



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



Domestic Legal and Regulatory Framework, Compliance and Challenges on the Beneficial Ownership Disclosures in the Philippines

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WHY DO WE REQUIRE THE DISCLOSURE OF THE BENEFICIAL OWNERS OF CORPORATIONS?



The Financial Action Task Force

- Global Money Laundering Watchdog
 - Best Practices
 - Transparency



**Brief History:
Beneficial
Ownership
Information
Issuances by the
SEC**

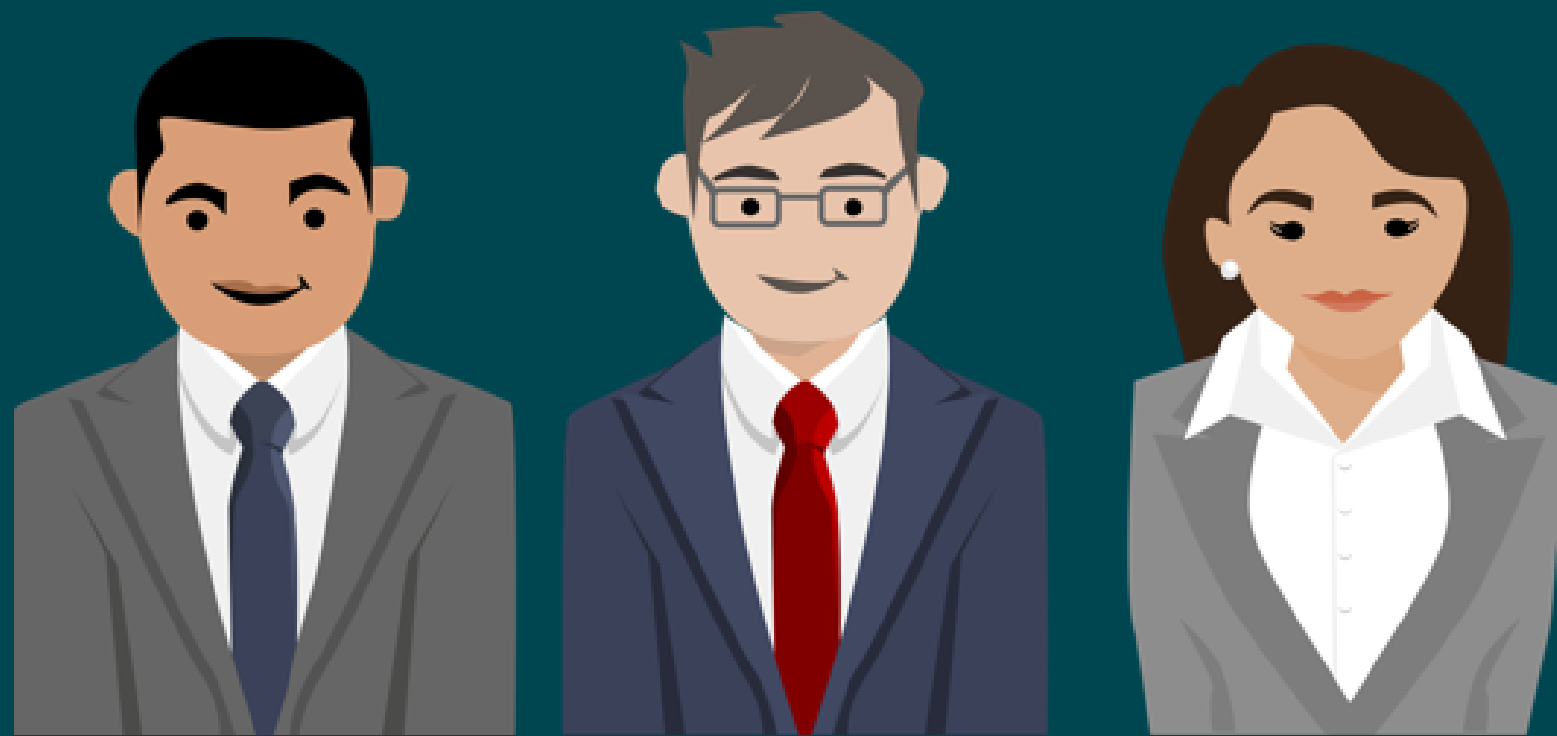
- Issuance of MC 15, Series of 2019 or the “2019 Revision of the GIS”
- Issuance of MC 30, Series of 2020
- Issuance of MC 1, Series of 2021 (BO Transparency Guidelines)”



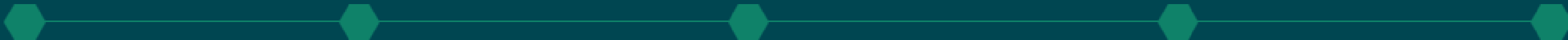
**SEC Memorandum Circular
No. 15, Series of 2019**

The 2019 Revision of the GIS

WHO IS A BENEFICIAL OWNER?



- Natural person or persons;
- Ultimately owns or controls; or
- Exercises control over the corporation;



What information are collected by the SEC?

✓ Complete name of the Beneficial Owner

✓ Specific residential address

✓ Nationality

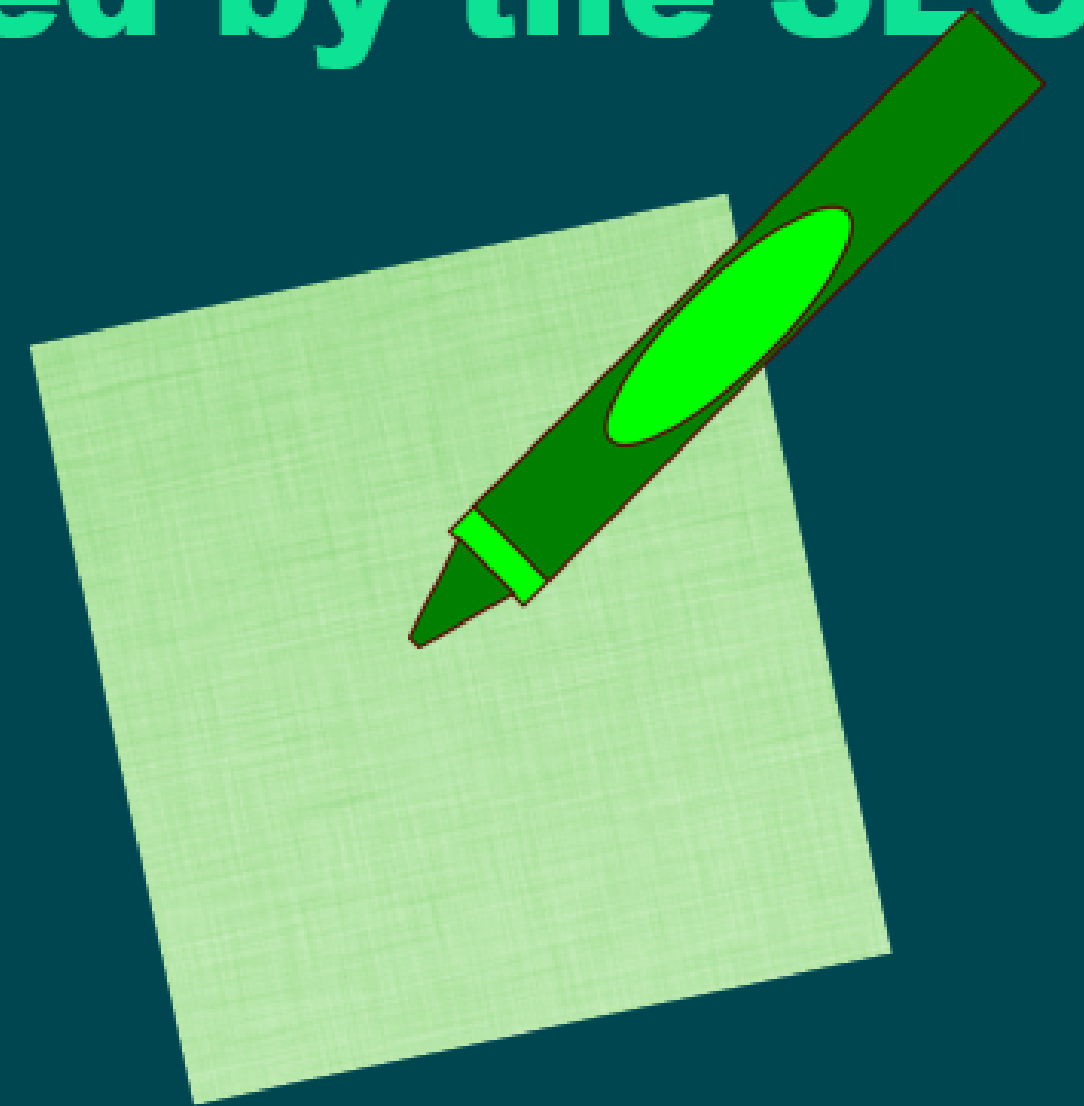
✓ Date of Birth

✓ Tax Identification Number or Passport Number

✓ Percentage of Ownership or Percentage of voting Rights

✓ Type of Beneficial Ownership (Direct or Indirect)

✓ Category of Beneficial Ownership





**How is the BO
Information used in
Preventing Money-
Laundering and
Terrorist Financing?**

Section 3. Disclosure of beneficial Ownership Information

To ensure timely access to adequate, accurate and current information on the beneficial ownership and control of SEC registered corporations by competent authorities, all SEC registered corporations are required to take reasonable measures to obtain and hold up-to-date information on their beneficial owners as defined herein and to disclose the same in a timely manner in the GIS... xxx”



**SEC Memorandum Circular
No. 1, Series of 2021**

The Beneficial Ownership Transparency
Guidelines

SEC Memorandum Circular No. 1, Series of 2021

For Newly Registered Corporations:

Section 6 - Mandatory Disclosure of the Person on Whose Behalf the Corporation is Registered and the Nominators/Principals of Nominee Incorporators/First Directors/Trustees and Shareholders of Corporations Applying for Registration





SEC Memorandum Circular No. 1, Series of 2021

For Registered Corporations:

Section 7. – Mandatory Disclosure of Nominators/Principals/Persons on Whose Behalf One Acts as Director/Trustee/Shareholder of Existing Corporations.



ENFORCEMENT ACTIONS:

Section 11. Penalties

i. Failure to Disclose:

Stock Corporations with Retained Earnings of less than Php 500,000:
From Php 10,000.00 to Php 100,000.00 (up to the 4th violation)

Non-Stock Corporations with Fund Balance of less than Php 500,000:
From Php 5,000.00 to Php 50,000.00 (up to the 4th violation)

ii. Liabilities of Directors/Trustees and/or Officers of the Corporation

From Php 5,000.00 to Php 50,000.00 (up to 4th violation)

iii. Other applicable penalties as provided for under the Revised Corporation Code,

the Securities Regulation Code and other rules and regulations of the Commission

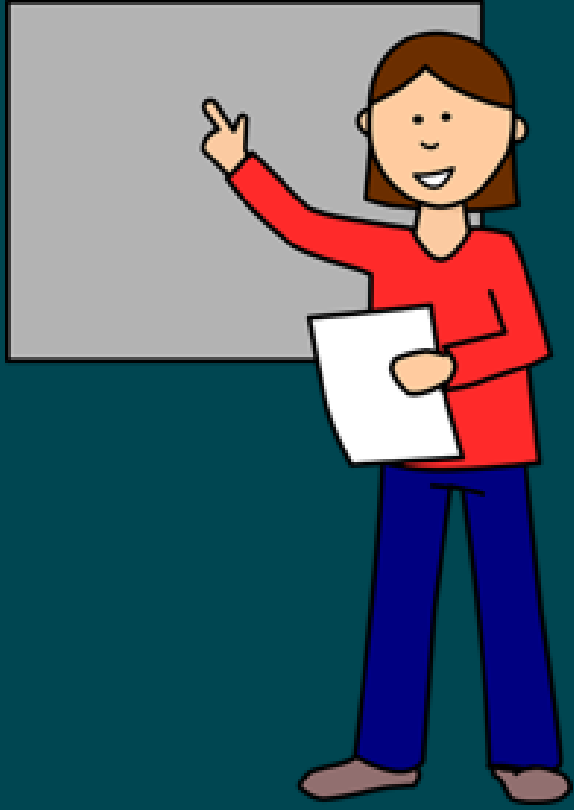


Amendment of the Penalty Provision in the SEC Memorandum Circular No. 15, Series of 2019

<https://www.sec.gov.ph/notices/request-for-comments-on-the-exposure-draft-of-the-memorandum-circular-amending-memorandum-circular-no-15-series-of-2019/>



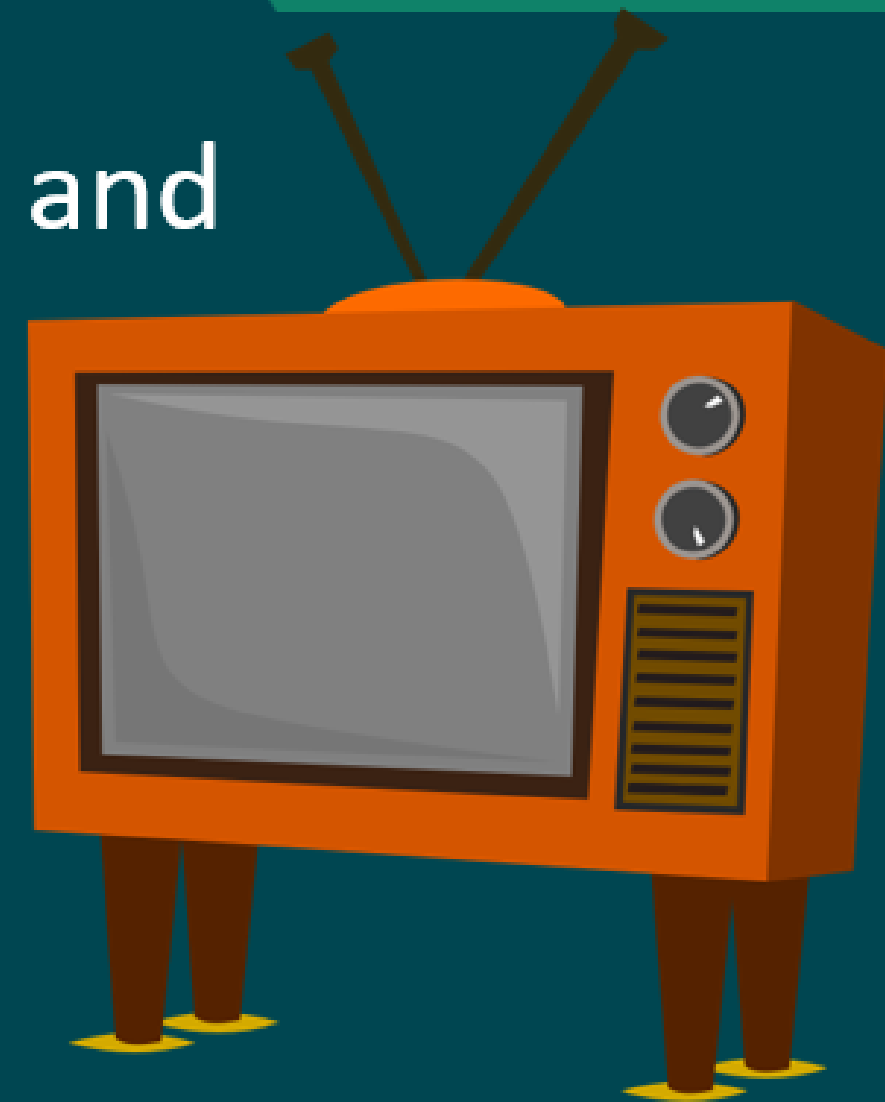
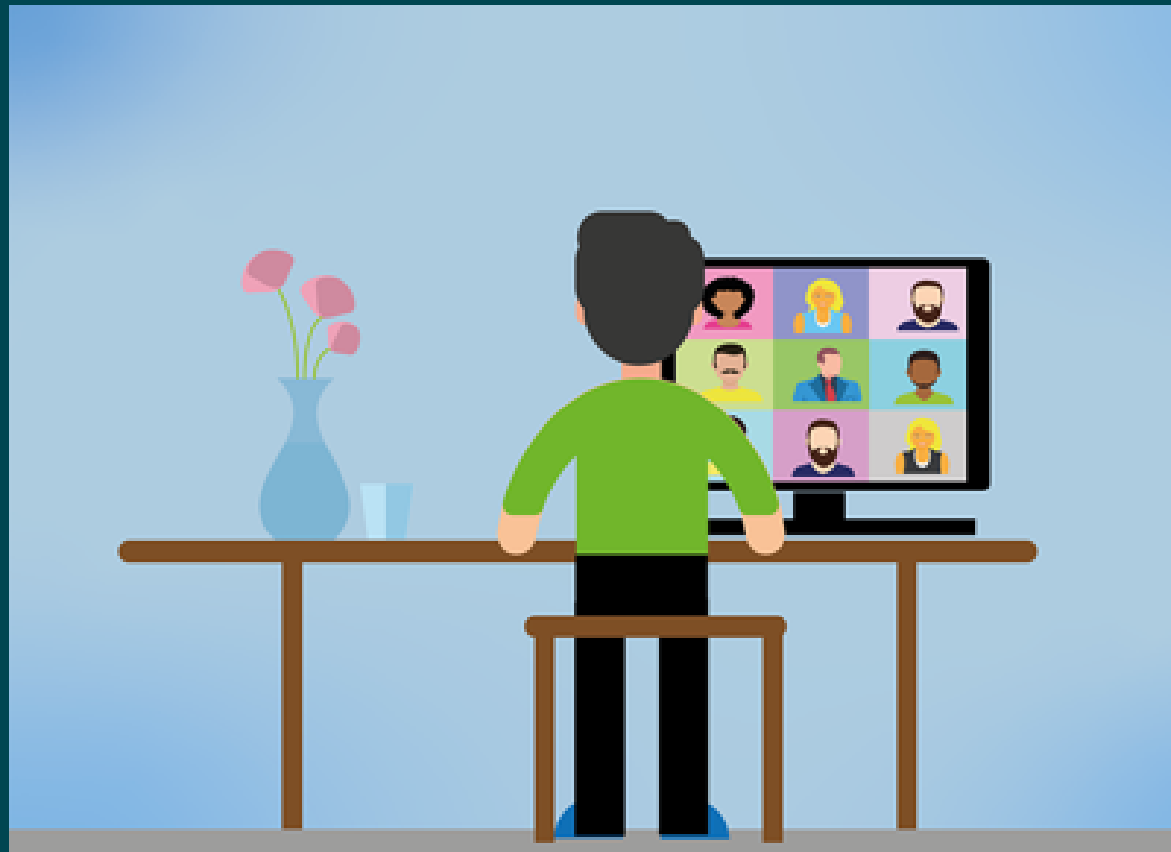
Moving Forward with Transparency

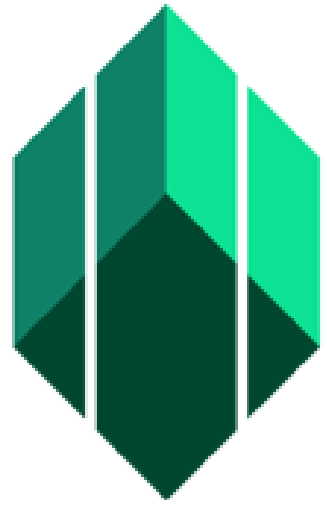


- ✓ Workshops
- ✓ Outreach Programs
- ✓ Webinars

✓ Resource Speakers in Private and Public Institution Events

- ✓ Infomercials
- ✓ Social Media Network Presence





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Thank you!