



Microfinance NGO Regulatory Council



Securities and
Exchange
Commission
PHILIPPINES

ANNUAL REPORT

MICROFINANCE NGO REGULATORY COUNCIL





TABLE OF CONTENTS

A.	ACCREDITATION OF MICROFINANCE NGOS FOR 2022	1
	APPLICATIONS FOR RE-ACCREDITATION FOR THE PERIOD 2022 TO 2025	2
	LIST OF ACCREDITED MICROFINANCE NGOS AS OF DECEMBER 2022	4
B.	NOMINATION OF NEW PUBLIC SECTOR REPRESENTATIVES FOR YEARS 2023 - 2026	7
C.	NOTICES	9
D.	MEETINGS HELD IN 2022	12
E.	RESOURCES PROVIDED TO PUBLIC	19
F.	RESOURCE PERSONS IN SEMINARS/OUTREACH	22

A. ACCREDITATION OF MICROFINANCE NGOS FOR 2022





ACCREDITATION OF MICROFINANCE NGOS FOR 2022

As early as March 2022, the three (3)-year accreditation of twenty-nine (29) Microfinance Non-Governmental Organizations ["MF-NGOs"] for the period 2019 to 2022 had expired. To avoid any gap in availing the two percent (2%) preferential tax rate between the accreditation periods, these MF-NGOs, with the guidance of a schedule prepared by the Microfinance NGO Regulatory Council ["MNRC" or "Council"] Secretariat, have submitted their applications for re-accreditation for the period 2022 to 2025 beginning January 2022.

A.1. APPLICATIONS FOR RE-ACCREDITATION FOR THE PERIOD 2022 TO 2025

Pursuant to MNRC Memorandum Circular ["M.C."] No. 2, Series of 2021 or the *Guidelines for the Accreditation of Microfinance NGOs for the Period 2022 to 2025*, the Microfinance NGO Regulatory Council had processed and accredited twenty-eight (28) applicant-MF-NGOs in 2022, with a certificate of accreditation valid for three (3) years under Rule 4, Section 6 of the Implementing Rules and Regulations ["IRR"] of Republic Act ["R.A."] No. 10693, otherwise known as the *Microfinance NGOs Act*.

APPLICATIONS OF MF-NGOS PROCESSED IN 2022	
1	ASA PHILIPPINES FOUNDATION, INC. (A MICROFINANCE NGO)
2	SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO) DOING BUSINESS UNDER THE NAME AND STYLE OF SEDP-SIMBAG MICROFINANCE
3	SAKLAW FOUNDATION INC. (A MICROFINANCE NGO)
4	ALALAY SA KAUNLARAN MICROFINANCE SOCIAL DEVELOPMENT INC.
5	ARDCI MICROFINANCE, INCORPORATED

6	COMMUNITY ECONOMIC VENTURES, (A MICROFINANCE NGO) INC.
7	JAIME V. ONGPIN MICROFINANCE FOUNDATION, INC.
8	JMH MICROFINANCE, INC.
9	KABALIKAT PARA SA MAUNLAD NA BUHAY, INC. (A MICROFINANCE NGO)
10	KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.
11	KAZAMA GRAMEEN MICROFINANCE, INC.
12	LIFEBANK MICROFINANCE FOUNDATION, INC. DOING BUSINESS UNDER THE NAME/S AND STYLE/S OF LIFEBANK FOUNDATION
13	NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. (A MICROFINANCE NGO) DOING BUSINESS UNDER THE NAME/S AND STYLE/S OF NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. OR NWTF
14	RANGTAY SA PAGRANG-AY MICROFINANCE, INC.
15	SERVIAMUS FOUNDATION INCORPORATED DOING BUSINESS UNDER THE NAME & STYLE OF SERVIAMUS MICROFINANCE
16	SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.
17	BAYAN ENTERPRISE DEVELOPERS, GROWERS AND EVOLVERS-MICROFINANCE AND BUSINESS SERVICES, INC.
18	ECLOF PHILIPPINES MICROFINANCE, INC.
19	PAGASA NG MASANG PINOY MICROFINANCE INC.
20	RAFI MICRO-FINANCE, INC
21	ST. ELIZABETH COMMUNITY DEVELOPMENT PROGRAM (SECDEP), INC. (A MICROFINANCE NGO)
22	CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC. (A MICROFINANCE NGO)
23	AHON SA HIRAP, INC. (A MICROFINANCE NGO)
24	PEOPLE'S ALTERNATIVE LIVELIHOOD MICROFINANCE FOUNDATION OF SORSOGON (PALMFS), INC.
25	TULAY SA PAG-UNLAD, INC. (A MICROFINANCE NGO)
26	USWAG DEVELOPMENT FOUNDATION, INC. (A MICROFINANCE NGO)
27	CORDILLERA COMMUNITY MICROFINANCE (CCMI), INC.
28	TAYTAY SA KAUSWAGAN (A MICROFINANCE NGO), INC.

A.2. LIST OF ACCREDITED MICROFINANCE NGOS AS OF DECEMBER 2022

As of 31 December 2022, of the twenty-eight (28) applicants, twenty-seven (27) MF-NGOs remained accredited with the MNRC, as follows:

ACCREDITED MF-NGOS AS OF 31 DECEMBER 2022				
	NAME OF MICROFINANCE NGO	CERTIFICATE OF ACCREDITATION NO.	DATE OF ISSUANCE	DATE OF PRIOR MNRC
1	KPS-SMALL ENTERPRISE AND ECONOMIC DEVELOPMENT, MICROFINANCE, INC.	0001-20	27-Jan-20	28-Mar-18
2	ASA PHILIPPINES FOUNDATION, INC. (A MICROFINANCE NGO)	0001-22	1-Mar-22	1-Mar-19
3	SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO) DOING BUSINESS UNDER THE NAME AND STYLE OF SEDP-SIMBAG MICROFINANCE [FORMERLY: SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO) DOING BUSINESS UNDER THE NAME AND STYLE SEDP-SIMBAG]	0002-22	1-Mar-22	1-Mar-19
4	SAKLAW FOUNDATION INC. (A MICROFINANCE NGO)	0003-22	1-Mar-22	1-Mar-19
5	ALALAY SA KAUNLARAN MICROFINANCE SOCIAL DEVELOPMENT INC.	0004-22	1-Mar-22	1-Mar-19
6	ARDCI MICROFINANCE, INCORPORATED	0005-22	21-Mar-22	21-Mar-19
7	COMMUNITY ECONOMIC VENTURES, (A MICROFINANCE NGO) INC.	0006-22	28-Mar-22	28-Mar-19
8	JAIME V. ONGPIN MICROFINANCE FOUNDATION, INC.	0008-22	1-Mar-22	1-Mar-19



9	JMH MICROFINANCE, INC.	0009-22	1-Mar-22	1-Mar-19
10	KABALIKAT PARA SA MAUNLAD NA BUHAY, INC. (A MICROFINANCE NGO)	0010-22	1-Mar-22	1-Mar-19
11	KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.	0011-22	28-Mar-22	28-Mar-19
12	KAZAMA GRAMEEN MICROFINANCE, INC.	0012-22	1-Mar-22	1-Mar-19
13	LIFEBANK MICROFINANCE FOUNDATION, INC. DOING BUSINESS UNDER THE NAME/S AND STYLE/S OF LIFEBANK FOUNDATION	0013-22	1-Mar-22	1-Mar-19
14	NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. (A MICROFINANCE NGO) DOING BUSINESS UNDER THE NAME/S AND STYLE/S OF NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. OR NWTF	0014-22	28-Mar-22	28-Mar-19
15	RANGTAY SA PAGRANG-AY MICROFINANCE, INC.	0015-22	1-Mar-22	1-Mar-19
16	SERVIAMUS FOUNDATION INCORPORATED DOING BUSINESS UNDER THE NAME & STYLE OF SERVIAMUS MICROFINANCE	0016-22	21-Mar-22	21-Mar-19

17	SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.	0017-22	1-Mar-22	1-Mar-19
18	BAYAN ENTERPRISE DEVELOPERS, GROWERS AND EVOLVERS-MICROFINANCE AND BUSINESS SERVICES, INC.	0018-22	21-Mar-22	21-Mar-19
19	ECLOF PHILIPPINES MICROFINANCE, INC.	0019-22	21-Mar-22	21-Mar-19
20	PAGASA NG MASANG PINOY MICROFINANCE INC.	0020-22	21-Mar-22	21-Mar-19
21	RAFI MICRO-FINANCE, INC	0021-22	21-Mar-22	21-Mar-19
22	ST. ELIZABETH COMMUNITY DEVELOPMENT PROGRAM (SECDEP), INC. (A MICROFINANCE NGO)	0022-22	21-Mar-22	21-Mar-19
23	CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC. (A MICROFINANCE NGO)	0023-22	21-Mar-22	21-Mar-19
24	AHON SA HIRAP, INC. (A MICROFINANCE NGO)	0024-22	28-Mar-22	28-Mar-19
25	PEOPLE'S ALTERNATIVE LIVELIHOOD MICROFINANCE FOUNDATION OF SORSOGON (PALMFS), INC.	0026-22	15-May-22	15-May-19
26	TULAY SA PAG-UNLAD, INC. (A MICROFINANCE NGO)	0027-22	15-May-22	15-May-19
27	USWAG DEVELOPMENT FOUNDATION, INC. (A MICROFINANCE NGO)	0028-22	14-Dec-22	10-Dec-19

B. NOMINATION OF NEW PUBLIC SECTOR REPRESENTATIVES FOR YEARS 2023 - 2026





NOMINATION OF NEW PUBLIC SECTOR REPRESENTATIVES FOR YEARS 2023 - 2026



In light of the expiration of the three (3)-year term, i.e. 2018 to 2021, of the private sector representatives, and based on Section 9 of R.A. No. 10693 and Section 1(b), Rule 3 of its IRR, the permanent members of the Council, i.e. Chairperson of the Securities and Exchange Commission ["SEC"] and representatives from the Department of Finance ["DOF"], Department of Trade and Industry ["DTI"] and Department of Social Welfare and Development ["DSWD"], conducted the vetting and selection of the MNRC Private Sector Representatives for the period 2022 to 2025 on 14 December 2022.

As a result, the following nominees were selected as the representatives of the microfinance sector to the Council:

1. Ms. Lyneth L. Derequito, from CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD), INC. (A MICROFINANCE NGO);
2. Mr. Eduardo C. Jimenez, from KABALIKAT PARA SA MAUNLAD NA BUHAY, INC. (A MICROFINANCE NGO); and
3. Fr. Jose Victor E. Lobrigo, from SEDP-SIMBAG SA PAG-ASENSO, INC. (A MICROFINANCE NGO) doing business under the name and style of SEDP-SIMBAG MICROFINANCE.

C. NOTICES



NOTICES

1. Survey on MF-NGO Practices on Savings Collected from Clients/ Members dated 20 September 2022

In furtherance of the Council's mandate to institute and operationalize a system of accreditation based on sound and measurable standards of financial performance, social performance, and governance, and to determine MF-NGOs' compliance with the net-lender rule under R.A. No. 10693 – both as to the degree of adherence, as well as the strategies MF-NGOs utilize to ensure compliance therewith - the MNRC invited all accredited MF-NGOs to complete a survey regarding the practices of MF-NGOs concerning microsavings.

The following are the key findings from the survey as of the end of 2022:

- All respondents reported collecting savings;
- They collected compulsory savings, with restrictions on withdrawing from the account;
- A majority of the respondents collect voluntary savings, which may be withdrawn at any time; and
- They had implemented mechanisms to prevent clients' microsavings exceeding their microloans, such as prompting them to withdraw their savings or requiring such clients to apply for loans.



2. Nomination of a Private Sector Representative to the MNRC for the years 2023 to 2026 dated 29 September 2022

As the term of the incumbent private sector representatives expires on 27 January 2023, the MNRC prepared for the nomination and election of the private sector representatives who will serve for the succeeding term.

Rule 3, Section 1(b) of the IRR of R.A. No. 10693 provides that “[t]he three (3) representatives from the Microfinance NGO Sector shall be chosen by at least a majority of the permanent members of the Council from among the nominees of organizations, associations, and alliances of MF-NGOs duly registered with the Securities and Exchange Commission (SEC).”

On 29 September 2022, the MNRC directed the organizations, associations and alliances of MF-NGOs duly registered with the SEC to nominate qualified individuals to serve as representatives of the MF-NGO Sector to the Council for the term 2023 to 2026, subject to the procedure for nomination and minimum qualifications set by said IRR within sixty (60) days from the issuance of this notice.

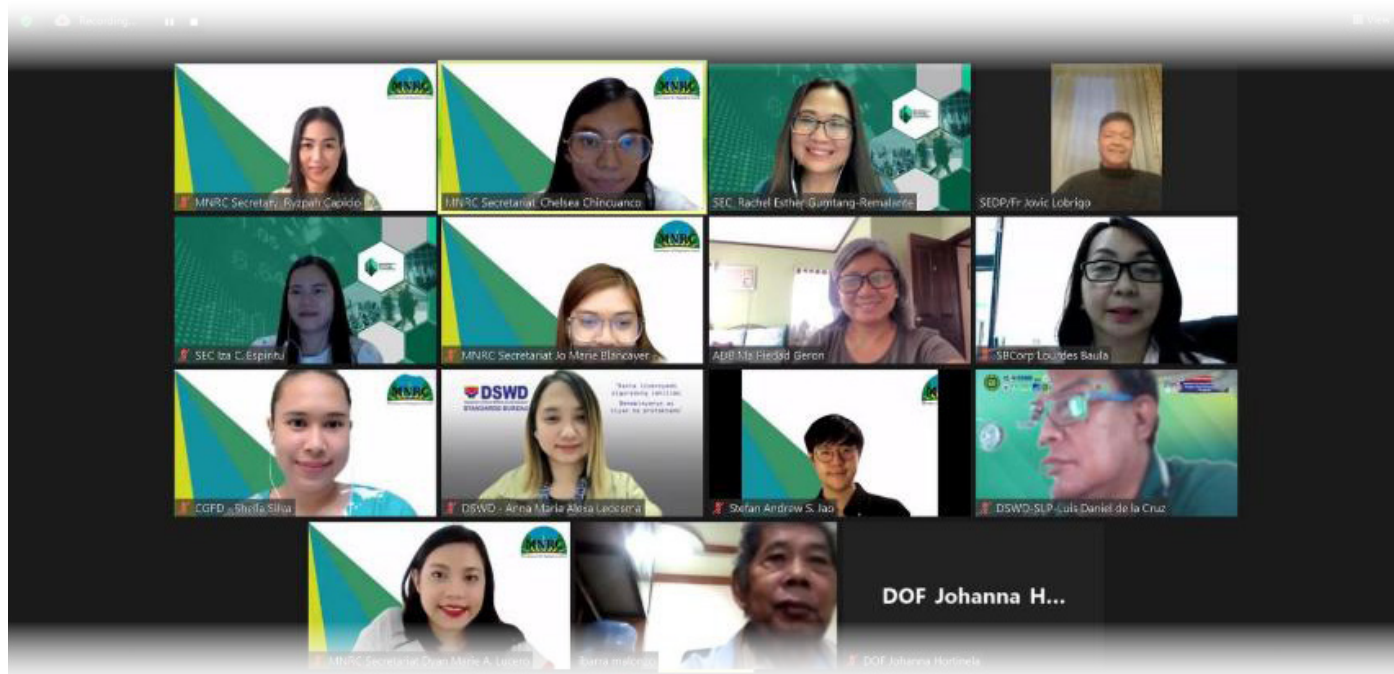
D. MNRC MEETINGS HELD IN 2022



MNRC MEETINGS HELD IN 2022

In view of the MNRC Internal Guidelines No. 1, Series of 2020, on the Attendance and Participation of MNRC Members in Regular and Special Meetings during the Philippine Community Quarantine through Teleconferencing, Videoconferencing and Other Remote or Electronic Means of Communication, approved and adopted during the 5th MNRC meeting held on 13 May 2020, the Council held a total of ten (10) meetings for the year. The meetings were held on the following dates:

1. 26 January 2022



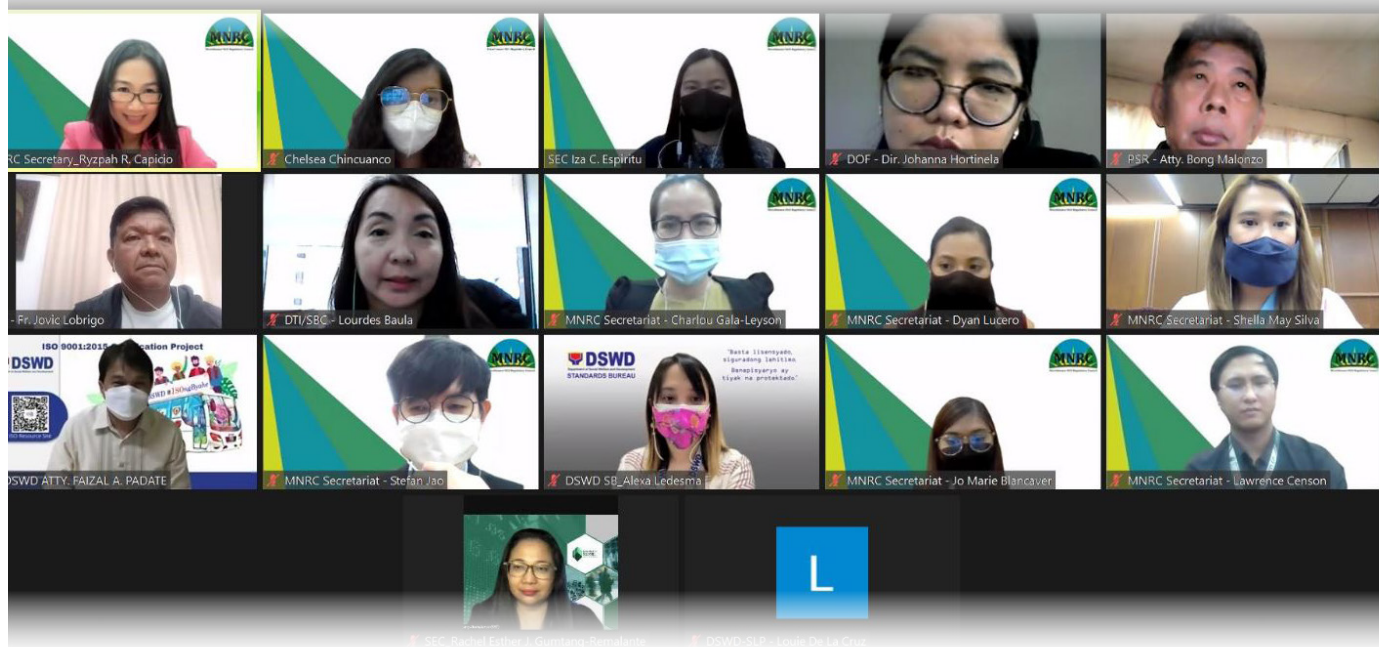
2. 23 February 2022



3. 16 March 2022



4. 27 April 2022



5. 25 May 2022

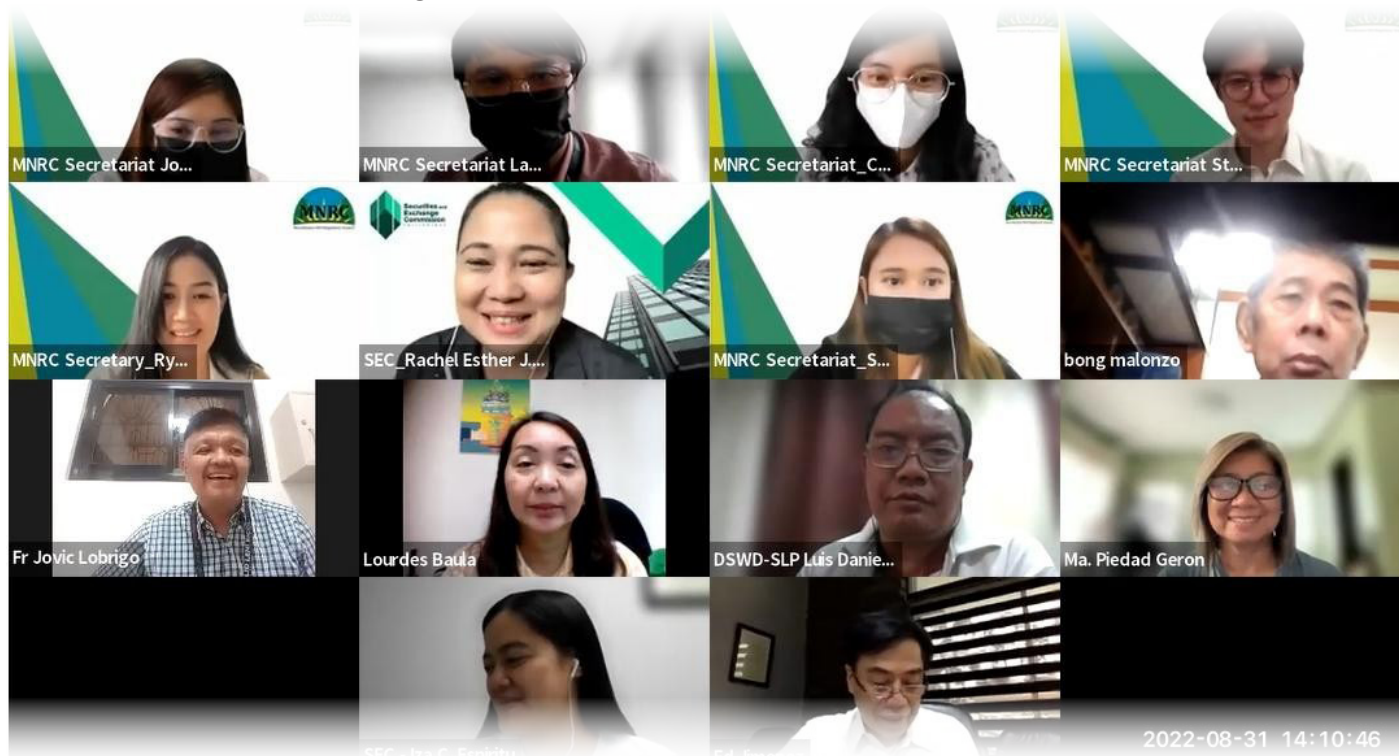




6. 29 June 2022



7. 31 August 2022





8. 28 September 2022



9. 26 October 2022



10. 14 December 2022



E. RESOURCES PROVIDED TO PUBLIC





RESOURCES PROVIDED TO PUBLIC

1. Pursuant to Rule 5, Section 7 of the Implementing Rules and Regulations of Republic Act No. 10693, otherwise known as the Microfinance NGOs Act, Microfinance NGOs are required to furnish each debtor-client a disclosure statement, signed by the borrower and attached with the loan documents, setting forth, to the extent applicable, the information enumerated under Section 4 of RA 3765 or the Truth in Lending Act.

In order to accomplish the above-mentioned objective, the Microfinance NGO Regulatory Council issued MNRC Memorandum Circular No. 1, Series of 2019 on 30 August 2019, prescribing the rules relative to the compliance of MF-NGOs with the Truth in Lending Act.

Despite the issuance of the circular above, the MNRC recognized that the technical language of the law and its resulting circular may be incomprehensible to certain stakeholders affected by it. Thus, in order to convey its contents in a manner that will ensure it is accessible and comprehensible to individuals from lower socioeconomic backgrounds across the nation, the members of the MNRC proposed the publication/broadcast of an informative video detailing the steps needed to comply with the Truth in Lending Act using terminology that is simple, familiar, and relevant to the target audience.

The MNRC, in partnership with the Asian Development Bank, created this informational video on the Truth in Lending Act for the proper understanding of both the loan officers of MF-NGOs and its corresponding borrowers, pursuant to the law and its IRR, and in relation to MNRC MC No. 1, Series of 2019.

The videos in Tagalog, Bisaya, and English were posted in the MNRC web corner under the Education - Financial Literacy Tab: <https://www.sec.gov.ph/microfinance-ngo-regulatory-council/financial-literacy/>.



2. In order to provide a comprehensive and up-to-date list of accredited microfinance NGOs and in order to identify and verify the credentials of the accredited NGOs, the MNRC undertook the systematic and periodic updating of a comprehensive list of accredited microfinance NGOs, making it available to the public via the official website, in order to providing accurate and timely information to stakeholders and interested parties on the accreditation status of the various microfinance NGOs.

This year, the following Updated Lists of Accredited MF-NGOs were posted on the official SEC website:

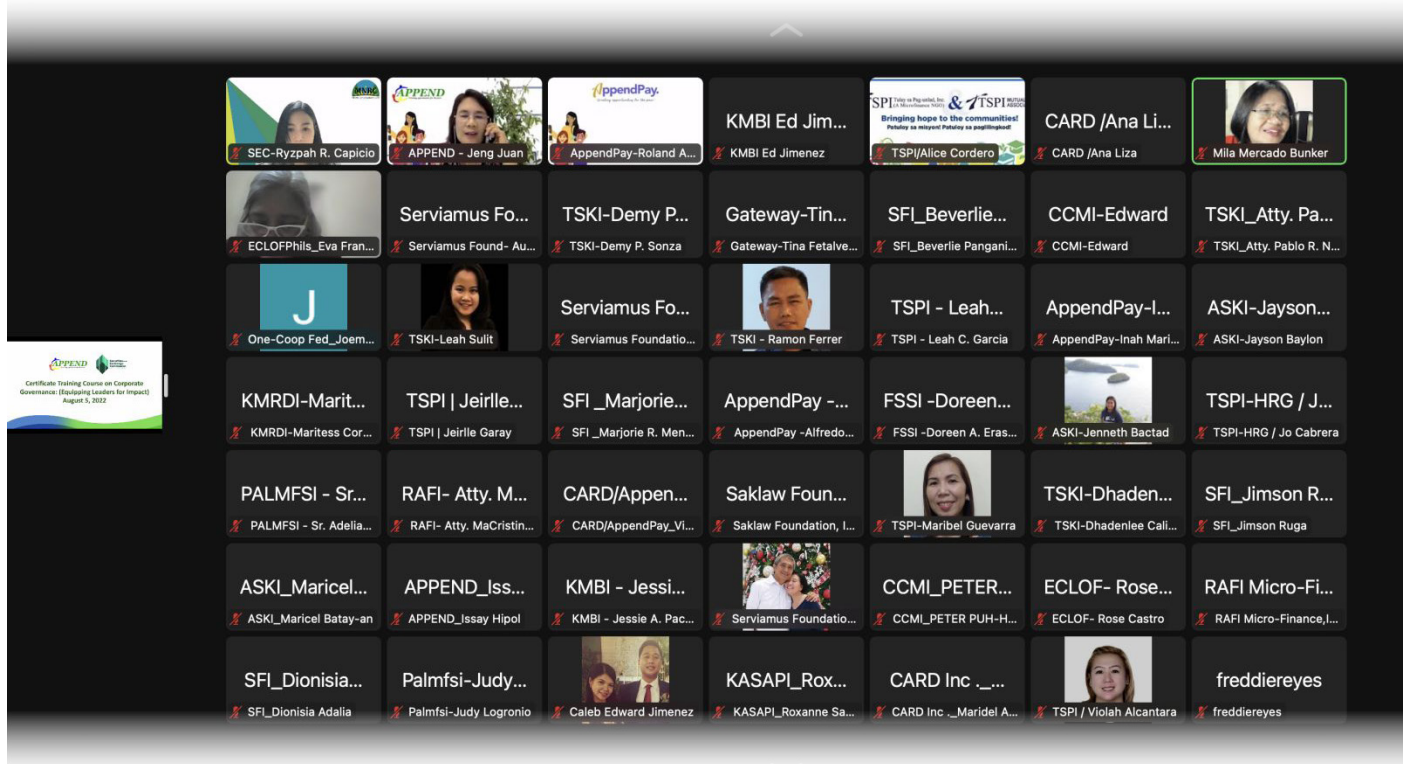
- (a) "List of Accredited Microfinance NGOs as of 27 October 2022 25 November 2022"
- (b) "List of Accredited Microfinance NGOs as of 14 June 2022 10 October 2022"
- (c) "List of Microfinance NGOs with MNRC Accreditation as of April 2022 11 May 2022"


F. RESOURCE PERSONS IN SEMINARS / OUTREACH



RESOURCE PERSONS IN SEMINARS / OUTREACH

1. The Canadian Chamber of Commerce of the Philippines hosted a Business Briefing on Financial Services: Non-bank Financial Modalities & Services on 16 June 2022 Via Zoom - The MNRC Secretary Ryzpah R. Capicio served as a resource speaker where she discussed the role of the SEC as regulator for non-banks financial institutions such as the microfinance NGOs.
2. APPEND, INC. & SEC Certificate Training Course on Corporate Governance: Equipping Leaders for Impact held on 05 August 2022 via ZOOM - The MNRC's representative from the SEC, Dir. Rachel Esther J. Gumtang-Remalante, served as a resource speaker for the Corporate Governance Training Module 2: Building Effective Board and Sound Governance Policies.



- 
3. APPEND, INC. & SEC Certificate Training Course on the MNRC Accreditation & Compliance held on 05 August 2022 via ZOOM - The MNRC Secretary Ryzpah R. Capicio served as a resource speaker for the MNRC Accreditation and Compliance seminar. Here, the MNRC Secretary discussed the general requirements for an MF-NGO to be accredited, the performance standards it has to satisfy, other accreditation requirements, and compliance with the various Council issuances, the Truth in Lending Act (R.A. No. 3765), and the submission of MNRC annual reports.
 4. MICROFINANCE COUNCIL OF THE PHILIPPINES, INC. ["MCPI"] Consultation with the Council held on 02 September 2022 via ZOOM - The MNRC Secretary Capicio served as a resource speaker during the consultation meeting with the member-MF-NGO of the MCPI. Here, the MNRC Secretary discussed how an accredited MF-NGO may avoid losing its accredited status, explained the various accreditation criteria for MF-NGOs, and the regulatory and documentation requirements required from MF-NGOs.
 5. Roundtable Discussion ["RTD"] on Women's Financial Inclusion held on 12 December 2022 at the ADB Headquarters - Representatives from the MNRC, Director Rachel Esther J. Gumtang-Remalante, and the from the MNRC Secretariat, Atty. Dyan Marie A. Lucero and Ms. Chelsea Mae A. Chincuanco, were invited to attend a roundtable discussion on Women's Financial Inclusion.

On December 12, 2022, the Asian Development Bank ["ADB"] and the Financial Inclusion Office of the Bangko Sentral ng Pilipinas ["BSP"] organized a RTD to address the issue of women's financial inclusion in the Philippines. The RTD discussed the ADB's commitment to promoting women's financial inclusion in the Philippines and the BSP's acknowledgment that financial service providers and partners need to develop innovative programs and products specifically targeting women.

Members of the RTD then presented the proposed guidelines for gender-responsive Procurement ["GRP"] in the Philippines, initiatives to encourage women entrepreneurs to formalize and grow their businesses and to engage in government contracting services. The RTD gave importance to efforts in monitoring these activities to ensure that women are part of the government procurement value chain, and thereafter, discussed the findings of ADB's Micro, Small, and Medium-Size Enterprise ["MSME"] Survey followed by the ADB's key recommendations for creating policy environments that enable financial institutions to tailor products and services to women's needs and preferences.



Before the conclusion of the RTD, a proposal was made to define women-owned or women-led businesses in the Philippines for the consideration of various key government agencies. This proposal aimed to streamline the recording of sex-disaggregated data on female business owners and facilitate strategic policy interventions to improve women entrepreneurs' access to finance.



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

**The SEC Headquarters, 7907 Makati
Avenue, Salcedo Village,
Bel-Air, Makati City
www.sec.gov.ph**