SEC MEMORANDUM CIRCULAR NO. 36
Series of 2020

TO	:	**PUBLIC COMPANIES AND REGISTERED ISSUERS**
SUBJECT	:	**2020 COMPLIANCE OFFICER'S CERTIFICATION**

WHEREAS, the Commission issued Memorandum Circular No. 24, Series of 2019, otherwise known as the Code of Corporate Governance for Public Companies and Registered Issuers (CG Code for PCs and RIs) on 19 December 2019 to promote the development of a strong and transparent corporate governance culture among public companies and registered issuers;

WHEREAS, Recommendation 8.4 of the CG Code for PCs and RIs provides that "the company should disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report (ACGR), which should be submitted to the Commission, and continuously updated and posted on the company's website";

WHEREAS, the Commission had extended several reportorial deadlines due to the pandemic, which included the extension of the deadline for the submission of the Manual on Corporate Governance (MCG) for PCs and RIs to 30 September 2020[1] from the original deadline of 12 July 2020;

WHEREAS, the Commission recognizes that the COVID-19 pandemic continues to pose challenges in terms of regulatory compliance and intends to make reporting less complex during these difficult times;

NOW, THEREFORE, the Commission, pursuant to its regulatory power under Section 179(d) of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, resolved to issue the following rules:

I. Compliance Officer's Certification (CG Form-2020)

PCs and RIs shall be required to submit a Compliance Officer's Certification, in lieu of the ACGR, certifying that the company has substantially adopted in its Manual on Corporate Governance all of the recommendations under the CG Code for PCs and RIs. When applicable, the Certification shall also identify and explain any deviation to the recommendations provided under the CG Code for PCs and RIs.

II. Signatories

The Compliance Officer's Certification shall be signed under oath by the company's Compliance Officer and countersigned by its President or Chief Executive Officer.

III. Due Date and Manner of Submission

Three (3) copies of a duly accomplished, signed and notarized **CG Form-2020** shall be submitted to the Commission **on or before 29 January 2021**. The said form shall cover all relevant information for the covered year 2020.

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[1] SEC Memorandum Circular No. 19, Series of 2020.

Published:
Philippine Star, 13 January 2021
Manila Standard, 13 January 2021

IV. Penalties

Non-compliance with the above requirement shall subject erring companies to the following penalties:

VIOLATION	BASIC PENALTY	MONTHLY PENALTY
Non/Late Submission	Php10,000.00	Php1,000.00
Disclosure(s)		
a. Incomplete (i.e. no explanation provided)	Php5,000.00	Php500.00
b. Misrepresentation/Misinformation	Php15,000.00	Php1,500.00
Signatory(ies)		
a. Incomplete	Php5,000.00	Php500.00
b. Incorrect		

The monthly penalty shall continue to accrue until the company has fully complied with the requirement.

V. Coverage

PCs and RIs that are listed in the Philippine Stock Exchange are excluded from the coverage of this Memorandum Circular. Publicly-listed PCs and RIs shall continue to submit an Integrated Annual Corporate Governance Report in accordance with SEC Memorandum Circular No. 15, Series of 2017.

VI. Repealing Clause

PCs and RIs shall no longer be required to comply with Sections 15 and 16 of SEC Memorandum Circular No. 3, Series of 2007. Orders, issuances and circulars which are inconsistent with the provisions of the proposed circular are hereby repealed accordingly.

VII. Effectivity

This Memorandum Circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Pasay City, Philippines, 22 December 2020.

For the Commission:

EMILIO B. AQUINO
Chairperson