Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila

CORPORATION FINANCE DEPARTMENT

SEC Memorandum Circular No. 16
Series of 2006

DISQUALIFICATION OF A SECURITIES BROKER-DEALER AS AN INDEPENDENT DIRECTOR

Pursuant to the Securities Regulation Code and its Implementing Rules and Regulations, the Commission hereby adopts a policy disqualifying a securities broker-dealer from sitting as an independent director of listed companies and registered issuers of securities.

For purposes of this Circular, the term "securities broker-dealer" shall refer to any person holding any office of trust and responsibility in a broker-dealer firm which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, associated person or salesman, and an authorized clerk of the broker or dealer.

This Circular shall take effect after fifteen (15) days from publication in two newspapers of general circulation and shall apply to members of the Board of Directors elected after the effectivity of this Circular.

December 21, 2006, Mandaluyong City, Philippines.

Be B. Barin
Chairperson