



DSWD
Department of Social Welfare and Development



**Securities and
Exchange
Commission**
PHILIPPINES

MICROFINANCE NGO REGULATORY COUNCIL

Memorandum Circular No. 1
Series of 2017

RULES ON CAPITAL CONTRIBUTION AND CORPORATE AND TRADE NAMES OF MICROFINANCE NON-GOVERNMENT ORGANIZATION

Whereas, Rule 4, Section 1 of the Implementing Rules and Regulations of Republic Act No. 10693 (RA 10693) or the Microfinance NGOs Act requires Microfinance NGOs to be established as non-stock, non-profit corporations with capital contribution of at least One Million Pesos (₱1,000,000.00) and include the word "Microfinance" in the corporate and trade name of the Microfinance NGO seeking accreditation;

Whereas, Section 4 of Revenue Regulations No. 3-2017 also requires that, to be an accredited Microfinance NGO, it must comply with the requirements as stated above;

Whereas, to ensure that Microfinance NGOs are able to deliver the basic services required under RA 10693 and to safeguard their sustainability, they must be required to maintain the minimum fund balance of One Million Pesos (₱ 1,000,000.00);

Whereas, Paragraph 1(d) of SEC Memorandum Circular No. 8, Series of 2015¹ states that the corporate name of all non-stock, non-profit corporations, including non-governmental organizations and foundation, engaging in microfinance activities shall use the word "Microfinance" or "Microfinancing";

Whereas, Paragraph 4 of SEC Memorandum Circular No. 21, Series of 2013 states that the business or trade name which is different from the corporate or partnership name shall be indicated in the articles of incorporation or partnership. A company may have more than one business or trade name;

IN VIEW OF THE FOREGOING, all Microfinance NGOs, are hereby enjoined to have an initial minimum capital contribution of One Million Pesos (₱ 1,000,000.00). Microfinance NGOs are also required to maintain a minimum fund balance of the same amount.

To be accredited, Microfinance NGOs are directed to amend their Articles of Incorporation and By-laws to include the word "Microfinance" in their corporate and trade names. A Microfinance NGO may adopt any of the following formats:

1. XYZ Microfinance Corporation;
2. XYZ Microfinance Foundation, Inc.;
3. XYZ, Inc. (A Microfinance NGO); or
4. XYZ Microfinance, Inc. doing business under the name and style of XYZ, Inc. (XYZ, Inc. is the trade name)

Microfinance NGOs are permitted to use their shortened names in their signages provided that their complete corporate and trade name are indicated in their Articles of Incorporation, Certificate of Registration, Mayor's Permit and other formal documents.

7 July 2017. Pasay City.


TERESITA J. HERBOSA
Chairperson

¹ Amended paragraph 1 of SEC Memorandum Circular No. 21, series of 2013.