



KEY REGULATORY UPDATES CORPORATE GOVERNANCE AND SUSTAINABILITY

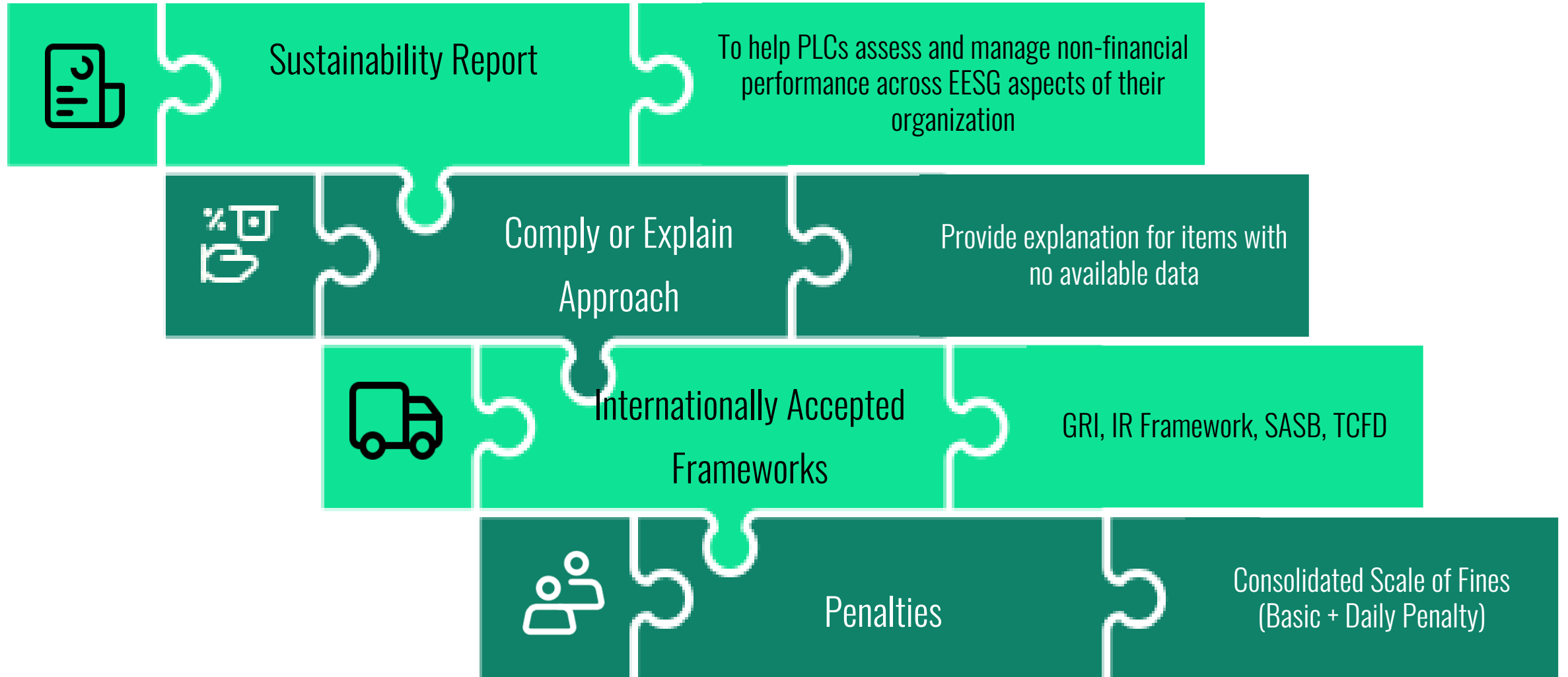
Commissioner McJill Bryant T. Fernandez
Securities and Exchange Commission



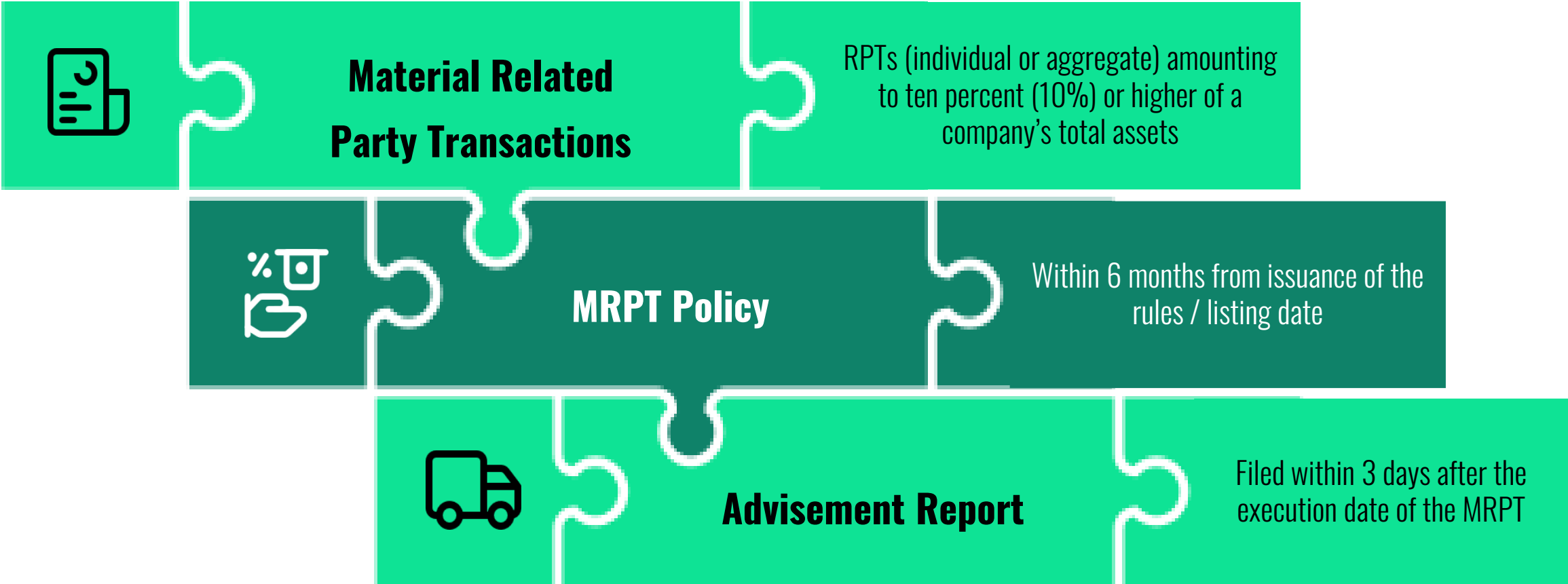
Corporate Governance Issuances of the SEC

1. Sustainability Reporting Guidelines for Publicly-Listed Companies (PLCs)
2. Rules on Material Related Party Transactions for PLCs
3. Code of Corporate Governance for Public Companies (PCs) and
Registered Issuers (RIs)
 1. Notice of Regular Meetings of Stockholders/Members
 2. Shareholders' Approval on Sale of Corporate Assets
 3. Shareholders' Right to Put Items on the Agenda
 4. Independent Directors of Exchanges and other Organized Markets
 5. Calling of Stockholders' Meeting
 6. Annual Corporate Governance Report for PCs and RIs

SEC Memorandum Circular No. 4, Series of 2019



SEC Memorandum Circular No. 10, Series of 2019





ADVISEMENT REPORT ON
MATERIAL RELATED PARTY TRANSACTIONS

Reporting PLC: SEC Identification Number:
 Name of Related Party: Execution Date of Transaction:
 Relationship between the Parties including financial/non-financial interest:

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets ¹ of Reporting PLC	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral, if any	Approving Authority ²

SIGNATURES

Pursuant to the requirements of the Commission, the company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

(Name of Reporting PLC)

(Name of Related Party)

.....
 Name, Signature of the Corporate Secretary/
 Authorized Representative³

.....
 Name, Signature of the Related Party/Authorized Representative³

Imposable Penalties

a. Non/late filing of or incomplete/incorrect signature in the Material Related Party Transaction Policy

BASIC PENALTY	Php10,000.00
MONTHLY PENALTY	Php1,000.00

The monthly penalty will continue to accrue until the Material RPT Policy is submitted to the SEC.

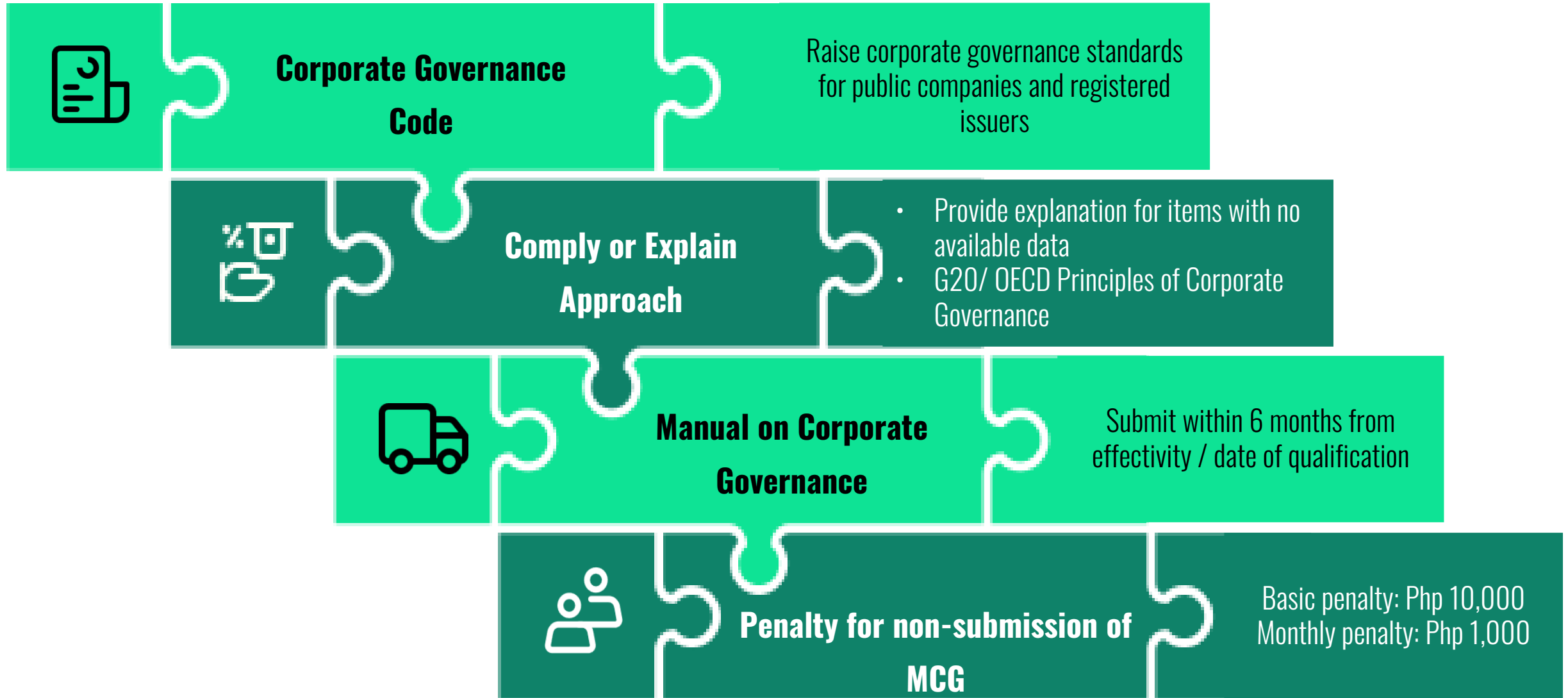
b. Non/Late Filing of or Incomplete/Incorrect Advisement Report

Violation	First Offense	Second Offense		Third Offense	
		Basic Penalty	Daily Penalty	Basic Penalty	Daily Penalty
Non/Late Filing of Advisement Report	Reprimand	Php30,000.00	Php200.00	Php40,000.00	Php400.00
Incomplete / Incorrect Advisement Report	Reprimand	Php10,000.00	Php200.00	Php20,000.00	Php400.00

Continued non-payment of the assessed fine and/or failure to comply with the requirement within a period of fifteen (15) days after notice and hearing, shall be a sufficient ground for the Commission to take other appropriate action or remedies available under Section 158 of the Revised Corporation Code of the Philippines.

Further, the commission of a fourth offense for the same violation is a ground for the suspension/revocation of the erring company's registration or secondary license, which shall be made after notice and hearing, in accordance with the abovementioned procedures.

SEC Memorandum Circular No. 24, Series of 2019



SEC Memorandum Circular No. 3, Series of 2020



Notice of Regular Meeting

Inform stockholders of the schedule of meeting, agenda, and relevant information and deadlines



At Least 21
Calendar Days

Vis-à-vis 2 weeks
under the old corporation code



Postponement

At least 2 weeks written
notice



Penalty

Section 158, RCC

SEC Memorandum Circular No. 12, Series of 2020



Sale of All or Substantially All of
Corporate Assets

Sale of 51% of the assets of a corporation,
either in a single or aggregate transaction



2/3 Vote of Outstanding
Capital Stock

The sale must be authorized in a
meeting duly called for the said
purpose



Financial Statements

Total assets based on the
latest audited financial
statements



Penalty

Section 158, RCC

SEC Memorandum Circular No. 14, Series of 2020



Meeting Agenda

Right to include items in the agenda prior to regular or special stockholders' meeting



Shareholding threshold

Shareholder alone or together with other shareholders holding at least 5%



Liability

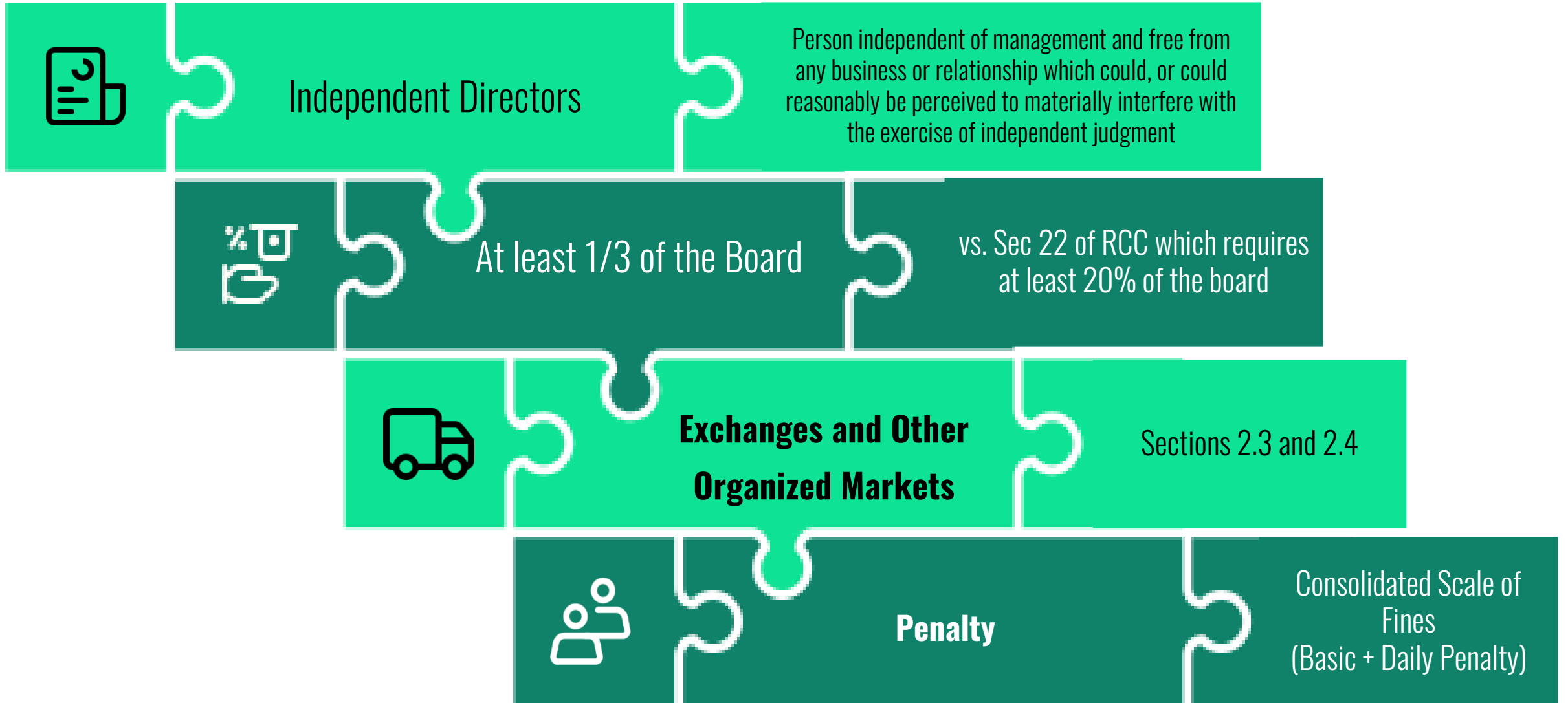
Unjust refusal to allow qualified shareholders to put items on agenda



Penalty

Section 158, RCC

SEC Memorandum Circular No. 20, Series of 2020



SEC Memorandum Circular No. 7, Series of 2021



Calling of Special Stockholders'
Meeting

Right to call for special stockholders'
meeting under Sec. 49, RCC



Qualifying Shareholders holding
at least 10%

Shareholder alone or together
with other shareholders



Deadlines and Safeguards

- Request for meeting must be 45 days prior to the proposed date,
- Board has 20 days to act on request
- Request must be made in good faith



Penalty

Section 158, RCC

SEC Memorandum Circular No. 13, Series of 2021



Annual Corporate
Governance Report

To facilitate the disclosure of compliance
and non-compliance with recommendations
under CG Code for PCs and RIs



Comply or Explain Approach

Provide explanation for items with no
available data



Newly Qualified PCs and RIs

- PCs and RIs registered from July –December of a given year are allowed to indicate “**newly registered**” in the explanation
- Not sufficient explanation if no date of registration indicated



Deadline and Signatories

- June 30
- Chairperson, CEO/President, IDs, Compliance Officer, Corporate Secretary

4. The imposable penalties are as follows:

VIOLATION	BASIC PENALTY	MONTHLY PENALTY
Non/Late Submission	Php20,000.00	Php2,000.00
<i>Disclosure(s)</i>		
a. Incomplete (i.e. no explanation provided; no alternative practices to achieve over-all principle)	Php10,000.00	Php1,000.00
b. Misrepresentation/Misinformation	Php50,000.00	Php5,000.00
<i>Signatory(ies)</i>		
a. Incomplete	Php5,000.00	Php500.00
b. Incorrect		

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

Future Policy Directions of SEC

**Codes of Corporate Governance for
other corporations**

**Stewardship Code for Institutional
Investors**

**Revised Sustainability Reporting
Guidelines**





**Securities and
Exchange
Commission**
P H I L I P P I N E S

Thank you!