

K. SECURITIES AND EXCHANGE COMMISSION**STRATEGIC OBJECTIVES****MANDATE**

The Commission's broad regulatory scope covers the corporate sector, capital market participants, securities and investment instruments, and the investing public. The Securities Act (Commonwealth Act. No. 83) established the SEC in 1936 mainly to administer the registration of securities, exchanges, brokers, dealers and salesmen. The SEC Reorganization Act (Presidential Decree No. 902-A) gave the Commission ample powers to protect the public and their investments, and reorganized the Commission into a collegial body vested with absolute jurisdiction, supervision and control over all corporations, partnership or associations, who are the grantees of primary franchise and/or a license or permit issued by the government to operate in the Philippines. The Corporation Code of the Philippines (Dasas Pambansa Blg. 68) affirmed the SEC mandate to register corporations, collect fees from registering corporations, and prescribe reportorial requirements. The law also empowered SEC to reject articles of incorporation or disapprove any amendment thereto. It likewise authorized the SEC to promulgate rules and regulations, reasonably necessary to enable it to perform its duties particularly in the prevention of fraud and abuses on the part of the controlling stockholders, members, directors, and trustees or officers of corporations. To give greater focus on the Commission's role in capital market development, fostering good corporate governance and enhancing investor protection, the Securities Regulation Code (Republic Act No. 8799), provided for the SEC reorganization that took place in the year 2000, and transferred the Commission's jurisdiction over all cases enumerated under Section 5 of PD 902-A to the Courts of general jurisdiction or the appropriate Regional Trial Court (acting as Commercial Courts). Under Section 5 of the Securities Regulation Code, the Commission shall act with transparency and shall have the powers and functions provided by the Code, Presidential Decree No. 902-A, the Corporation Code of the Philippines, the Investment Houses Law, the Financing Company Act and other existing laws. Considering that only Sections 2, 4, and 8 of Presidential Decree 902-A, as amended, have been expressly repealed by the Securities Regulation Code, the Commission retains the powers enumerated in Section 6 of the said Decree, unless these are inconsistent with any provision of the Code. In addition, the Commission also implements Civil Code provisions on Partnerships (i.e., Republic Act 38- Title IX), and acts either as lead or support agency in administering among others, the following laws:

1. Real Estate Investment Trust Act of 2009 (RA 9856)
2. Credit Information System Act (RA 9510)
3. Lending Company Regulation Act (RA 9474)
4. Securitization Act of 2004 (RA 9267)
5. Special Purpose Vehicle Act (RA 9182)
6. Financing Company Act (RA 5980 as amended by RA 8366)
7. Investment Houses Law (PD 129 as amended by RA 8366)
8. Investment Company Act (RA 2629)
9. Personal Equity and Retirement Account Act (RA 9505)
10. Anti-Money Laundering Law (RA 9160)
11. Retail Trade Liberalization Act of 2000 (RA 8762)
12. Omnibus Investment Code (E.O. 226, Book III)
13. Foreign Investment Act of 1991 (RA 7042 as amended by RA 8179)
14. Education Act of 1982 (BP 232 as amended by RA 7798)
15. Anti-Dummy Law (CA 108)

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

- (1) Strengthened corporate and capital market infrastructure, and
(2) Sound and ethical practices by regulated entities

New Appropriations, by Program/Project

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
100000000 General Administration and Support	P 222,038,000	P 146,196,000	P 2,000,000	P 370,234,000
200000000 Support to Operations	4,279,000	10,417,000		14,696,000
300000000 Operations	94,520,000	61,230,000		155,750,000

MFO 1: Corporate and Capital Market Development Services		33,045,000		33,045,000
MFO 2: Corporate and Capital Market Regulation Services	94,520,000	28,185,000		122,705,000

Total, Programs	320,837,000	217,843,000	2,000,000	540,680,000

TOTAL NEW APPROPRIATIONS	P 320,837,000	P 217,843,000	P 2,000,000	P 540,680,000
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New Appropriations, by Central/Regional Allocation

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
REGION				
Regional Allocation	P 320,837,000	P 217,843,000	P 2,000,000	P 540,680,000

National Capital Region (NCR)	320,837,000	217,843,000	2,000,000	540,680,000

TOTAL NEW APPROPRIATIONS	P 320,837,000	P 217,843,000	P 2,000,000	P 540,680,000
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Special Provision(s)

1. **Registration and Filing Fees.** In addition to the amounts appropriated herein, One Hundred Million Pesos (P100,000,000) sourced from registration and filing fees collected by the Securities and Exchange Commission (SEC) shall be retained by the Commission to augment its MOOE and Capital Outlay requirements in accordance with Section 75 of R.A. No. 8799.

[2. ~~Use of Excess Income.~~ The SEC is authorized to use its income in excess of the collection targets presented in the FY 2014 BESF for the purchase of lot for its official site, which shall not exceed the amount of One Billion Pesos (P1,000,000,000), equipment and furniture and fixtures.] (DIRECT VETO - President's Veto Message, December 20, 2013, page 1106, R.A. No. 10633)

3. **Funding for Salary Adjustments and Creation of Additional Positions.** Of the amount appropriated herein for Personnel Services, the amount of One Hundred Sixty Four Million Eight Hundred Forty Seven Thousand Pesos (P164,847,000) shall be used for the following: (i) Salary adjustment of the officials and employees of the SEC subject to the approval of the President of the Philippines upon recommendation of the DBM, pursuant to Section 6 of P.D. No. 1597 and item 9 of Congress Joint Resolution No. 4 dated June 17, 2009; and (ii) Personnel Service requirements for the creation of additional positions subject to the approval of the DBM.

4. **Submission of Annual Operating Budget for Retained Income and Audited Financial Statement.** The SEC shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current fiscal year covering its retained income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year.

Failure to submit said annual reports and the audited financial statements shall render any disbursement from said income void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

5. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

MAJOR FINAL OUTPUTS (NFOs)/PERFORMANCE INDICATORS (PIs)

Targets

NFO 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	4
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 prescribed timeframe	100%

NFO 2: CORPORATE AND CAPITAL MARKET REGULATION SERVICES

Registration/Licensing Services

Number of registrations approved and licenses issued	10,000
Percentage of applications processed pursuant to standard processing procedures and parameters	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	61,281
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	0
Percentage of enforcement activities undertaken in accordance with rules, regulations and standards	100%
Percentage of enforcement activities undertaken within standard timeframe	100%