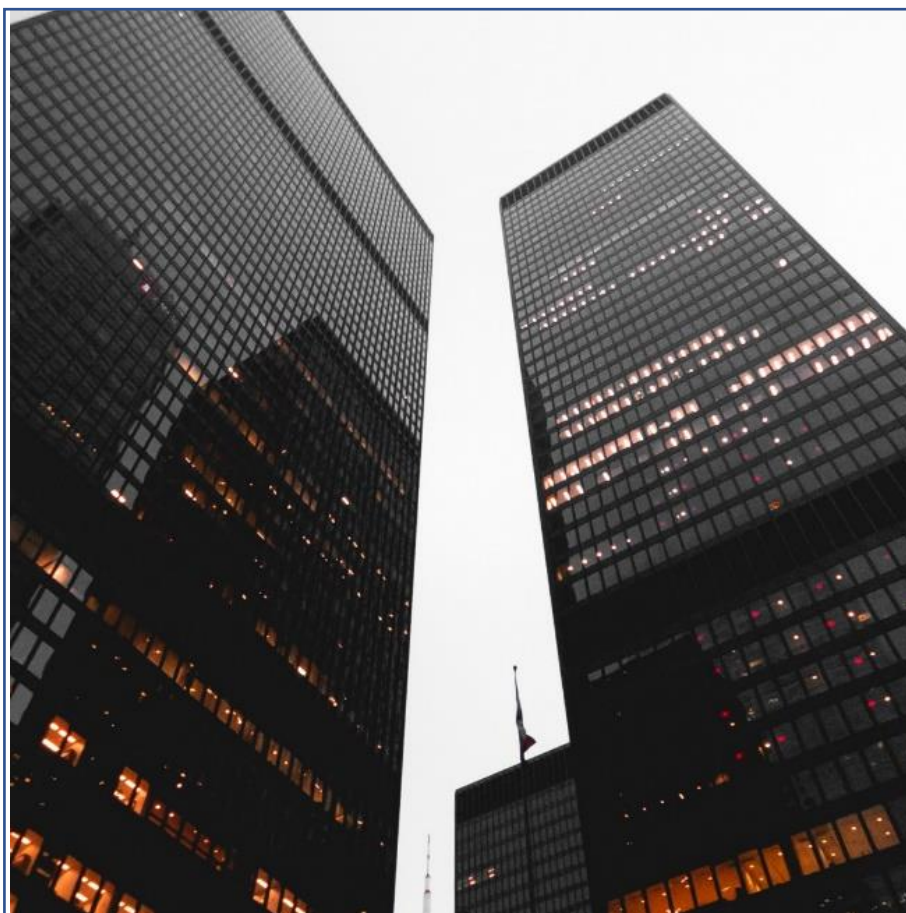


# Newsletter

Issue No. 01 | January, 2022



## In this issue

The Commission has issued the guidelines for submission of the Annual Corporate Governance Report and a notice concerning the MC 28 submission portal.

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## ANNUAL CORPORATE GOVERNANCE REPORT

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### To: Public Companies and Registered Issuers

The Securities and Exchange Commission (SEC or the “Commission”), mandates all covered companies to submit an Annual Corporate Governance Report (ACGR) subject to the following guidelines:

1. Two (2) copies of a fully accomplished ACGR shall be submitted on or before June 30 of the following year for every year that the company qualifies as a PC or RI. 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 – December 2021.
2. At least one (1) complete copy of the ACGR filed with the Commission shall be duly notarized and shall bear original and manual signatures of the following required signatories:
  - a. Chairperson of the Board;
  - b. Chief Executive Officer or President;
  - c. All Independent Directors;
  - d. Compliance Officer; and
  - e. Corporate Secretary.
3. Newly registered companies shall be subject to the following:
  - a. PCs, which were registered or has qualified as such from July to December of a given year, shall be allowed to indicate “newly registered” in the Explanation portion of the ACGR for its first submission. The same shall not be considered as sufficient explanation if the PC fails to indicate the date of its registration or when it has qualified as such.
  - b. RIs registered from July to December of a given year shall be allowed to indicate “newly registered” in the Explanation portion of the ACGR for its first submission. The same shall not be considered as sufficient explanation if the RI fails to indicate the date of the effectivity of its Registration Statement.
  - c. In addition to the submission of the ACGR, newly registered PCs and RIs must file their Manual on Corporate Governance in accordance with SEC Memorandum Circular No. 24, Series of 2019 and SEC Memorandum Circular No. 19, Series of 2020.

4. The imposable penalties are as follows:

Violation	Basic Penalty	Monthly Penalty
Non/Late Submission	Php 20,000.00	Php 2,000.00
<b>Disclosure(s)</b>		
a. Incomplete (i.e., no explanation provided; no alternative practices to achieve over-all principle)	Php 10,000.00	Php 1,000.00
b. Misinterpretation/Misinformation	Php 50,000.00	Php 5,000.00
<b>Signatory(ies)</b>		
a. Incomplete	Php 5,000.00	Php 500.00
b. Incorrect		

The monthly penalty shall continue to accrue until the company has complied with the requirement.

5. The General Instructions in answering the ACGR-PCs/RIs are indicated in the attached SEC Form-ACGR.
6. PCs and RIs that are listed in the Philippine Stock Exchange shall be excluded from the coverage of this Memorandum Circular. Publicly listed PCs and RIs shall instead submit an Integrated Annual Corporate Governance Report in accordance with SEC Memorandum Circular No. 15, Series of 2017.
7. PCs and RIs shall no longer be required to comply with Sections 15 and 16 of SEC Memorandum Circular No. 3, Series of 2007 and SEC Memorandum Circular No. 36, Series of 2020.

Orders, Issuances and Circulars which are inconsistent with the provisions of this Circular are hereby repealed accordingly.

SEC MC No. 12, s2021: <https://www.sec.gov.ph/mc-2021/mc-no-12-s-2021/>

## NOTICE: MC 28 SUBMISSION PORTAL

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To: All Concerned

Please be advised that starting January 17, 2022, the Securities and Exchange Commission (SEC) will implement a new online system called the MC 28 Submission Portal. Compliance in the filing of Memorandum Circular No. 28, Series of 2020 **must** be submitted using the said portal.

The portal can be accessed through <https://apps010.sec.gov.ph>.

Those submitted via electronic mail (MC28\_S2020@sec.gov.ph) prior to January 17, 2022 will still be processed, unless the applicant is notified by the SEC Monitoring Officer.

SEC Notice: <https://www.sec.gov.ph/notices/mc-28-submission-portal/>

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Comments and suggestions are welcome.

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