



NOTICE

TO: ALL INTERESTED PARTIES

SUBJECT: DRAFT MEMORANDUM CIRCULAR ON SIGNATORIES AND PENALTY FOR NON-COMPLIANCE WITH THE REQUIREMENT OF MANUAL ON CORPORATE GOVERNANCE

The public is invited to submit their comments, feedbacks and inputs on the draft Memorandum Circular on Signatories and Penalty for Non-compliance with the Requirement of Manual on Corporate Governance **on or before 19 July 2020 (Sunday)**.

It is requested that comments/inputs be emailed to cgfd_cgd@sec.gov.ph using the template provided.

Issued on 9 July 2020.



SEC MEMORANDUM CIRCULAR NO. _____
Series of 2020

TO : PUBLIC COMPANIES AND REGISTERED ISSUERS

SUBJECT : SIGNATORIES AND PENALTY FOR NON-COMPLIANCE WITH THE REQUIREMENT OF MANUAL ON CORPORATE GOVERNANCE

Public companies (PCs) and registered issuers (RIs) are mandated to submit a new Manual on Corporate Governance (MCG) pursuant to SEC Memorandum Circular No. 24, Series of 2019¹ within six (6) months from the effectivity date thereof², or until 12 July 2020.

However, due to extraordinary circumstances brought about by the COVID-19 pandemic, the Commission, in its *en banc* meeting on 7 July 2020, resolved to **EXTEND** the deadline for the submission of the abovementioned MCG until **28 August 2020**.

The Commission further resolved that the signatories to the MCG should be the company's **Chairman of the Board and Compliance Officer**. MCGs submitted without the required signatures shall be deemed as *not filed*.

The imposable penalties for non/late submission of the MCG shall be as follows:

BASIC PENALTY	Php10,000.00
MONTHLY PENALTY	Php1,000.00

The monthly penalty will continue to accrue until the MCG has been submitted to the Commission.

This does not cover publicly-listed companies, which shall continue to be governed by SEC Memorandum Circular No. 19, Series of 2016 or the Code of Corporate Governance for Publicly-Listed Companies and related issuances.

This Memorandum Circular shall take effect immediately upon its publication.

Pasay City, Philippines, ____ July 2020.

For the Commission:

EMILIO B. AQUINO
Chairperson

¹ SEC Memorandum Circular No. 24, Series of 2019 was issued on 19 December 2019 and published on 28 December 2019.

² SEC Memorandum Circular No. 24, Series of 2019 took effect on 12 January 2020 or fifteen (15) days after its publication on 28 December 2019.

**Draft Memorandum Circular: Penalties and Required Signatories on the Manual
on Corporate Governance**

NAME: _____

COMPANY: _____

Provisions on the Draft Memorandum Circular	Comments	Proposed Revision(s)	Estimated cost implications to comply with the draft Memorandum Circular