aggregates has been enticing the public to invest in the company in exchange for guaranteed returns of 1% per day or 30% per month over a lock-in period of three months. R.L. Aggregates is registered with the Commission and holds a Certificate of Authority to operate as a lending company. However, it has never secured a secondary license to solicit investments from the public, as required under Sections 8 and 12 of the SRC.

## SEC upholds revocation of KingABC Lending's license

The SEC has declared final and executory the revocation of the Certificate of Authority (CA) of KingABC Lending Corporation to operate a lending company, after it engaged in unfair debt collection practices.

KingABC– operator of online lending platforms Pondo Loan, Start Loan, Green Loan, and Loan Club – was found to have threatened borrowers with shaming on social media by publishing their names as scammers and contacting people in the borrowers' contact list despite not being named as co-makers or guarantors, used obscenities, insults, or profane language in its debt collection, and threatened to sue borrowers based on made-up legal bases. Aside from the said 15 violations, 53 more complaints have been filed against the company for its abusive debt collection practices, as of date of the order.

## SEC cancels Familyhan Credit's license

The SEC revoked the Certificate of Authority of Familyhan Credit Corporation to operate as a lending company after the latter engaged in unfair debt collection practices and failed to disclose the true cost of loans extended to borrowers.

Familyhan also committed violations on unfair debt collection practices when it contacted persons in the debtor's contact list other than those named as guarantors or co-makers of the loan agreement.

## INVESTOR ALERTS

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

Petromobil Corporation
Ching Empiretans/Ching Empire, E-Ambag And Geever
Cloud Network/ Cloud Network Marketing/ Www.Cloudnetworkmarketing.Com
Lendvest Interntional
Earn Cash Quarantine Lending Consultancy Services
3x1 Marketing Services / Leovic 3x1 Wellness And Beauty Center
Asiaworks Digital Marketing Services
247stocktradefx
Em-Power8 Beauty And Wellness Trading
Elite Alliance Vera Trade System Opc/Elitealliancevera
Computer Trading/Elite Alliance Vera Trade Ltd/Elite Alliance Vera Trade International / Eav Trade
Rising Opportunity International (Roi) Business/R O I Business Development Services
Genius Trading Corporation/Genius Trading/Gc8
Brio De Agoho Club Resort Inc./Brio De Agoho/Agoho Resort And Villas Inc.
Spav Solutions Corp. Doing Business Under The Names And Styles Of Emporia Institute, Emporia
Seafood Trade.Asia/Shrimp Farming Seafood.Asia Digital Marketing Services/Ong Shrimp Farming/Aqua Import Export And Properties Holdings Inc.
Every Supermarket
Philaz/Philaz International Trade Co. Ltd.
Money Game Hub / Mgh Trading Opc
Filipino Family Club International Inc.
Scet Colleens Corporation
Fmd Logistics Trucking Corporation / Fmd Logistics International Corporation
Dme Grains Ph / Dme Good Grains Opc
Cryptoblast Inc./Cryptoblast Philippines Inc.
Triple G Business Consultancy Services Opc
Elite Alliance Vera Trade System Opc (Eav Trade)
The Green Shop
Hustlin Bullies
Praetorian Group International Trading Inc.
Katuwang Poultry Chicken Egg Producing Co.
Ayudaforall Computer Trading
Apollo Drugstore And Diagnostic Center, Inc. (Apollo Drugstore)
Ecomm Shares/E-Comm Shares
Pogi Breeds/Pogi Breeds International/Pogi Breeds Int'l/Copartners Pogibreeds
Bcpay Financial Technology, Inc.
We Al Th On W E B Company / Wealth On Web Company / Wow Company / Wow Trade's
Bitrade / Bitrade Administration Of Financial Marketing
Big Boss Marketing
Rm Trading
Sec News And Updates Facebook Page
Royal Q/Royal Q Global/Royal Q Mobile App/Royal Quantity Investment Management Co., Limited
Pancake King Token
Repa/Repa Paluwagan
Mcm Royalty Legacy International Inc./Royalty Legacy International Inc.
Digicoin Markets Or Digicoin Markets International Ph
Ascend Intelligence Company/ Ascend Intelligent/ Ai Company/Ascend-Intelligence.Com
Infinite Profit Asia/Inifinite Profit Asia Ltd.
Danea Ruby Cardones Solmayor
A+/A-Plus/A-Plus-Mall/"A" Plus Investment, Llc
Phmall/Phmall.App
Phlazada/Phlazada Vip/Phlazada International Trade Co Ltd.
Suhail Medical Center And Suhail Medical Center Inc.
Zigmatrade/Zigma Trade
Victorich / Www.Victorich.Ph / Victorich Trades Company
S Amz Shop/S Amz Shop
Phillq International Trade Co., Ltd./Phillq/Phillq.Com
Axiecrowd Asia
Double M Global Trading/ Double M Fx Financial Consultancy Services
Wow Negosyo
U-Trade Beauty And Wellness Products Trading And U Bet Trade International Opc
Kinney Infotech Corporation
Crypto Asset
Clearway Energy Inc.
Shopee888/Shpoee888
Meta Trading Corporation/One Meta Trading Opc

# SEC RULES

From July to December 2021, the Securities and Exchange Commission has issued six memorandum circulars embodying new rules and regulations concerning corporations and other SEC-supervised entities. The full text of the following memorandum circulars may be found on the SEC website by visiting bit.ly/SECMemoCirculars or scanning the QR code.

SEC Memorandum Circular

## No. 08

Series of 2021

Publication date : July 14, 2021
Date of effectivity : July 14, 2021

### Amendment to SEC Memorandum Circulars No. 14, Series of 2018, No. 3, Series of 2019, No. 4, Series of 2020 and No. 34, Series of 2021 to Clarify Transitory Provision

To assist real estate companies to finally adopt the Philippine Interpretations Committee (PIC) and International Financial Reporting Interpretations Committee (IFRIC) pronouncements and enable them to fully comply with Philippine Financial Reporting Standards 15 (PFRS 15) and revert to full PFRS, the Commission En Banc, in its meeting held on July 8, 2021, approved the amendment to the transitional provisions in the SEC Memorandum Circulars No. 14, Series of 2018, No. 3, Series of 2019, No. 4, Series of 2020 and No. 34, Series of 2021, which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncements.

SEC Memorandum Circular

## No. 09

Series of 2021

Publication date : August 18, 2021
Date of effectivity : August 18, 2021

### Rules on Authorisation of an Investment Company as a Qualifying CIS and Recognition of a Foreign CIS Under the ASEAN CIS Framework

This operationalizes the Supplemental Memorandum of Understanding signed by the Philippine SEC together with the Securities Commission Malaysia, the Monetary Authority of Singapore, and Securities and Exchange Commission of Thailand on May 11, 2021, which officially welcomed the Philippines as the fourth signatory to the ASEAN Collective Investment Schemes (CIS) Framework. The rules cover investment companies and fund managers incorporated in the Philippines that intend to participate in the Framework and offer for sale the shares of investment companies cross-border; and foreign CIS operators of member jurisdictions that will offer for sale foreign CIS in the Philippines under the ASEAN CIS Framework.

SEC Memorandum Circular

## No. 10

Series of 2021

Publication date : November 5, 2021
Date of effectivity : November 5, 2021

### Moratorium on New Online Lending Platforms

The rules imposed a moratorium on the registration of new online lending platforms (OLPs) of financing and lending companies. Only the recorded lending and financing companies with OLPs as of November 2, 2021 may operate and be used for online lending/financing, which shall be subject to strict monitoring by the Commission of their compliance with all applicable laws, rules, and regulations.

SEC Memorandum Circular

## No. 11

Series of 2021

Publication date : November 13, 2021
Date of effectivity : November 13, 2021

### Adjusted Deadline for Filing Additional Securities Deposit

The Commission has extended the deadline for the posting of additional securities deposit and substitution of securities deposit for branch offices with fiscal period ending 31 December 2020 to align the same with the extended deadline of the AFS. The posting of additional securities deposit for branch offices falling due in 2021 shall be extended until December 23, 2021. The said extension for posting of additional securities deposit and substitution of securities deposit shall automatically be applied without the need for a request from the affected branch offices.

SEC Memorandum Circular

## No. 12

Series of 2021

Publication date : December 24, 2021
Date of effectivity : January 1, 2022

### Revised Rules and Regulations on the Implementation of the SEC Oversight Assurance Review Inspection Program

The Revised Rules and Regulation on the implementation of the SEC Oversight Assurance (SOAR) Inspection Program intends to improve confidence in the audited financial statements (AFS) of publicly-listed companies. The SOAR Inspection Program covers only accredited firms engaged by the companies with equity or debt securities listed in an exchange. It includes both the firm-level and engagement-level reviews for firms and audit engagement partners covered by the inspection.

SEC Memorandum Circular

## No. 13

Series of 2021

Publication date : January 4, 2022
Date of effectivity : January 19, 2022

### Annual Corporate Governance Report

The SEC mandates all covered companies to submit an Annual Corporate Governance Report (ACGR) to be submitted on or before June 30 of the following year for every year that the company qualifies as a public company or registered issuer. The ACGR shall cover all relevant information from January to December of the given year regardless of registration date. The first submission of the ACGR shall cover the period of January to December 2021. Monthly penalties will be imposed ranging from Php500 to Php50,000 for violations, i.e. non/late submission, incomplete or misrepresentation/misinformation in disclosure(s), and incomplete and incorrect signatory(ies).

# SEC MATTERS

Read the latest notices and announcements of the SEC by visiting **bit.ly/SECMatters** or by scanning the QR code.


### Extension of the Submission Deadline of The Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Inherent Risk Assessment Data Form (AIRDF)

The SEC extended the deadline for the submission of the AML/CFT Inherent Risk Assessment Data Form to February 28, 2022.

Responses to the AIRDF will guide the SEC Covered Persons (CPs) in identifying and assessing the indicators of Money Laundering and Terrorist Financing (ML/TF) risks to which they are exposed and in formulating their Institutional Risk Assessment (IRA) required under SEC Memorandum Circular No.26, Series of 2020.

### Cybersecurity notice

Corporations are urged to assess their cybersecurity risks and address these with the appropriate cybersecurity measures. The board and senior management, who have oversight over the risks or threats of a corporation, should be made aware of the cyber risks and craft the appropriate policies and measures therefor for the corporation and its stakeholders' cybersecurity.

### Frequently Asked Questions (FAQs) on Beneficial Ownership

On September 17, 2021, the SEC released FAQs on Beneficial Ownership for the information and guidance of the public. This shall be used as a guide in complying with the requirements of the Commission on Beneficial Ownership.

Get a copy of the FAQs by visiting **https://bit.ly/BeneficialOwnershipFAQs.**

### MC 28 Submission Portal

Corporations may now submit forms online in compliance with SEC Memorandum Circular No. 28, Series of 2020 (MC 28) through the MC 28 Submission Portal at **https://apps010.sec.gov.ph**.

The SEC will no longer accept submissions via email or in person.

### Extension of enrollment in the Electronic Filing and Submission Tool

The SEC has extended to enrollment to the Electronic Filing and Submission Tool (eFAST), formerly known as the Online Submission Tool, for all stock and non-stock corporations until March 31, 2022.

All corporations shall be required to submit their annual reportorial requirements through the OST, effective April 1, 2022. Over-the-counter submission through appointment system and through mail shall no longer be accommodated.


# EO CORNER

The SEC ensures the efficient delivery of its services across the Philippines through its Extension Offices (EOs). Located in strategic locations in Baguio, Bacolod, Cagayan de Oro, Cebu, Davao, Iloilo, Legazpi, Tarlac, and Zamboanga, the EOs are vital in the SEC's fulfilment of its mandate of overseeing the corporate sector and protecting investors from fraudulent investment schemes.

### Baguio EO strengthens investor education amid pandemic

The SEC Baguio EO partnered with PTV Cordillera in a live interview for the program Isyu at Serbisyo with Mr. Ed Carta, to discuss SEC mandates, issuances and address questions related to investment scams and online lending applications. The BEO also reached out to its stakeholders through various radio interviews with local radio stations and organizations such as Bombo Radyo, Radyo Pilipinas, Radyo Tirad Pass, Radyo Totoo, and KBP Pangasinan.

### Cagayan de Oro increases registration collection in 2021

The SEC Cagayan de Oro EO is optimistic on the opening and recovery of business establishments in the region, after it saw a 27.56% increase in its fees collection for 2021.

The CDOEO was able to register 726 stock corporations; 712 non-stock corporations; 97 one person corporations; 223 with less than five incorporators; and 67 partnerships for full-year 2021. The office also processed 46 applications for an increase in capital and 24 for 10-1 applications.

### Davao EO intensifies info drive with Youtube, Tiktok stars

The SEC Davao Extension Office welcomed Youtuber Kyle Jennermann of Becoming Filipino and Facebook/Tiktok star Rowell Divina as its investor champions in time for Investor Protection Week 2021. Jennermann reminded his audience, which includes overseas Filipino workers, of the importance of trusting only legitimate investment sources before letting go of one's hard-earned money. Meanwhile, Divina depicted the red flags of illegal investment schemes through a comedic skit posted on his official social media page.

### Cebu EO welcomes new director, investor champions

The SEC Cebu EO welcomed Atty. Sheara Lupango-Tamayo as its new director in November, who promised to "continue providing excellent service to our dear public, the service that they truly deserve."

National Athletes Nikko Bryan Huelgas (left) and Kim Remolino (far right) also answered the call to become Cebu's investor champions, as the Commission stepped up its campaign on financial literacy while encouraging the public to be investor champions and make wise decisions with their financial future.

# EO CORNER

## Legazpi EO receives commendations from partner government agencies


The SEC Legazpi EO received several commendations from different sectors for its advocacy campaigns in 2021.

The Philippine Army 9th Infantry Division highlighted the Legazpi EO's support as one of its long-time partners in Joint Task Force Bicolandia "Trangkilo," which contributed to the overall peace and development efforts the Armed Forces of the Philippines.

Camarines Sur Department of Trade and Industry also commended Legazpi EO for being an active partner in its diskwento caravans, webinars, and media interviews.

For 2021, the office conducted a total of 29 webinars, 117 media interviews, and three virtual press conferences.

## Company registrations rise for Zamboanga EO in 2021


As the registrar and overseer in the business sector, SEC Zamboanga had bounced back from a low number of 249 registered corporations in 2020, to 347 registered entities in 2021. This increase in number is attributed to the quick reaction of the Commission in implementing national and local measures in response to the COVID19 crisis.

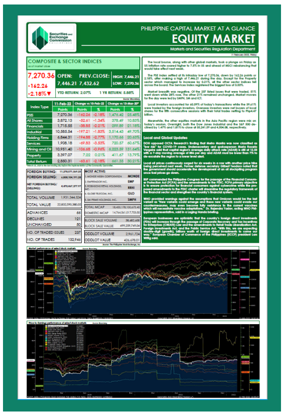
SEC Zamboanga remains fully operational, by providing virtual and onsite public assistance to mitigate the inconvenience brought by the pandemic, while strictly adhering to the minimum health safety protocols as directed by the IATF and the City Government of Zamboanga.

# SEC PUBLICATIONS

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

## DAILY MARKET UPDATES

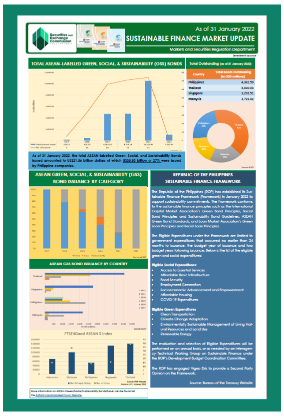
bit.ly/SECMarketUpdates




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

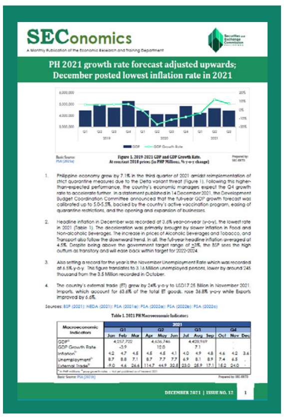
bit.ly/SECSustainableFinance




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

bit.ly/SECeconomics




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 capital markets, as well as other pertinent domestic and international news for the period.