Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 14
Series of 2014

TO : **ALL COVERED FINANCING COMPANIES**

SUBJECT : **AMENDMENT TO THE REVISED CODE OF CORPORATE GOVERNANCE (RCCG) - EXEMPTION FROM INDEPENDENT DIRECTOR REQUIREMENT FOR CLOSE FINANCING COMPANIES**

The Commission in its meeting on 11 June 2014 resolved to exempt Financing Companies that are registered as Close Corporations, pursuant to Title XII of the Corporation Code of the Philippines (the "Code"), from the requirement of electing at least two (2) independent directors in their board, subject to the following conditions:

1. They amend their Articles of Incorporation to state the provisions of the Corporation Code of the Philippines for close corporations;

2. All commercial papers shall be issued ONLY to Directors, Officers, Stockholders and Related Interests (DOSRI) not exceeding nineteen (19) persons and to institutional lenders as provided under SRC Rule 9.2, as amended; and

3. Restrictions on the right to transfer shares shall be provided in the Articles of Incorporation, By-Laws and Stock Certificates.

This Memorandum Circular shall take effect immediately.

Mandaluyong City, Philippines, 27 June 2014.

For the Commission:

TERESITA J. HERBOSA
Chairperson