

K. SECURITIES AND EXCHANGE COMMISSION

STRATEGIC OBJECTIVES

MANDATE

The SEC is the national government regulatory agency charged with supervision over the corporate sector, the capital market participants, the securities investment instruments market, and the investing public. The Commission was tasked to regulate the sale and registration of securities, exchanges, brokers, dealers and salesmen. Subsequent laws were enacted to encourage investments and more active public participation in the affairs of private corporations and enterprises to broaden the Commission's mandates, powers and functions; and in recent years, to give greater focus on the Commission's role in capital market development, fostering good governance and enhancing investor protection.

Subsequent laws enacted to broaden the Commission's mandates, powers, and functions were:

- (1) The SEC Reorganization Act or Presidential Decree (PD) 902-A in 1976 as subsequently amended by PDs 1653, 1758 and 1799, which reorganized the Commission to give it ample powers to protect the public and their investments;
- (2) The Corporation Code of the Philippines or the Batas Pambansa (BP) 68 in 1980, which gave the mandate to register corporations, collect fees from registering corporations, and prescribe reportorial requirements;
- (3) The Revised Securities Act or BP 178 in 1982, which repealed CA 83 in its entirety to give way to a new statute that would enable the SEC to keep pace with new and more complex securities instruments, trading vehicles and strategies; and
- (4) The Securities Regulation Code (SRC) or Republic Act (RA) 8799 in 2000, which provided for the SEC reorganization to give greater focus on the Commission's role in capital market development, fostering good governance and enhancing investor protection.

Today, the SEC is tasked with "serious responsibility of enforcing all laws affecting corporations and other forms of associations not otherwise vested in some other government offices." In addition to the aforementioned laws, the Commission also implements and acts either as lead or support agency in administering and enforcing special laws, the more significant of which are:

- (a) Anti-Money Laundering Act of 2001 (RA 9160, as amended);
- (b) Credit Information System Act of 2008 (RA 9510);
- (c) Lending Company Regulation Act of 2007 (RA 9474);
- (d) Financing Company Act (RA 5980, as amended);
- (e) Investment Company Act (RA 2629, as amended);
- (f) Investment Houses Law (PD 129);
- (g) Retail Trade Liberalization Act of 2000 (RA 8762);
- (h) Foreign Investments Act of 1991 (RA 7402, as amended);
- (i) Omnibus Investment Code (E.O. 226, Book III);
- (j) Anti-Dummy Law (Commonwealth Act 108, as amended);
- (k) Civil Code of the Philippines (RA 386, Title IX - Partnership);
- (l) Securitization Act of 2004 (RA 9267);
- (m) Special Purpose Vehicle Act of 2002 (RA 9182);
- (n) Access Devices Regulation Act of 1999 (RA 8484);
- (o) Real Estate Investment Trust Act of 2009 (RA 9856);
- (p) Personal Equity and Retirement Account Act of 2008 (RA 9505)

VISION

We envision that, by December 31, 2015, the Commission has fully implemented its three-year program to build its physical and ICT infrastructure, and harnessed the skills and expertise of highly competent and motivated staff, for the efficient and effective performance of its duties and responsibilities.

MISSION

To strengthen the corporate and capital market infrastructure of the Philippines, and to maintain a regulatory system, based on international best standards and practices, that promotes the interests of investors in a free, fair and competitive business environment. We shall be guided in this mission by the values of integrity, professionalism, accountability, independence and initiative.

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

- (1) Resilient and inclusive financial system, and
- (2) Good governance

ORGANIZATIONAL OUTCOME

Corporate and capital market infrastructure strengthened

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>BASELINE</u>	<u>2016 TARGETS</u>
Corporate and capital market infrastructure strengthened		
Volume and value of IPOs, securities and corporate bonds registered and value of authorized capital stock and foreign direct investments increased		5% increase from the average of the last three (3) years
Total number of applications for registration, licensure and accreditation processed and approved increased	10,000 (FY 2014 target number of registrations approved and licenses issued based on approved 2014 Physical Plan)	5% increase from 2014 target (10,500)
Total number of regulated entities and individuals monitored and evaluated as compliant with SEC rules and regulations increased	20,427 (FY 2014 target number of entities monitored and evaluated based on approved 2014 Physical Plan)	5% increase from 2014 target (21,448)
MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)		
MFO 1: CORPORATE AND CAPITAL MARKET DEVELOPMENT SERVICES		
PI SET 1 - Policy measures implemented to enhance the regulatory framework and foster continued growth of the capital market in particular and the business sector in general		
No. of planned measures promulgated/implemented		10
Percentage of measures promulgated/implemented that are rated good or better		100%
Percentage of measures promulgated/implemented within the prescribed timeframe		100%
PI SET 2 - Technical Assistance		
Number of technical assistance rendered		0
Percentage of clients who rate the technical assistance as good or better		100%
Percentage of requests for technical assistance that are acted upon within the prescribed timeframe		100%
MFO 2: CORPORATE AND CAPITAL MARKET REGULATION SERVICES		
Registration/ Licensing Services		
Number of registrations approved and licenses issued		11,500
Percentage of applications processed pursuant to standard processing procedures and timeframe		100%
Percentage of license or permit applications and renewals processed within standard processing timeframe		100%

Monitoring	
Number of target entities/reports/ disclosures monitored and evaluated	70,780
Percentage of target entities/reports/ disclosures monitored and evaluated pursuant to standard monitoring and evaluating parameters	100%
Percentage of target entities/reports/disclosures monitored and evaluated within standard timeframe	100%
Enforcement	
Percentage of errant firms and individuals imposed the appropriate fines and/or penalties	100%
Percentage of enforcement activities undertaken in accordance with rules, regulations and standards	100%
Percentage of enforcement activities undertaken within standard timeframe	100%