



MARKETS AND SECURITIES REGULATION DEPARTMENT

NOTICE

The Commission hereby requests all interested parties to comment on the attached **“Proposed Amendments to Annex C of Rule 12 of the Securities Regulation Code.”** The provisions subject of the amendments are underlined and in bold font.

Kindly address your comments to **Director Vicente Graciano P. Felizmenio, Jr.**, SEC-Markets and Securities Regulation Department (MSRD), SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Bel-air, Makati City.

You may also email your comments to **msrd_covid19@sec.gov.ph** and **ggjarugay@sec.gov.ph** not later than **8 September 2023.**

Issued on 29 August 2023.



**SEC Memorandum Circular No. ____
Series of 2023**

TO : ALL CONCERNED

SUBJECT : PROPOSED AMENDMENTS TO ANNEX C OF RULE 12 OF THE SECURITIES REGULATION CODE

The following provisions of Annex C, Rule 12 of the Securities Regulation Code (SRC) are hereby amended as follows:

**NON-FINANCIAL DISCLOSURE REQUIREMENTS
PART I BUSINESS**

(A) Description of Business.

x x x

(2) Business of Issuer: This section shall describe in detail what business the registrant does and proposes to do, including what products or goods are or will be produced or services that are or will be rendered.

(a) Description of Registrant
Briefly describe the business of registrant and its significant subsidiaries and include, to the extent material to an understanding of the registrant:

x x x

(xv) Discuss the major risk/s involved in each of the businesses of the company and subsidiaries. **Include a disclosure of the procedures being undertaken to identify, assess and manage such risks. The Company may include disclosure of the procedures to identify, assess, and manage such risks.**

x x x

x x x

x x x

PART VI. REGISTRATION STATEMENT AND PROSPECTUS PROVISIONS

x x x

(C) Risk Factors.

Under the caption "Risk Factors", registrant shall list in the order of importance and discuss fully the factors that make the offering speculative or risky (i.e. those factors which constitute the greatest threat that the investment in the securities will be lost in whole or in part, or not provide an adequate return). These factors may include, among other things, an absence of operating history of the registrant, no recent profit from operations, poor financial position, the kind of business in which the registrant is engaged or proposes to engage, or no market for the registrant's securities.

~~Discuss how the company shall manage the risks mentioned above. The registrant may indicate measures to mitigate the risks mentioned above.~~