2019

Annual REPORT

Securities and Exchange Commission

PHILIPPINES

Contents

I. SEC MANDATE

Since its establishment in October 26, 1936 through Commonwealth Act (CA) 83 or The Securities Act, the Securities and Exchange Commission has continuously lived up to its mandate as the national government regulatory agency with supervisory power over the corporate sector, the capital market, and the protection of the investing public. Subsumed in this supervisory power is the development and regulation of the corporate and capital market to uphold good corporate governance, protection of investors, and widest participation of ownership and democratization of wealth. In this light, SEC was coined as the overseer of the Philippine corporate sector.

With the growing number of corporations and other forms of associations that SEC supervises and monitors, and given the evolving nature of transactions where the corporate vehicle is being used to defraud the investing public, as well as the ever dynamic character of the capital market, SEC must progressively perform its critical role as the prudent registrar and supervisor of the corporate sector and the independent guardian of the capital market. Thus, SEC looks into various policy reforms and proactive innovations to keep up with its mandate.

II. THE REVISED CORPORATION CODE

One of the Commission's key reform measures is the approval of the Revised Corporation Code. On 20 February 2019, President Rodrigo R. Duterte signed the Revised Corporation Code (RCC) which took effect on 23 February 2019. It aligns with the 10-point socio-economic agenda of the President, specifically in increasing the Philippine economy's competitiveness and improving the ease of doing business in the country. The RCC aims for a more competitive corporate sector, as it adopts international best practices and standards tailored to address the needs and realities of the Philippine corporate setting, and introduces new concepts and mechanisms to help the Philippines keep up with the changing times.

Among the notable amendments to the Corporation Code is the grant of a perpetual corporation term for existing and future corporations unless provided in their articles of incorporation. The RCC also allows the formation of one-person corporation, a corporation with a single stockholder and without a minimum authorized capital stock required. Another salient feature of the RCC is the provision for an emergency board when a vacancy in a corporation's board of directors prevents the remaining directors from constituting a quorum and consequently from making emergency actions required to prevent grave, substantial and irreplaceable loss or damage.

The RCC also allows corporations to adopt alternative dispute resolution mechanisms for intra-corporate issues except those involving criminal offenses and interests of third parties. As part of efforts to improve ease of doing business in the country, the RCC mandated the Commission to develop and implement an electronic filing and monitoring system. The SEC is mandated to promulgate rules to facilitate and expedite, among others, corporate name reservation and registration, incorporation, submission of reports, notices, documents required under the Code, and sharing of pertinent information with other government agencies. To ensure optimal stockholder participation, meanwhile, the RCC will allow the use of remote communication such as videoconferencing and teleconferencing during stockholder meetings. Stockholders may also participate and vote in absentia.

In addition, the Commission also implements and acts either as lead or support agency in administering and enforcing special laws, the more significant of which are:

- Anti-Money Laundering Act of 2001 (RA 10365), as amended
- Lending Company Regulation Act (LCRA) of 2007 (RA 9474)
- Financing Company Act (FCA) (RA 8556), as amended
- Investment Company Act (RA 2629), as amended, and its IRR
- Investment Houses Law (PD 129)
- Retail Trade Liberalization Act of 2000 (RA 8762)
- Foreign Investments Act of 1991 (RA 7402), as amended
- Omnibus Investments Code of 1987 (E.O. 226, Book III)
- Anti-Dummy Law (Commonwealth Act 108), as amended
- Civil Code of the Philippines (RA 386, Title IX - Partnership)
- Securitization Act of 2004 (RA 9267)
- Real Estate Investment Trust Act of 2009 (RA 9856)
- Personal Equity and Retirement Account Act of 2008 (RA 9505)
- Ease of Doing Business and Efficient Government Service Delivery Act of 2018 (RA 11032)
- Credit Information System Act (CISA) or RA 9510
- Microfinance Nongovernment Organizations (NGOs) Act or RA 10693

III. ABOUT SEC

FUNCTION

The Commission shall have, among others, the following powers and functions as provided in Section 5 of the SRC:

1. Have jurisdiction and supervision over all corporations, partnerships or associations that are the grantees of primary franchises and/or a license or permit issued by the Government;
2. Formulate policies and recommendations on issues concerning the securities market, advise Congress and other government agencies on all aspects of the securities market and propose legislation and amendments thereto;
3. Approve, reject, suspend, revoke or require amendments to RS, and registration and licensing applications;
4. Regulate, investigate or supervise the activities of persons to ensure compliance;
5. Supervise, monitor, suspend or take over the activities of exchanges, clearing agencies and other SROs;
6. Impose sanctions for the violation of laws and the rules, regulations and orders issued pursuant thereto;
7. Prepare, approve, amend or repeal rules, regulations and orders, and issue opinions and provide guidance on and supervise compliance with such rules, regulations and orders;
8. Enlist the aid and support of and/or deputize any and all enforcement agencies of the Government, civil or military as well as any private institution, corporation, firm, association or person in the implementation of its powers and functions under this Code;
9. Issue Cease and Desist Orders (CDO) to prevent fraud or injury to the investing public;
10. Punish for contempt of the Commission, both direct and indirect, in accordance with the pertinent provisions of and penalties prescribed by the Rules of Court;
11. Compel the officers of any registered corporation or association to call meetings of stockholders or members thereof under its supervision;

12. Issue subpoena *duces tecum* and summon witnesses to appear in any proceedings of the Commission and in appropriate cases, order the examination, search and seizure of all documents, papers, files and records, tax returns, and books of accounts of any entity or person under investigation as may be necessary for the proper disposition of the cases before it, subject to the provisions of existing laws;
13. Suspend, or revoke, after proper notice and hearing the franchise or certificate of registration of corporations, partnerships or associations, upon any of the grounds provided by law; and,
14. Exercise such other powers as may be provided by law as well as those which may be implied from, or which are necessary or incidental to the carrying out of, the express powers granted the Commission to achieve the objectives and purposes of these laws.

QUALITY POLICY STATEMENT

We, the Securities and Exchange Commission, the prudent registrar and supervisor of the corporate sector, and the independent guardian of the capital market, commit to:

Serve our stakeholders with utmost integrity and professionalism in compliance with customer, legal, regulatory, and other applicable requirements;

Excel in performing our mandate through continuing institutional capability enhancement and effective resource management; and,

Continually improve our quality management system in pursuit of service, excellence and commitment.

MISSION

We are the gateway to doing business in the Philippines. We provide a competitive and secure environment for easy company registration, efficient capital formation, and broad investor participation.

VALUES

INTEGRITY
We are ethical, honest, fair, and sincere in our private and public lives.

PROFESSIONALISM
We are capable and competent in performing our mandate, we excel in our fields of expertise, and we possess high ethical principles and standards which are essential in providing timely, quality, and committed public service.

ACCOUNTABILITY
We are responsible for our actions and decisions.

TEAMWORK
We collaborate to achieve our common goals and tasks in a seamless and efficient manner.

INDEPENDENCE

We act without fear or favor, and render sound judgment in the performance of our duties and responsibilities.

VISION

By 2025, the SEC with its driven, highly-trained and customer-centric team of professionals, equipped with innovative technology and automated registration and data management systems, is the premier investor champion and catalyst of a broadened and informed investor-based capital market and business sector considered among the best in the SEA region.

By 2049, our driven, highly trained and customer-centric SEC team and its distinct ability to embrace cutting edge and innovative technology will have enabled the transformation of the Philippines into the best business sector
and capital market of choice.

IV. STRATEGIC OBJECTIVES

With a vision of enabling the "transformation of the Philippines into the best business sector and capital market of choice", thirteen (13) strategic objectives were determined to attain the four thematic perspectives:

Thematic Perspectives	Strategic Perspectives
Stakeholders Perspective	Proactive and effective investor champion
	Business-friendly registrar and reliable data provider
	Good corporate governance and sustainable development advocate
	Capital market catalyst and educator that broadens investor participation
Internal Process Perspective	Fully automate processes
	Enhance monitoring and accreditation of all regulated entities, individuals and activities
	Intensify surveillance and intelligence gathering to prevent investment scams
	Effectively disseminate information to employees and the public
Learning and Growth Perspective	Attract and retain the best and the brightest professionals
	Establish and maintain cutting-edhe facilities and technologies
	Develop and maintain a culture of excellence
	Upgrade and update organizational structure
Financial Perspective	Exercise responsible financial management

V. SEC CAN! (Communication, Advocacy and Network)

In 2019, the SEC has started mobilizing its Financial Education initiative through the SEC CAN! (Communication, Advocacy and Network). In the facilitation of this initiative, the Commission hired

Information Officers, one for each extension office to assist the public information programs and investor education advocacy of SEC. This initiative intends to broaden the awareness of stakeholders and the general public of the role of SEC in corporate sector and capital market development.

One of the flagship programs under the SEC CAN! Is the implementation and observance of the "Investor Protection Week" which will be held on the second week of November. For the whole week, the SEC Head Office and its Extension Offices, together with partner organizations, will simultaneously hold roadshows, seminars, conference, industry fora, regulators and capital market participants dialogue, exhibits and dissemination of the Information Education Communication materials.

In this area, SEC will establish media center and develop advocacy materials. There will also be CAMPAIGN Network Launch and CAMPAIGN Network Caravans.

VI. SCORE (SRC and RCC Compliance of Regulated Entities)

As part of the objective to professionalize regulates and improve their compliance with the regulatory requirements and good governance, the Commission established SCORE. It has four (4) components, namely:

1. **Capital Market Formation** – Under this category, the SEC shall establish the issuance of Rules on CIS involving cross border transactions. It also aims at developing umbrella or master fund structure and issuance of rules governing them. In addition, there will also be development of rules and regulations on commodity futures contract, rules and regulations on municipal bonds, rules and regulations on direct listing/direct public offering, rules and regulations on electricity derivatives market, rules on bonds and establish compliance examination and audit division.
2. **Accreditation and Licensing** – This intends to develop accreditation procedures for company formation agents. In this category, the SOAR guidelines, guidelines on credit rating agencies and asset valuation to include monitoring provision would be updated. It also covers the development and issuance of rules and regulations for gatekeepers as well as the development of procedures for one-stop shop registration of CIS and licensing of Mutual Fund Distributor and Fund Manager.
3. **Compliance** – Under this category, the procedure for offsite and onsite monitoring of investment companies/CIS will be developed. There will also be conduct of briefing on compliance of regulations for investment companies/CIS, public companies and issuers of proprietary/non-proprietary securities. This would also update rules and regulations on compliance of foundations and clean-up of foundations with delinquency status. Under this category, there will be a risk-based approach in monitoring of foundations. There will also be fora between the SEC and associations and networks of foundations and microfinance NGOs, conduct of RTD with the mutual fund industry through PIFA and other industry associations and establishment of Compliance Examination and Audit Division (CGFD, CRMD).
4. **Governance Reform Initiatives and Trends** – This category establishes stewardship code for investment companies and fund managers. This will also develop issuances on protecting minority investors by developing guidelines on the rights of shareholders to call a meeting/include items on the agenda, guidelines on sale of corporate assets and guidelines on notice period for regular meeting of shareholders. Accordingly, there will be fora on CG Code for Investment Companies, for Capital Market Participants and for MSMEs. An annual CG forum will also be held and there will be RTD on CG initiatives.
5. **Certification Examination for Capital market Participants** – There will be enhanced phases (Phase 1 to Phase 2) of Certification examination. This will also provide an avenue for certification seminars/examination for other capital market professionals and conduct of continuing professional development program (CPD) and equivalency program.

VII. SEC LEGISLATIVE AGENDA

One of the main thrusts of SEC is to strengthen laws, rules and regulations in relation to the registration, monitoring and supervision of investments in our domestic market. By strengthening these laws and by providing financial literacy, investors are protected against fraud and insidious schemes.

Amendments to the Securities Regulation Code (SRC)

The proposed amendments aim to enhance investor protection powers of SEC, provide penalties for investor fraud and institutionalize other enforcement measures, among others.

In light of the recent incidents of nationwide scams wherein many of our citizens have been victimized and have lost their hard-earned savings due to the fraudulent and insidious schemes that have proliferated in numerous areas in our country, the SEC recognizes the need for further strengthening of laws, rules and regulations in relation to the registration, monitoring and supervision of investments in our domestic market. Further, in order to afford better and more effective protection to investors, there is a need to provide a way by which investors can recoup their investments in the event that the same was involved in a fraudulent scheme.

The SEC also champions financial literacy cultivated early as part of the school curriculum as a necessary measure to combat the continued proliferation of investment scams and to prevent more and more citizens from being duped by the next creative fraudster.

The proposed amendments aim to:

a. Enhance investor protection powers of SEC through new provisions on civil forfeiture and disgorgement
b. Provide for stiffer penalties for investor fraud
c. Institutionalize other enforcement measures (e.g. power to arrest or to close down business establishment of scammers)
d. Obtain IOSCO Annex-A membership
e. Emphasize on supervision of activity vis a vis geographical jurisdiction (i.e. address jurisdictional issues involving cross-border or electronic offering or sale of securities); curb fraudulent investment taking activities targeting Filipino nationals abroad specially OFWs
f. Provide for Financial Literacy Modules in curricula of grade school, senior high school, technical/vocational, college curriculum

Collective Investment Schemes (CIS) Law

The CIS Law establishes a comprehensive regulatory and tax framework to enable CIS and all the participants therein to play key roles in the development of the capital market. It shall apply to the establishment, management and operation of all CIS and the registration and sale of CIS securities in the Philippines.

It specifically aims to:

a. Promote investor protection by applying high governance standards in the establishment, management and operation of collective investment schemes (CIS) and the registration and sale of CIS securities in order to prevent abuse and protect the interests of the investing public;

b. Promote the growth of pooled investments and the development of the capital market by providing a favorable framework to facilitate the flow of investment capital from sources within the country and abroad;
c. Encourage the participation in the collective investment scheme industry of the best qualified fund managers regardless of place of incorporation, and the best qualified investment advisers regardless of nationality;
d. Broaden citizen participation in economic activity and growth by widening their access to securities ownership;
e. Provide equal protection to investors in all similar CIS; and
f. Encourage responsible investing through the dissemination of information.

The salient features of the law are:

1. Standardization of requirements in the registration of CIS;
2. Stricter qualifications for Fund Managers; and
3. Uniform taxation of CIS.

VIII. IT's Grin and Green (System Enhanced and Connected SEC-SEC2)

With the goal of digitization, SEC has undertaken the IT's Grin and Green Initiative. This has a goal of establishing a rational framework to guide procurement and deployment of ICT resources in order to optimize investment on ICT resources. Among the key milestones and outputs under this initiative were the approval of ISSP, automation of 26 processes and harmonization and integration of database. This initiative eyes the full automation of processes and establishment and maintenance of cutting-edge facilities and technologies.

IX. Gearing Up!

This initiative covers the enhancement of the capability of the Enforcement and Investor Protection Department (EIPD).

This will strengthen Enforcement and Investor Protection measures. In addition, this will enhance the capability of the EIPD to ensure compliance by all market participants, issuers and individuals with the Securities Regulation Code (SRC), the Revised Corporation Code (RCC), rules and regulations administered by the Commission.

The program will likewise enhance the capability of the EIPD to take immediate and appropriate enforcement action against all market participants, issuers and individuals for legal infraction of the Securities Regulation Code (SRC), the Revised Corporation Code (RCC), and rules and regulations administered by the Commission.

X. SECure Program (Strengthen Expertise and Competence to Uphold and Raise the bar of Excellence)

This program aims to retain the best and brightest employees and upgrade/update employee competencies. The initiative will come up and implement a reorganization plan designed to enable SEC to effectively perform its mandate provided in nineteen (19) existing legislations. This will entail a comprehensive review and modification of the existing job descriptions to ensure that employees perform and provide the appropriate service based on their competencies and expertise by providing continuous competency-based learning and development, coaching and mentoring and other relevant human resources interventions.

XI. CRISP (Client-centric reengineering and innovation of systems and procedures)

This initiative aims to become a benchmark of frontline service delivery in the public sector, consistently scoring high across prescribed service quality metrics. The program will contribute in the attainment of business-friendly registrar and reliable data provider as well as enhanced monitoring and accreditation of all regulated entities and activities.

XII. Project QUEST (Quality and Excellence in Service Delivery and Talent Development)

This will institutionalize excellence in organizational performance human resource management. This program will contribute to the attainment of a developed and maintained culture of excellence.

XIII. ORGANIZATIONAL DEVELOPMENT

The SEC has initiated priority measures for its continuous organizational development. These measures include the following:

Implementation of SEC Strategic Plan 2019-2025

The Commission continuously implements its seven-year strategic plan aligned with the thrusts and priorities of the present Administration, the mandate of the Commission and the evolving the needs of the corporate sector and capital market. The SEC Strategic Plan defines the Commission's strategic direction and its corresponding strategies and performance measures which guides its leadership and personnel towards quality and performance excellence for the next seven years.

Development of SEC Information Systems Strategic Plan (ISSP) 2021-2023

The SEC ISSP 2021 - 2023 serves as the roadmap for implementing automation that enables the SEC accomplish its two (2) major final outputs, Corporate and Capital Market Development Services and Corporate and Capital Market Regulation Services. Further, it defines how SEC shall use Information and Communications Technologies (ICTs) to help realize its vision, mission and goals, improve the performance of its regulatory functions and provide a more efficient delivery of its services.

Expansion of the SEC Quality Management System (QMS)

To further enhance the Commission's services at par with international quality standards for further satisfaction of its stakeholders, the coverage of the SEC QMS will be further broadened to include other critical services of the Commission. At present, the SEC QMS covers the CRS and the CMPRS.

In addition, the Commission has made starting a business easier. It launched the Facilitating Automated System Transition – Timely Registration Action Kiosk (FAST TRACK) to facilitate the transition from a manual to online registration system. Meanwhile, it has also implemented the Lane for Express Application Processing (LEAP) for the registration of companies using pro-forma inline application forms, where applicants simply need to tick of applicable items and input the required information, hence, making the processing and approval of applications within a day possible. These systems are both under the umbrella Company Registration System (CRS) which shortened the processing time to allow a great majority of applications be approved within the acceptable periods. The Commission has also initiated the formulation of rules on Related Party Transactions. The recently passed RCC grants rule making powers and authority to the SEC to promoted corporate governance (CG) and the protection of minority investors (PMI).

The ease of doing business is also strengthened by the establishment of the Credit Information Corporation (CIC). The CIC seeks to hone a sustainable credit information ecosystem in the Philippines.

Apart from the aforementioned, SEC has consistently invested in its human resources as part of its organizational development objetcive. As of 31 December 2019, there are 667 plantilla positions at the SEC and 506 or 75.86% are filled up. Of these 506 filled up positions, 74 are lawyers, 82 are CPAs, and 13 are CPA-lawyers. As of 31 December 2019, there are 156 individuals engaged by the SEC through COS.

XIV. SEC BUILD BUILD BUILD

This project aims to establish and maintain cutting-edge facilities and technologies. This will establish an ideal site for the SEC Head Office Building that is accessible to SEC clients. This will provide the following opportunities:

1. No cost to government with high potential return and value
2. Strategically located properties of SEC in Ortigas and BGC
3. MRT4 and Subway Stations near the properties
4. High demand for office space in BGC, but no supply by 2023
5. Demand for Ortigas space among traditional offices
6. Compliance with the recommendation of the ADB Report “Philippines: Improving Public Financial Management Final Report: Re-organization of the Philippines SEC” on the transfer of SEC Head Office to a more strategic location.

XV. POLICY MEASURES

In 2019, the Commission has successfully approved key policy measures to ensure a competitive market ensues. In addition, SEC has also promulgated twenty-five (25) Memorandum Circulars from January to December 2019.

1. Guidelines on the Establishment of a One Person Corporation (OPC)

The Commission En Banc on April 25 approved the Guidelines on the Establishment of a One Person Corporation (OPC) under Memorandum Circular No. 7, Series of 2019. Under the Guidelines, a natural person, trust or estate may form an OPC. The “trust” does not refer to a trust entity, but to the subject being managed by a trustee. The incorporator, however, shall be a natural person of legal age. If the single stockholder is a trustee, administrator, executor, guardian, conservator, custodian or any other person exercising fiduciary duties, proof of authority to act on behalf of the trust or estate must be submitted at the time of incorporation.

The SEC approved on May 7 the registration of the first one person corporation (OPC) organized under Republic Act No. 11232, or the Revised Corporation Code of the Philippines. Smart Transportation and Solutions OPC became the country's first corporation with a single stockholder. It was organized primarily to establish, operate and manage transportation services, including vehicle rental/ leasing, taxi or shuttle services, and transportation of goods or persons for any person.

Registering an OPC takes five easy steps: name reservation and verification, preprocessing of articles of incorporation with the necessary attachments, payment of filing fees, submission of signed and notarized documentary requirements, and claiming of the certificate of incorporation.

2. Guidelines on the Number and Qualifications of Incorporators under the Revised Corporation Code

On July 31, the Commission issued Memorandum Circular No. 16, Series of 2019, to provide the Guidelines on the Number and Qualifications of Incorporators under the Revised Corporation Code. The circular took effect upon its publication on August 1.

Under the Guidelines, two or more persons, but not more than 15, may form a corporation. The Commission earlier issued guidelines on the establishment of a One Person Corporation, which is considered as a special corporation. The incorporators may be composed of any combination of natural persons, SEC registered partnerships, SEC-registered domestic corporations or associations in good standing as well as foreign corporations. Partnerships, corporations or associations, however, will have to appoint natural persons who shall sign the articles of incorporation of the corporation being formed.

On August 8, the Commission issued the certificate of incorporation of Markable Solutions Phils, Inc., the first ordinary corporation with less than five incorporators under Republic Act No. 11232, or the Revised Corporation Code of the Philippines. Markable Solutions was incorporated by American nationals Reshma Sinha Nigam (founder) and Anil Kumar Nigam, and Indian national Radhika Melethil Vivekanandan for the primary purpose of providing general business process outsourcing services and information products and services.

3. Sustainability Reporting Guidelines for Publicly Listed Companies

The Commission on February 15 issued the "Sustainability Reporting Guidelines for Publicly Listed Companies" through SEC Memorandum Circular No. 4, series of 2019, outlining information that covered companies will have to disclose in relation to their non-financial performance across the economic, environmental and social aspects of their organizations.

The Guidelines also provide a framework for the reporting of covered companies' contributions toward achieving universal sustainability targets like the United Nations Sustainable Development Goals as well as national policies and programs like AmBisyon Natin 2040.

The Guidelines reflects four of the globally accepted frameworks for reporting sustainability and non-financial information: The Global Reporting Initiative's Sustainability Reporting Standards, the International Reporting Council's Integrated Reporting Framework, the Sustainability Accounting

Standards Board's Sustainability Accounting Standard and the recommendations of the Task Force on Climate-related Financial Disclosure.

The SEC formally launched the Sustainability Reporting Guidelines for Publicly Listed Companies (PLCs) during the SEC-PSE Conference on Building a Sustainable Business Community. The Commission presented the business case for sustainability reporting, in particular, during the conference it held together with the Philippine Stock Exchange (PSE) and in partnership with the Global Reporting Initiative (GRI) and Australia's Department of Foreign Affairs and Trade (DFAT) on April 12.

4. Guidelines on the Issuance of Social Bonds Under the Association of Southeast Asian Nations Social Bond Standards (ASEAN SBS)

The Commission En Banc on April 25 approved the "Guidelines on the Issuance of Social Bonds Under the Association of Southeast Asian Nations Social Bond Standards (ASEAN SBS)" and the "Guidelines on the Issuance of Sustainability Bonds Under the ASEAN Sustainability Bond Standards (ASEAN SUS)" through Memorandum Circular Nos. 8 and 9, Series of 2019.

The ASEAN SBS intend to enhance transparency, consistency and uniformity of ASEAN Social Bonds which will also contribute to the development of a new asset class, reduce due diligence cost and help investors to make informed investment decisions. While the ASEAN SUS aim to provide guidance on the issuance of ASEAN Sustainability Bonds where the proceeds will be exclusively applied to finance or refinance a combination of both Green and Social Projects that respectively offer environmental and social benefits

These Guidelines aim to further develop sustainable financing in the local market. Additionally, with the global move towards sustainable development, and the growing demand for sustainable investments, SEC hopes that these Guidelines will assist companies in attracting global investors who have committed to increasing their green and social impact. Compliance with the ASEAN SBS and ASEAN SUS will enable local issuers to tap into the global green, social, and sustainability bond market which has been experiencing rapid growth over the recent years.

5. Rules and Regulations Governing Crowdfunding (CF Rules)

The SEC has issued rules and regulations on crowdfunding, allowing startups and small and medium-sized enterprises (SMEs) greater access to funding while providing the public more investment options. The Commission En Banc on July 4 approved the Rules and Regulations Governing Crowdfunding (CF Rules) in accordance with Republic Act No. 8799, or the Securities Regulation Code (SRC), and international best practices and standards.

With the rules and regulations governing crowdfunding in place, the Commission hopes to support recent financial innovations on providing easier access to finance especially for smaller business startups or ventures while ensuring the integrity and fairness of financial systems and the protection of investors.

Crowdfunding is a fundraising activity typically conducted through an online platform and usually for startups and SMEs. The fundraising approach involves three parties, namely: the entrepreneur or project initiator; the supporters or those willing to fund the entrepreneur's business idea or project; and the platform or moderating organization that brings the entrepreneur and supporters together to realize the business idea or project. Supporters make their contributions or donations through online platforms. Thereafter, the platforms coordinate and administer the fundraising activities.

The CF Rules primarily govern the operation and use of equity- and lending-based crowdfunding by registered persons such as brokers, investment houses, funding portal, and issuers and investors who participate in such fundraising activities online.

6. **Guidelines on the adoption of Centralized (One-Stop-Shop) Framework for Accreditation/Selection of External Auditors/Auditing Firms of the Securities and Exchange Commission, Bangko Sentral ng Pilipinas and Insurance Commission's Regulated and Supervised Institutions**

As part of the efforts to promote ease of doing business, the Commission issued guidelines to streamline the accreditation/selection process for external auditors of institutions under the financial sector.

The guidelines provide for the categorization of external auditors and the corresponding services required of them with respect to the covered entities. It also enumerates the qualification requirements, independence requirements, and application/renewal and reportorial requirements of external auditors. It also establishes the conditions for suspension and/or delisting of external auditors.

7. **Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications of Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies**

The rules would enhance the regulatory compliance of Investment Companies and their Fund managers which would also ensure adequate protection for shareholders and unitholders.

An Independent Oversight Entity (IOE) would have an oversight function over its Fund Manager which prompts the establishment of an Independent Oversight Entity, an impartial committee that would monitor the transactions and functions carried out by the Fund Manager. The rules also underlined the various responsibilities of an IOE as well as the penalty to be imposed when it fails compliance.

Also put in place are the independent net asset value calculation, where an investment company is required to engage an independent entity that will calculate its Net Asset Value. Professional Qualifications of key officers responsible for making investment decisions were highlighted as well as the liquidation of assets and winding up of the investment company.

8. **Guidelines on the Revival of Expired Corporations**

The implementation of the guidelines on the revival of expired corporations is pursuant to Section 11 of the Revised Corporation Code which provides for the perpetual existence of corporations.

The Securities and Exchange Commission sees the beneficial impact of the shift to perpetual corporate term as it would encourage more market competition, more innovations and choices, and increased job opportunities.

The guidelines provide for filing of petition for revival, required votes for revival and qualifications for revival. These subsume the procedure of revival and payment of fees.

9. Adoption of the Code of Corporate Governance for Public Companies and Registered Issuers

The Securities and Exchange Commission adopts the code of corporate governance for public companies and registered issuers for the development of a strong corporate governance culture and keeping up with the recent developments in corporate governance best practices.

Corporate Governance is defined as the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations toward their stakeholders. Its purpose is to maximize the organization's long-term success by creating sustainable value for its shareholders, stakeholders and the nation.

10. Guidelines for the Protection of SEC Registered Non-Profit Organizations from Money Laundering and Terrorist Financing Abuse (2019 NPO Guidelines)

These guidelines aim to establish necessary regulatory framework that would protect SEC registered non-profit organizations from money laundering (ML) and terrorist financing (TF) abuse. This is a form of SEC's safeguard given to the corporate entities under its supervision and registration against illicit purposes.

In addition, these guidelines are anchored upon risk-based measures, promotion of transparency, establishment of good governance system and internal audit system. It also upholds continued and sustained outreach programs and seminars and promotes preventive measures.

From January to December 2019, the Commission has promulgated twenty-five (25) Memorandum Circulars (MCs) including the following:

SEC Memorandum Circulars, series of 2019

No.	Memorandum Circulars	Date Issued
1	2019 Filing of Annual Financial Statements and Information Sheet	January 10, 2019
2	Amendments to Rule 5.8.2 of the Investment Company Act Implementing Rules and Regulations	February 07, 2019
3	Philippine Interpretations Committee Question and Answer (PIC Q & A) Nos. 2018-12-H and 2018-14	February 08, 2019
4	Sustainability Reporting Guidelines for Publicly-Listed Companies	February 15, 2019
5	Guidelines on the Implementation of ACMF Pass under the ASEAN Capital Market Professional Mobility Framework	February 26, 2019
6	Philippine Interpretations Committee Question and Answer (PIC Q&A) No. 2019-03, Revenue Recognition for Sugar Millers	April 04, 2019
7	Guidelines on the Establishment of a One Person Corporation (OPC)	April 25, 2019
8	Guidelines on the Issuance of Sustainability Bonds Under the ASEAN Sustainability Bonds Standards in the Philippines	April 25, 2019
9	Guidelines on the Issuance of Social Bonds Under the ASEAN Social Bonds Standards in the Philippines	April 25, 2019
10	Rules on Material Related Party Transactions for Publicly-Listed Companies	April 25, 2019
11	Amendment to ICA Rule 7.9	May 29, 2019
12	Adoption of Revised Conceptual Framework	May 28, 2019
13	Amended Guidelines and Procedures on the Use of Corporate and Partnership Names	June 21, 2019

No.	Memorandum Circulars	Date Issued
14	Rules and Regulations Governing Crowdfunding (CF)	July 08, 2019
15	Amendment of SEC Memorandum Circular No. 17, Series of 2018 on the Revision of the General Information Sheet (GIS) to include Beneficial Ownership Information ("2019 Revision of the GIS")	July 26, 2019
16	Guidelines on the Number and Qualifications of Incorporators Under the Revised Corporation Code	July 30, 2019
17	Revised Guidelines on Securities Deposit of Branch Offices of Foreign Corporations	July 31, 2019
18	Prohibition on Unfair Debt Collection Practices of Financing Companies(FC), and Lending Companies(LC)	August 19, 2019
19	Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms	September 17, 2019
20	Guidelines on the Adoption of Centralized (One-Stop-Shop) Framework for Accreditation/Selection of External Auditors/Auditing Firms of the Securities and Exchange Commission, Bangko Sentral ng Pilipinas and Insurance Commission's Regulated and Supervised Institutions	November 11, 2019
21	Rules on the Appointment of Independent Oversight Entity, Independent Net Asset Value Calculation, Qualifications of Key Officers of Fund Managers, and Liquidation of Assets and Winding Up of Investment Companies	September 24, 2019
22	Adoption of Philippine Interpretations Committee Questions and Answers	November 20, 2019
23	Guidelines on the Revival of Expired Corporations (Pursuant to Section 11 of the Revised Corporation Code of the Philippines)	November 21, 2019
24	Code of Corporate Governance for Public Companies and Registered Issuers	December 19, 2019
25	2019 Guidelines for the Protection of SEC Non-Profit Organizations from Money Laundering and Terrorist Financing Abuse ("2019 NPO Guidelines")	December 27, 2019

XVI. REGISTRATION AND LICENSING

The Commission's efforts to provide a competitive market for investors resulted to more company and security registrations. As of 31 December 2019, there are 683,740 active entities registered with the Commission. It has also approved and issued 143,121 registrations and licenses in 2019. Moreover, the Commission evaluated and approved securities worth P142.85 billion in the same year.

Number of Active Companies

As of 31 December 2019, there are 683,740 active entities registered with the Commission.

Number of Active Companies as of 31 December 2019

Type of Entity	No. of Firms
Stock Corporations	395,384
Non-stock Corporations	180,421
Partnerships	110,020
TOTAL	**683,740**

Source: ICTD

The SEC approved and issued 143,121 and 127,144 registrations and licenses as of FY 2019 and FY 2018 respectively.

Registrations Approved/Licenses Issued, FY 2019 and FY 2018

	FY 2019	FY 2018
Stock Corporations	28,626	20,889
Non-stock Corporations	8,849	5,309
Partnerships	3,769	2,679
Branch Office of Foreign Corporations	100	67
Representative Offices of Foreign Corporations	89	78
Regional Headquarters of Multinational Corporations	3	3
Regional Operating Headquarters of Multinational Corporations	2	13
Capital Market Institutions and Professionals, Lending Companies, Financing Companies, External Auditors, Audit Firms	2,872	2,097
Accredited Microfinance NGOs[1]	16	2
Securities	28	32
Other Applications	98,767	95,975
TOTAL	**143,121**	**127,144**

Source: CRMD, Extension Offices, CGFD, MSRD, OGA

Value of Securities recently registered by SEC

SEC evaluated and approved securities worth P142.85 billion and P144.06 billion as of FY 2019 and FY 2018 respectively.

Type and Value of Securities Registered, FY 2019 and FY 2018

Type of Securities	FY 2019 (in PhP)	FY 2018 (in PhP)
Equity (including Mutual Funds/ Investment Companies)	45,031,315,966.00	28,718,600,000.00
Debt Securities	97,815,000,000.00	114,250,000,000.00*
Proprietary and Non-proprietary Shares/Certificates	1,210,663,260.00	1,088,893,200.00
TOTAL	**142,846,315,966.00**	**144,057,493,200.00**

Source: CGFD, MSRD

*The amount represents total debt securities registered with SEC, including those under the Shelf Registration program. Of the total debt securities registered, PhP103.5 Billion was by way of shelf registration.

[1] Starting 2018

The following are among the notable securities registered in 2019:

1. Kepwealth Property Phils., Inc.

The SEC has cleared what could be the first initial public offering (IPO) for listing on the country's lone stock exchange this year. In its July 23 meeting, the Commission En Banc approved the registration statement of Kepwealth Property Phils., Inc. for a maximum of 201,057,609 common shares to be listed and traded on the Small, Medium and Emerging Board of the Philippine Stock Exchange under the trading symbol "KPPI."

The registration statement includes 67,032,607 common shares for primary offering at a maximum price of P5.74 per share. The offer shares will represent 33.34% of the company's outstanding common shares. BDO Capital and Investment Corporation will serve as the sole issue manager, underwriter and sole bookrunner.

Kepwealth Property expects to raise P384,767,164.18 in gross proceeds from its maiden offering of shares, bringing its total market capitalization to P1,154,070,675.66 upon listing. The company plans to use the net proceeds, estimated at P363,027,683.35, to diversify its asset base and expand its office leasing portfolio with the acquisition of about 3,500 square meters of leasable space. Kepwealth Property will disburse P245 million of the net proceeds to acquire office spaces primarily in Pasig City and Makati City, and P120 million in Davao City within the first to second quarter of 2020.

2. Aboitiz Equity Ventures, Inc. (AEV)

The SEC has greenlighted the public offering by Aboitiz Equity Ventures, Inc. (AEV) of fixed-rate bonds amounting to P30 billion under shelf registration. In its meeting on May 30, the Commission En Banc rendered effective the company's registration statement and approved the issuance of the corresponding permit to offer securities for sale pending the submission of the final prospectus and duly executed underwriting, trust and registry and paying agency agreements. AEV intends to initially issue bonds worth as much as P3 billion, with an oversubscription option for a maximum of P2 billion, based on the registration statement, prospectus and other related documents submitted to the SEC. The company expects to net P4,937,383,883.93 from the initial tranche, assuming the full exercise of the oversubscription option. It plans to use the proceeds for the refinancing of the medium-term loan of its wholly owned subsidiary, AEV International Pte. Ltd.

3. Allied Care Experts (ACE) Malolos Doctors, Inc.

The SEC has cleared the initial public offering of Allied Care Experts (ACE) Malolos Doctors, Inc. for a maximum of P1 billion. In its meeting on May 28, the Commission En Banc rendered effective the registration statement of ACE Malolos and approved the issuance of the corresponding order of registration and permit to sell securities upon submission of the final prospectus.

The registration statement covers 600 founder shares and 239,400 common shares, comprising 203,400 issued and outstanding common shares and 36,000 newly issued shares, with par value of P1,000 apiece.

ACE Malolos intends to offer the primary shares in tranches at an offer price ranging from P200,000 to P400,000 for every block of 10 shares. The offer shares may be traded over the counter. The company targets to raise P997,067,704 in net proceeds. It intends to allocate P500 million (50.15%) for project construction, P300 million (30.09%) for medical equipment, P32.07 million (3.21%) for loan payments and P165.032 million (16.55%) for working capital.

4. **ACE Medical Center- Butuan, Inc.**

In its meeting on June 20, the Commission En Banc approved the registration statement of ACE Medical Center- Butuan, Inc. covering 228,000 shares with par value of P1,000 apiece. The registration statement covers 36,000 common shares, which ACE Medical CenterButuan will offer to the public at an offer price ranging from P200,000 to P400,000 for every block of 10 shares, in cash or installment. ACE Medical Center-Butuan will offer the first 600 blocks at P200,000, the next 900 blocks at P250,000, the following 1,850 blocks at P300,000 and the remaining 250 blocks at P400,000. The company looks to net P951,930,895 for construction (30%), medical equipment (30%), pre-operating expenses (20%), debt servicing (10%), furnishing (5%) and professional fees of architects and other professionals (5%).

5. **CAL-COMP, FRUITAS HOLDINGS IPO**

The Commission En Banc approved the registration statements of Cal-Comp and Fruitas in its October 17 meeting.

Cal-comp will offer 371,423,100 common shares, with an overallotment option comprising 55,713,500 common shares currently held by Kinpo International (Singapore) Pte. Ltd., at a maximum price of P25 per share. Cal-Comp expects to net P8.834 billion earmarked for facilities expansion (40%), capital expenditure (30%), debt repayment (15%), research and development (12%), and working capital (3%).

Fruitas Holdings looks s to raise P986.1 million in net proceeds for store network expansion and store improvement (59.4%), commissary expansion (5.1%), expansion in the food-park business (5.1%), acquisition opportunities and introduction of new concepts (15.2%), and debt repayment (15.2%). It has a total of 1,600,020,000 issued and outstanding shares. Upon listing, the company will have up to 2,133,680,000 issued and outstanding shares, 28.21% of which will be held by new investors.

6. **VISTA LAND, CIRTEK HOLDINGS**

The Securities and Exchange Commission has greenlighted Vista Land & Lifescapes, Inc. and Cirtek Holdings Philippines Corp. In its November 26 meeting, the Commission En Banc has considered favorably the registration statements of Vista Land for P30 billion worth of fixed rate bonds under a shelf registration and of Cirtek Holdings for P2 billion worth of commercial papers.

Vista Land looks to issue bonds in tranches within a period of three years from the effective date of the registration statement. It will issue the first tranche comprising fixed rate Philippine peso bonds in the amount of P5 billion, along with an oversubscription of up to P5 billion. The offer bonds will have a tenor of five years and six months from issue date. Vista Land may redeem in whole the outstanding bonds at 101% of the principal amount on the third year or at 100.5% on the fourth anniversary of the issuance. The company expects to net P9,856,411,281.25 from the offer, if in case the oversubscription option is fully exercised.

Cirtek Holdings will issue the commercial papers either in lump sum or in tranches within three years from the date of effectivity of the registration statement. The company will offer the commercial papers in three series: 91-day, Series A worth P500 million, 182-day Series B worth P500 million, and

364-day Series C worth P1 billion. It aims to raise P1,879,584,750.89 in net proceeds to refinance existing debt and cover working capital requirements.

7. **ACE MEDICAL CENTER – LEGAZPI IPO**

The Securities and Exchange Commission (SEC) has approved the application of Allied Care Experts (ACE) Medical Center – Legazpi, Inc. for a P1-billion initial public offering. In its November 26 meeting, the Commission En Banc has approved the registration statement of ACE Legazpi for a total of 240,000 shares. ACE Legazpi will offer 36,000 common shares in five tranches at an offer price ranging from P200,000 to P362,500 for every block of 10 shares, in cash or installment. The shares will be traded over the counter. The company expects to raise P996,592,895 in net proceeds for building construction (P244,240,102), medical equipment (P300 million), architects and engineers fee (P47 million), office equipment, furniture and fixtures (P50 million), debt servicing (P170 million), pre-operating expense (P55.5 million), and working capital (P129,789,793).

8. **ARTHALAND CORPORATION**

In its meeting on December 17, the Securities and Exchange Commission has approved Arthaland Corporation's registration statement covering up to P6,000,000,000.00 worth of ASEAN Green Bonds under Shelf Registration. The first tranche of P2,000,000,000.00 with over-subscription option of up to P1,000,000,000.00, if fully exercised, shall be offered over a period not exceeding three years from the effective date of the registration statement. The green bonds shall be issued in scripless form, in denominations of P50,000.00 and in multiples of P10,000.00 thereafter. They will be traded in denominations of P10,000.00 in the secondary market. Arthaland may redeem, in whole, the outstanding green bonds before the maturity date. The company may redeem the bonds at 101.00% of the face value on the third year or 100.50% on the fourth year. The offer is expected to raise P2,945,350,461.12 in net proceeds, assuming the full exercise of the oversubscription option. Arthaland will use the proceeds in accordance with its Green Finance Framework, under which the company can issue debt financing instruments to finance or refinance new and/or existing eligible green projects. Of the net proceeds assuming the full exercise of the oversubscription option, Arthaland earmarked P1,500,000,000.00 for additional investment in Savya Financial Center or other eligible green projects to retain office and retail units, and P305,350,461.12 for the scheduled repayments of a loan for the construction and development of Arthaland Century Pacific Tower (ACPT). The company set aside the remaining P1,140,000,000.00 of the net proceeds of the primary offer for the acquisition of properties for the Manila Long Term Project.

Arthaland will also allocate up to P681,633,880.98 of the proceeds of the exercise of the oversubscription option for additional investment in Savya Financial Center or other eligible green projects to retain up to 4,800 square meters of net floor area in said projects.

XVII. EASE OF DOING BUSINESS

STARTING A BUSINESS

SEC has undertaken measures to improve the ease of doing business in the country. A part of these measures is the removal of the minimum capital requirement for domestic companies. This amendment, under Section 12 of the RCC, does not require the corporation to have a minimum capital stock, except as otherwise specifically provided by special law.

FAST TRACK and LEAP

In addition, the Commission has made starting a business easier. It launched the Facilitating Automated System Transition – Timely Registration Action Kiosk (FAST TRACK) to facilitate the transition from a manual to online registration system.

The Commission launched FAST TRACK to facilitate the transition from a manual to online registration system. Under FAST TRACK, applicants encode their applications online and manually submit original copies of notarized documents for checking and processing.

LEAP, meanwhile, allows for the registration of companies using pro-forma online application forms, where applicants simply need to tick off applicable items and input the required information, in order to make the processing and approval of applications within a day possible.

The implementation of the CRS resulted in shorter processing times, allowing the SEC to approve a great majority of applications within the acceptable periods prescribed by Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

Within seven working days, the Commission managed to process 18,593 out of 22,208 applications (84%) under Regular Lane from May 2018 to May 2019; 4,624 out of 4,892 applications (95%) under FAST TRACK from September 2018 to May 2019; and 633 out of 812 applications (78%) under LEAP from November 2018 to May 2019.

In fact, most applications were approved within three working days: 13,509 or 61% of all applications filed under Regular Lane; 4,120 or 84% under FAST TRACK; and 443 or 55% under LEAP.

The SEC is exploring opportunities to help improve the ease of doing business in the country, as it operationalizes Republic Act No. 11232, or the Revised Corporation Code of the Philippines.

PROTECTING MINORITY INVESTORS

Initiate the formulation of rules on Related Party Transactions

The recently passed RCC, grants rule making powers and authority to the SEC to promote corporate governance (CG) and the protection of minority investors (PMI).

At present, the SEC continues to encourage corporations to use the Code of CG as their guide in the ethical conduct of their corporate affairs.

As to the issuance of particular rules on PMI, the SEC is currently in the process of determining which provisions of the RCC in relation to PMI need a more detailed discussion and the eventual issuance of memorandum circulars.

GETTING CREDIT

1. **Push for the completion of the Credit Information System**

As of 13 March 2019, a total of 1,664 submitting entities (SEs) are participating in the Credit Information System (CIS). Of this total, 374 SEs are submitting into production or are fully compliant, and 257 SEs are a stage away from full compliance. The CIS currently covers 6,899,029 unique data subjects which includes 2,228,668 sole proprietorships; 69,880 corporations; and 27,860,735 contract data.

2. Credit Information Corporation (CIC)

The ease of doing business is also strengthened by the establishment of the Credit Information Corporation (CIC). The CIC seeks to hone a sustainable credit information ecosystem in the Philippines. In 2019, CIC has achieved the following:

Baseline (January to June 2019)		**Current Situation (July to December 2019)**	
1. Increase in the number of credit information suppliers (i.e. participating institutions)			
408 (100% Credit Card Companies, Universal and Commercial Banks, Thrift Banks, Rural Banks, Financing Companies, Cooperatives, etc.)		474 ((100% Credit Card Companies, Universal and Commercial Banks, Thrift Banks, Rural Banks, Financing Companies, Cooperatives, Government Owned and Controlled Corporations etc.)	
2. Shift from free access to paid access			
The period indicated represents FREE ACCESS/NO CHARGE to CIC database		The period indicated includes a period of suspension of access as the CIC transitioned to a PAID/WITH CHARGE phase from July 2019 onward. As of December 31 2019, there were approximately 250 submitting entities that were informed of their qualification for access based on CIC's qualification guidelines.	
3. *Increase in number of data points*			
A. Data Subject		***A. Data Subject***	
Individual	8,140,685	Individual	9,037,382
Company	73,844	Company	81,650
Total:	**8,214,529**	**Total:**	9,119,032
B. Contract		***C. Contract***	
Credit Card	18,054,059	Credit Card	19,064,099
Installment	15,282,391	Installment	37,730,034
Non-Installment	538,357	Non-Installment	645,613
Total:	33,874,807	Total:	57,439,706

XVIII. CAMPAIGN AGAINST INVESTMENT FRAUD

The Commission continues to intensify its efforts in protecting the investing public from fraudulent schemes and abuses through its all-out campaign against various forms of investment scams. Among the key accomplishments in 2019 are as follows:

1. KAPA

SEC Actions against Kapa	Timeline
SEC issues an advisory against KAPA (Kabus Padatoon)	22 March 2017
SEC issues another advisory against KAPA-Community Ministry International, Inc.	4 October 2018
SEC issues cease and desist order against KAPA	14 February 2019
SEC issues order of revocation of corporate registration against KAPA	3 April 2019
Court of Appeals issues freeze order against KAPA	4 June 2019
Secured 12 search warrants against KAPA	6-7 June 2019
Warrant of Arrest was issued by the QC RTC against Adelfa Fernandico	2 December 2019

Source: EIPD

The Regional Trial Court Branch 35 of General Santos City has dismissed the petition of Kapa-Community Ministry International, Inc. for injunction against SEC as the former faces criminal complaints for soliciting investments from the public without the necessary license.

Meanwhile, the Regional Trial Court of Davao City has issued a precautionary hold departure order against the operators and promoters of Kapa-Community Ministry International, Inc. amid a criminal complaint by the SEC. The order issued by Executive Judge Emmanuel C. Carpio on July 1 covers KAPA Founder and President Joel A. Apolinario, Trustee Margie Apolinario Danao and Corporate Secretary Reyna L. Apolinario along with promoters Catherine Evangelista, Rene Catubigan, Marisol M. Diaz, Adelfa Fernandico and Moises Mopia. The respondents are facing a criminal complaint filed by the SEC before the Department of Justice for soliciting investments from the public without the necessary license and through a Ponzi scheme, in violation of Republic Act No. 8799, or the Securities Regulation Code.

The SEC has brought Kapa-Community Ministry International, Inc. (KAPA) before the Department of Justice for criminal prosecution. The Commission on June 18 filed a criminal complaint against KAPA along with its founder and president Joel A. Apolinario, trustee Margie A. Danao and corporate secretary Reyna L. Apolinario, among others, for perpetrating an investment scam in violation of Republic Act No. 8799, or the Securities Regulation Code (SRC). The SEC also implicated Marisol M. Diaz, Adelfa Fernandico, Moises Mopia, Catherine Evangelista and Rene Catubigan for promoting the investment scam. It will name more respondents as it identifies other persons who have participated in the unlawful public offering and/or selling of securities by KAPA. The Commission found KAPA to have enticed the public to "donate" at least P10,000 in exchange for a 30% monthly “blessing” or “love gift” for life, without having to do anything other than invest and wait for the payout.

The SEC has secured more than P100 million worth of assets linked to Kapa-Community Ministry International, Inc. (KAPA) under a freeze order issued by the Court of Appeals. Through the Anti-Money Laundering Council (AMLC), the Commission obtained the freeze order last June 4 in an effort to protect the interests of investors duped by KAPA. The Court of Appeals has issued a freeze order on several banks accounts and other assets linked to Kapa-Community Ministry International, Inc. (KAPA), a nonstock corporation operating a fraudulent investment scheme.

The Commission earlier revoked the certificate of incorporation of KAPA for serious misrepresentation as to what it can do or is doing to the great prejudice of or damage to the general public. KAPA was found to have recruited and encouraged members to "donate" any amount in exchange for a 30% monthly return for life, without having to do anything other than invest and wait for the payout.

2. Calata Corporation

The SEC Commission En Banc, in a decision, affirmed the Philippine Stock Exchange's (PSE) 3 November 2017 Decision ordering the delisting of agri-business firm Calata Corporation, the disqualification from becoming directors and/or executive officers of an Issuer of Atty. Jose Marie E. Fabella, Mr. Halmond Parker R. Ong, Mr. Melvin H. Calata, Mr. Johnny L. Uy, Mr. Edmund M. Solilapsi, and Fr. Conrado C. Zablan, and the perpetual disqualification from being an officer, member of the Board of Directors of an Issuer, upon its Chairman/CEO/President Mr. Joseph H. Calata.

It was noted in the SEC Commission En Banc Decision that Mr. Joseph H. Calata consistently admitted that trades were executed while they were in possession of material non-public information and that there was a failure to disclose the same to the PSE. Further in the SEC Commission En Banc decision, the delisting of Calata Corporation was held valid as it also declared that the PSE correctly imposed perpetual disqualifications upon Mr. Joseph H. Calata and other officers. The SEC Commission En Banc Decision also stated that "The other directors, although they neither illicitly-traded nor failed to disclose, may also be held liable because they bound themselves to ensure that Calata would not commit any violation of the PSE Disclosure Rules. This duty is echoed in the Listing Agreement between Calata and PSE. "

3. Roses 4 U

SEC, PNP Anti-Cybercrime Group, and the Anti-Money Laundering Council operatives banded together to foist upon separate search warrants on the two (2) offices of "Roses 4 U", whose agents have been soliciting online investments in foreign exchange and commodities trading, bitcoin, and other cryptocurrencies and stocks and indices from foreign nationals utilizing an online portal and website. "Roses 4 U" makes it appear to foreign investors that their accounts are existent and active when in fact said accounts were fake and actually being manipulated by "Roses 4 U" officers and agents in violation of Section 26 of the Securities Regulation Code (SRC).

The first search warrant served in "Roses 4 U" Cavite office resulted in the apprehension of six (6) persons caught in the act of soliciting investments as the police operatives also secured the pieces of evidence used in the illegal investment taking activities including computers, SIM cards, and assorted documents.

The second search warrant served in the Pasay City office of "Roses 4 U" netted twenty-five (25) persons in the act of soliciting investments. Police operatives likewise secured the gadgets and other material evidence used by the investment agents.

4. Yeheey iTraffic System, Inc.

The SEC Enforcement and Investor Protection Department (EIPD) has revoked the certificate of incorporation of Yeheey iTraffic System, Inc. The EIPD issued the order of revocation against YEHEEY on April 4 on the ground of serious misrepresentation of what the corporation can do or is doing to the great prejudice of or damage to the general public. Based on information gathered and confirmed by the EIPD, the corporation enticed members of the public to register as "premium subscribers" by paying P1,000 and to recruit more members in exchange for high returns. YEHEEY then offered various ways for members to earn points and money. For instance, a member could earn 1,200 points by simply logging in and out four times daily for six days and $2 for every new member recruited. The EIPD noted that such a scheme constitutes a public offering of securities, in the form of investment contracts, and requires a secondary license from the SEC, pursuant to Sections 8 and 12 of the Securities Regulation Code.

5. Rigen Marketing

The SEC has issued an advisory against Rigen Marketing, advising the public to take caution in investing in the company online and through walk-in solicitations. In the advisory released on May 24, the Commission flagged Rigen's operations, where members of the public are enticed to invest with a promise of a guaranteed 400% return in just a month or so. For an investment of P5,000 and a registration fee of P150, for instance, Rigen promises a P20,000 return. Meanwhile, an investment of P50,000 and a registration fee of P1,500 could earn P200,000.

6. ADA FARM and BroilerPRENEUR

The SEC has advised the public to exercise caution before investing in ADA FARM and BroilerPRENEUR, both unauthorized to conduct investment-solicitation activities. In the advisory released on May 30, the Commission has warned the public of the investment scheme of ADA Farm Agri Ventures (ADA FARM) which entices the public to invest by purchasing a minimum of ten (10) chicks worth Php 500.00 with a guaranteed profit of 80% in 60 days. Likewise, SEC advised the public to exercise caution in dealing with BroilerPreneur Corporation (BroilerPRENEUR) which promises the public 100% to 1100% return of investment by buying, selling and breeding of chicks.

ADA Farm is not registered as a corporation or partnership in the Commission while BroilerPRENEUR, although registered as a stock corporation, has primary purpose which is limited only in engaging, conducting and carrying on the business of consumer services, production, buying and selling, distributing, direct selling, and online marketing at wholesale and retail of chicks, chicken and other related products.

7. Organico Agribusiness Ventures Corp. (ORGANICO)

The SEC has revoked the registration of Organico Agribusiness Ventures Corp. (ORGANICO), for "violation of the Corporation Code of the Philippines in relation to Presidential Decree No. 902 – A for serious misrepresentation as to what the corporation can do to the great prejudice or damage to the general public." On May 31, the Commission En Banc granted the revocation against ORGANICO. In its decision, SEC noted: "ORGANICO misrepresented itself to the public that it can solicit investments despite the fact that it is not one of the purposes of the corporation. It is not merely engaged in the selling or trading of piglets. It is engaged in an investment taking activities without the corresponding license as a securities broker which is considered an ultra vires act."

8. ALMAMICO/ALAMCCO

The SEC has ordered Alabel Maasim Mining (ALMAMICO) Corp., Alabel-Maasim Small Scale Mining Cooperative and/or AlabelMaasim Credit Cooperative (ALAMCCO) to stop soliciting investments from the public without the necessary license and through a Ponzi scheme.

The Commission En Banc on June 4 issued a cease and desist order against ALMAMICO and ALAMCCO after the SEC Enforcement and Investor Protection Department adduced substantial evidence that said entities engaged in offering and selling to the public securities in the form of investment contracts without the necessary license from the Commission.

ALMAMICO and ALAMCCO operate largely in Sarangani, General Santos City and Koronadal City. They invite members to invest certain amounts in exchange for a guaranteed 35% monthly return, which is supposedly compounded when investors lock in their investments for a year. The scheme satisfies the elements of an investment contract, as follows: 1) there is a placement of money; 2) the money invested is placed in a common enterprise; 3) there is an expectation of profits; 4) the expected profits are generated from the entrepreneurial and managerial efforts of others.

ALMAMICO and ALAMCCO were also found to have engaged in public offering of securities when they indiscriminately or randomly promoted their investment schemes through videos posted online.

9. **Scentko World Corporation**

The SEC warns the public against investing in Scentko World Corporation and its purported parent, Brendahl Cruz Holdings, Inc., which have been promising a 400% return from their "buy and earn" program. In an advisory posted on July 31, the Commission's Enforcement and Investor Protection Department noted that Scentko and Brendahl Cruz Holdings have not secured a secondary license to solicit investments from the public.

10. **SGP Dragon Trading Corporation and Requiza Poultry**

The Commission's Enforcement and Investor Protection Department (EIPD), along with the National Bureau of Investigation (NBI), on August 15 conducted entrapment operations at the offices of SGP Dragon Trading Corporation and Requiza Poultry in Sacred Heart, Quezon City. At least 6 persons connected with SGP Dragon and 6 working for Requiza Poultry were arrested during the entrapment operations for violation of Republic Act No. 8799, or the Securities Regulation Code.

On August 2, the Commission issued an advisory against SGP Dragon for enticing the public to avail of purported foreign exchange market products for a minimum investment of P1,000 in exchange for earnings ranging from 1.00% to 2.50% per day. In its advisory, the SEC noted that SGP Dragon registered as a corporation. However, such registration does not authorize the company to offer, solicit, sell or distribute any investment contracts and other forms of securities.

The Commission also flagged the investment-taking activities of Requiza Poultry, also known as Requiza Farm and Requiza Agricultural Trading, through an advisory issued last June 28. From January to August 2019, the SEC has ordered seven (7) to immediately cease and desist from engaging in fraudulent activities.

11. **R&L Investments, Inc.**

The Securities and Exchange Commission (SEC) has ordered Capital Markets Integrity Corporation (CMIC) – the independent audit, surveillance and compliance arm of the Philippine Stock Exchange (PSE) – to take over the operations of R&L Investments, Inc. to protect affected customer accounts.

The Commission issued the order on November 14, following the stock brokerage's collapse allegedly due to unauthorized transfers of proprietary and client shares worth about P700 million into an account with another brokerage.
The SEC expects CMIC to conduct a thorough investigation to unearth the truth behind the transactions in question, identify all parties involved, and uncover the extent of the damage to the stock brokerage, its clients and the overall market.

The investigation should also provide clarity as to how such transactions could have slipped past multiple control measures. For one, the 2015 SRC Rules require broker dealers to conduct monthly security examination, count and verification to account for discrepancies.

12. **Professional Services, Inc.**

A special hearing panel (SHP) at the Securities and Exchange Commission (SEC) has imposed penalties totaling at least P50.25 million against the majority shareholders of Professional Services, Inc. (PSI) for violation of the securities law when they surreptitiously took over the company behind The Medical City.

In its resolution, the SHP found Viva Healthcare, Viva Holdings, FAI and Fountel to have acquired majority of PSI shares through omission of material facts, which misled the board of directors (BOD) and other shareholders to approve increases in the company's capital stock and allow the respondents to increase their shareholdings.

Moreover, the SHP found Viva Healthcare, Viva Holdings, FAI and Fountel to have "adroitly circumvented" the prevailing rules at the time to avoid the requirements of a mandatory tender offer.

Correspondingly, administrative penalties in accordance with Sec. 54 of the SRC was imposed.

13. **Rappler, Inc.**

The Court of Appeals denied the Petition filed by Rappler, Inc. and Rappler Holdings Corporation against the SEC Special Panel created pursuant to SEC Resolution No. 436, s. 2017. With this Court of Appeals Decision, the Commission's Order nullifying the Omidyar PDR and revoking Rappler's Certificate of Incorporation becomes final and executory.

SEC has also directed six (6) companies to immediately cease and desist from engaging in fraudulent activities, in the last quarter of 2019. This is alongside the issuance of public advisories to sustain the efforts in giving public warnings to take the necessary precaution in dealing with identified fraudulent companies.

XIX. ENFORCEMENT

Resulting from the judicious monitoring of regulated entities and individuals, the Commission imposes fines and/or penalties to errant firms and individuals for violation of laws, rules and regulations being enforced by the SEC. Majority of those fined and/or penalized were non-compliant with the Corporation Code of the Philippines, while the rest were non-compliant with the Securities Regulation Code (SRC), Lending Company Regulation Act (LCRA), Financing Company Act (FCA) and various laws. In 2019, a total of 81, 783 errant firms and individuals were fined/penalized.

Number of Errant Firms and Individuals Fined/Penalized, FY 2019 and FY 2018

Errant Firms and Individuals Fined/Penalized	2019	2018
Firms and individuals non-compliant with the Revised Corporation Code of the Philippines imposed the appropriate fines and/or penalties	72,350	43,215
Firms and individuals non-compliant with SRC imposed the appropriate fines and/or penalties	739	1,155
Firms and individuals non-compliant with LCRA imposed the appropriate fines and/or penalties	150	115
Firms and individuals non-compliant with FCA imposed the appropriate fines and/or penalties	88	52

Firms and individuals non-compliant with various laws imposed the appropriate fines and/or penalties	251	188
Firms and individuals non-compliant with other laws implemented by the SEC imposed the appropriate fines and/or penalties	99	124
Firms sent show cause letters	6,930	4,568
Firms sent reprimand letters	139	374
Firms sent assessment letters	1,577	1,403
Total	**81,783**	**51,194**

Source: CRMD, CGFD, MSRD, OGA, EIPD

Cease and Desist Orders (CDO)

The Commission directed the following entities to immediately cease and desist from engaging in fraudulent activities:

Name of Company	Date Issued
KAPA-COMMUNITY MINISTRY INTERNATIONAL, INC.	14 Feb 2019
ORGANICO AGRIBUSINESS VENTURES CORP.,	28 May 2019
ALABEL MAASIM MINING(ALMAMICO) CORP., ALABEL-MAASIM SMALL SCALE MINING COOPERATIVE and/or ALABEL MAASIM CREDIT COOPERATIVE (ALAMCO)	04 June 2019
RIGEN MARKETING	04 June 2019
ADA FARM AGRI VENTURES	04 June 2019
EVER ARM ANY MARKETING	04 June 2019
PLANPROMATRIX ONLINE CO.	16 July 2019
LDT AGRO INDUSTRIAL HUB CORPORATION AND THE BNP CLIENT PROJECT	06 August 2019
INSTANT PERA; QUICKPERA; LENDMO PHILIPPINES; BINIXO; CASHBUS; CASHCAT;CASHUTTLE; CRAZYLOAN; FLASH CASH; HAPPY2PESO; HATULONG; MELOAN; MONEYTREE QUICKLOAN;PERA EXPRESS;PERA4U;PERAMART;PESOLENDING;QUICKPESO; and UMBRELLA	12 September 2019
CASH WHALE; CASH 100; CASHAFIN; CASHFLYER; CASHMAYA; CASHOPE; CASHWARM; CASHWOW; CREDITPESO; ET EASY LOAN; and PESO2GO	20 September 2019
SCENTKOWORLD CORPORATION and BRENDAHL CRUZ HOLDINGS, INC.	24 September 2019
A&V LENDING MOBILE; A&V LENDING INVESTOR; A.V. LENDING CORPORATION; CASHAKU; CASHASO; CASHENERGY; HAPPY LOAN; PESO PAGASA; VITO LENDING CORP.; PHILY KREDIT; RAINBOW-CASH; and RAINBOWCCASH.PH LENDING CORP.	10 October 2019
BETTER ADSOURCE SYSTEM, INC./BETTER ADSOURCE ADVERTISING SERVICES	17 October 2019
BATIS LOAN; HAPPY CREDIT; EASY CASH; WAHANA CREDIT & LOAN CORP.; and LIGHT KREDIT	24 October 2019
PESOLENDING	29 October 2019
INSTANT PERA; QUICK PESO	29 October 2019
TOGACHAT ACADEMY PHILIPPINES INC.	17 December 2019

Source: SEC website, EIPD

Public Advisories

Through advisories, the Commission warned the public to take the necessary precaution in dealing with the following entities:

Advisories	Date Issued
UNLISHOP E-COMMERCE ADVERTISING SYSTEM COMPANY DOING BUSINESS UNDER UNLISHOP E-COMMERCE ADVERTISING SYSTEM (Hereafter "UNLISHOP")	21 June 2019
ANGEL INVESTOR GROUP, INC.	04 January 2019
PAYSBOOK E-COMMERCE SYSTEM CO. LTD	08 January 2019
UPDATED ADVISORY ON NORTH EAST LUZON FOUNDATION, INC.	18 January 2019
Unity Wealth Marketing, which is also using the names UWealth Premium and Unitywealth 100	05 March 2019
KAPA-COMMUNITY MINISTRY INTERNATIONAL, INC. (KAPA)	08 March 2019
DV BOER FARM CORPORATION	30 April 2019
ALMAMICO (Alabel-Maasim Small Scale Mining Cooperative)/ALAMCCO (Alabel-Maasim Credit Cooperative)	30 April 2019
LDT AGRO INDUSTRIAL HUB CORPORATION / VCM-NW Corporation	03 May 2019
ADVISORY ON RESPONSIBLE BORROWING AND LOAN INTEREST	10 May 2019
PAGPAPAYO PATUNGKOL SA RESPONSABLENG PAG-UTANG AT PAGSURI SA IPINAPATAW NA INTERES SA PAGKAKAUTANG	10 May 2019
RIGEN MARKETING	24 May 2019
GLOBAL DREAM ZION	28 May 2019
BROILERPRENUER CORPORATION	31 May 2019
ADA FARM AGRI VENTURES	31 May 2019
Unregistered Investment Entities	31 May 2019
EVER ARM ANY MARKETING	31 May 2019
MUNIFICENCE MINISTRY	07 June 2019
THE PHILIPPINES GOOD SAMARITAN RIDERS ASSOCIATION	20 June 2019
REQUIZA AGRICULTURAL PRODUCTS TRADING	28 June 2019
PAYCHECK AB ONLINE SERVICES CO.	10 July 2019
JAPHET TABALE and TABALE CACAO FARMS	17 July 2019
TOGACHAT ACADEMY PHILIPPINES, INC.	17 July 2019
BRENDAHL CRUZ HOLDINGS, INC. and SCENTKOWORLD CORPORATION	31 July 2019
SGP DRAGON TRADING CORPORATION	02 August 2019
YELLOWDOT TRANSPORT TERMINAL INC.	07 August 2019
BRIX VENTURES INCORPORATED	27 August 2019
G. M. PINEDA CONSTRUCTION AND DEVELOPMENT	30 August 2019
JY BEAUTY AND FASHION MARKETING	30 August 2019
SHANTAL	04 September 2019
BROILERPRENEUR CORPORATION and SUPER LIVESTOCK HOLDINGS INC.	16 September 2019
SENIOR CITIZEN AND ELDERLY WELFARE CLUB OF THE PHILIPPINES, INC.	20 September 2019
BETTER ADSOURCE SYSTEM, INC. / BETTER ADSOURCE ADVERTISING SERVICES	25 September 2019
EASY PLAY operated by JENICA SARAH REGANIT	26 September 2019
PAYS UP ONLINE MARKETING BUSINESS INC. and PAYS-UPGEN MARKETING BUSINESS UNLIMITED INC.	27 September 2019
WEECLICK CLUB	27 September 2019
WHERETOGO TRAVEL ADVERTISING COMPANY/WHERETOGO ADVERTISING	08 October 2019
RIGHT CIRCLE TRADING INC.	09 October 2019

Advisories	Date Issued
PIGDEALS INTERNATIONAL HOLDINGS, INC. under CEO Dwayne Ramos Walberg and President Rocky Gonzales Manalo and PIGDEALS AGRIVENTURES HOG FARM TRADING under Rocky Manalo Gonzales (Proprietor)	15 October 2019
LION CITY FINANCE GROUP, INC.	22 October 2019
MAX4UNLIMITED CO. and MAX4 UNLI CORPORATION	29 October 2019
HYBRID GAMEFOWL HOLDINGS, INC.	30 October 2019
MYBITCLAIM TRADING CORPORATION	07 November 2019
GIVE AND SHARE E-COMMERCE SOLUTIONS, INC./ GAS E-COMMERCE SOLUTIONS, INC.	11 November 2019
FREE TRAINING SEMINARS PROMOTING FOREIGN-REGISTERED ELECTRONIC INVESTMENT PLATFORMS	11 November 2019
FINANCING INTERNATIONAL-CASINO and/or CASINO VIP FINANCING BY CATHLYNE PAPASIN and/or CASINO VIP FINANCING and/or FORTUNE DRAGON CASINO FINANCING	12 November 2019
COINDEORO HOLDINGS, INC./ COIN DE ORO	13 November 2019
PAYASIAN SOLUTIONS PTE.LIMITED/ PAYASIAN PTE. LIMITED CORPORATION	14 November 2019
TECHNOVANTI NETELIGENCE, INC. (TECHNOVANTI)	25 November 2019
WBA DEVELOPMENT CORPORATION, WBA ADVERTISING, WEALTH BUILDER ADVERTISING, WEALTH BUILDER ACCELERATOR, WEALTH BUILDER-ACCELERATOR-WBA ADVERTISING PHILIPPINES	05 December 2019
YouTube videos featuring the alleged news relayed by anchors, ROGER ABING CAMINGAWAN and DANIEL FLASH VILLAS in their radio broadcasting stating, among others, that KAPPA Community Ministry International Inc. (KAPA)	09 December 2019
JETHCLICK, JETHCLICK INTERNATIONAL, JETHCLICK by JETHRO, and JETHRO CORP.	13 December 2019

Source: SEC website, EIPD

Revocation of Registration of Unauthorized Lenders

The SEC continues its crackdown on illegal lending, revoking the registration of 837 more companies engaged in lending activities without the necessary license. (Please see attached CGFD Order Nos. 157 and 158).

Likewise, 51 online lending apps were issued CDOs for failure to incorporate and secure a License.

In its enforcement sweep, the Commission also investigated 21 fraudulent investment schemes in social media.

• Mga Business Enterprises	• Diamond Marketing	• BCC/BCC Cosmetics Trading
• CoopHub Multimedia Services	• Fusion Marketing	• VUCC
• Jogle Innovative Marketing	• FMarket	• BITRAIN
• Global Dream Zion	• CirFund	• TCOIN
• Grappler	• Vibearn	• Crowd Royals
• Sherpan	• OnePro	• Nermie Marketing
• BCT Marketing/BCT Motorcycle and Car Trading	• RTM/RTM Pharmacy and General Merchandise	• Unlishop Compensation Plan Marketing

XX. CITATIONS AND RECOGNITIONS

The SEC remained among the best performing government agencies for the business sector, as it worked on cutting processing times for company registration and other initiatives aimed at improving the ease of doing business in the Philippines.

In 2019, SEC has received notable recognitions, among which are the following:

1. Top 10 in the latest Executive Outlook Survey of Makati Business Club (MBC)

The SEC remained among the best performing government agencies for the business sector, as it worked on cutting processing times for company registration and other initiatives aimed at improving the ease of doing business in the Philippines. The Commission landed anew in the Top 10 in the latest Executive Outlook Survey conducted by the Makati Business Club (MBC), in partnership with the Management Association of the Philippines, on the performance of government agencies.

The SEC joins the Bangko Sentral ng Pilipinas, National Economic and Development Authority, Philippine Atmospheric, Geophysical and Astronomical Services Administration, Department of Trade and Industry, Philippine Statistics Authority, Department of Finance, Board of Investments, Department of Tourism, Armed Forces of the Philippines and Philippine Economic Zone Authority in the Top 10. The survey asked 100 executives from 100 companies whether they were satisfied or not satisfied with the performances of government agencies in the past year, from July 2018 to June 2019. Of the 69 government agencies assessed, 42 received positive satisfaction ratings.

2. Presidential Anti-Corruption Commission (PACC) Award

The Presidential Anti-Corruption Commission (PACC) has recognized the Commission for its upgraded system process which contributed to the curtailment of corruption in government. SEC Chairperson Emilio B. Aquino received the bronze award during the celebration of the first founding anniversary of the PACC tasked to investigate alleged government corruption, on March 3 at Heroes Hall in Malacañang. The PACC Award recognizes effort of partner-agencies for the development of system process and the introduction of innovative measures that immensely contributed to the effective and efficient delivery of public service and the reduction of corruption in government.

3. International Forum of Independent Audit Regulators (IFIAR) Membership

The SEC has recently been admitted as member of the International Forum of Independent Audit Regulators (IFIAR). Established in 2006, IFIAR comprises independent audit regulators from 55 jurisdictions representing Africa, North America, South America, Asia, Oceania, and Europe. IFIAR provides a platform for Members to exchange information about the audit environment and practical experiences and insights from their inspections of audit firms, enforcement practices, engagement with audit committees, audit quality indicator programs, firm culture reviews, and the overall audit market. This collective wisdom regarding the forces impacting audit quality and oversight is essential to advancing sustainable, high quality audits. IFIAR is the only forum for coordinated, sustained dialogue with the largest global network audit firms, international standard setters, audit committees, institutional investors and other international organizations that have an interest in audit quality.

4. ISO 9001:2015 Certification

The SEC successfully attained ISO 9001:2015 Certification in recognition of its compliance with the international standard for a quality management system (QMS). The Commission's QMS currently covers the registration of partnerships and corporations doing business in the Philippines, and licensing of capital market institutions and professionals.

5. COA Affirmation

The SEC received an "unqualified opinion" from the Commission on Audit (COA), as it upholds transparency, accountability and efficiency in the use of valuable taxpayers' money.

"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Securities and Exchange Commission as at December 31, 2018, and its financial performance, cash flows, changes in net assets/equity, comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant policies in accordance with the Philippine Public Sector Accounting Standards," State Auditor Concepcion C. Reyes noted in an independent auditor's report dated April 25.

COA audited the Commission's finances in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), developed by the International Organisation of Supreme Audit Institutions for public sector auditing.

6. Freedom of Information (FOI) Award

The SEC was conferred with a Plaque of Recognition in the 3rd FOI Awards on 12 December 2019 by the Presidential Communications Operations Office for being one of the top requested and performing agencies in the eFOI Portal and for its exceptional and significant contribution to the FOI Program's progress and development.

7. Unqualified Opinion

The SEC received an "unqualified opinion" from the Commission on Audit (COA), as it upholds transparency, accountability and efficiency in the use of valuable taxpayers' money. COA audited the Commission's finances in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), developed by the International Organisation of Supreme Audit Institutions for public sector auditing.

With all these recognitions and the consistent reform measures, the Commission fully commits to continuously uphold its mandate, moving forward.

Securities and Exchange Commission
PHILIPPINES