



PH-EITI WORKSHOP ON BENEFICIAL OWNERSHIP

18 October 2019 (Friday), 8:00am – 2:00pm

Lepanto Penthouse Ballroom, Lepanto Building, Makati City

PRESS RELEASE

Government seeks “real owners” of mining, oil and gas firms in new transparency rule

More than 40 companies from the mining and oil and gas sectors participated in a workshop on beneficial ownership conducted by the Department of Finance (DOF) – Philippine Extractive Industries Transparency Initiative (PH-EITI) on October 18 in Makati City.

The activity centered on the new requirement for corporations to declare their beneficial owners as part of the General Information Sheet (GIS) that all domestic corporations are mandated to file annually with the Securities and Exchange Commission (SEC).

Just last July, the SEC issued *Memorandum Circular No. 15, s. 2019* (MC 15) that revised the GIS to include a beneficial ownership declaration form, requiring all registered stock and nonstock domestic corporations to disclose their beneficial owners.

The SEC issuance defines beneficial owners as “the natural persons who ultimately own or control or exercise ultimate effective control over a corporation”. It was approved as a policy measure to assist in the anti-money laundering efforts of government.

Coincidentally, the PH-EITI, the government’s transparency initiative for the extractive sector, has likewise required the reporting of beneficial owners of mining and oil and gas companies, in line with an international campaign to counter or prevent the use of anonymous shell companies to hide or launder money and conceal potential conflicts of interest within the extractive sector.

Recognizing the merits of transparency in beneficial ownership, the Chamber of Mines of the Philippines (COMP), an active member of PH-EITI, co-organized Friday’s workshop.

“There is a global shift towards increased disclosure of beneficial owners, and COMP is committed to taking a lead role in this direction through the PH-EITI. We see the benefits of increased transparency in beneficial ownership — It enhances confidence in our local companies, thereby helping improve the investment climate. More importantly, it can help prevent corruption and illicit financial flows, and can increase trust and accountability in the mining sector,” said COMP Executive Director Ronald Recidoro.

Officials of the Enforcement and Investor Protection Department of the SEC facilitated and provided technical expertise in the workshop, which sought to assist the extractive companies to comply with the beneficial ownership disclosure requirements of both SEC and PH-EITI.

DOF Assistant Secretary Ma. Teresa Habitan related how challenging yet important the exercise was. She said, “Beneficial ownership disclosure in the country is an enormous task, but we appreciate its value in curbing illicit financial activities. We are glad that the SEC is with us in this undertaking”.

The revised GIS under SEC MC 15 mandates corporations to fill out a beneficial information declaration form that asks for nine categories of beneficial owners and their information, including complete name, residential address, nationality, tax identification number, and percentage of ownership or voting rights.

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