



GCG MEMORANDUM CIRCULAR NO. 2013 – 01

SUBJECT : ACCREDITATION FOR TRAINING PROVIDERS ON PUBLIC CORPORATE GOVERNANCE FOR THE BOARD OF DIRECTORS/TRUSTEES OF GOCCs

DATE : 28 JANUARY 2013

WHEREAS, Section 5 (f) and (g) of Republic Act (R.A.) No. 10149 provide that among the mandates of the Commission is to “Establish the performance evaluation systems, including performance scorecards which shall apply to all GOCCs in general and to the various GOCC classification[s]; . . . Conduct periodic study, examination, evaluation and assessment of the performance of the GOCCs, receive, and in appropriate cases, require reports on the operations and management of the GOCCs including, but not limited to, the management of the assets and finances of the GOCCs;”

WHEREAS, Section 16 of R.A. No. 10149 states that “All Members of the Board, the CEO and other officers of the GOCCs including appointive directors in subsidiaries and affiliate corporations shall be qualified by the Fit and Proper Rule to be determined by the GCG in consultation and coordination with the relevant government agencies to which the GOCC is attached and approved by the President”;

WHEREAS, Section 16 of R.A. No. 10149 further provides that “To maintain the quality of management of the GOCCs, the GCG, in coordination with the relevant government agencies, shall be subject to the approval of the President, prescribe, pass upon and review the qualifications and disqualifications of individuals appointed as officers, directors or elected CEO of the GOCC and shall disqualify those found unfit” with due regard to be given to one’s integrity, education, training and competence.

WHEREAS, the GCG Memorandum Circular No. 2012-05 on the **FIT AND PROPER RULE** provides that “Without prejudice to the qualifications set out in the Charter or By-laws of the GOCC, every Appointive Director and CEO must “have attended, or will attend within three (3) months from date of appointment a special seminar on public corporate governance for Directors conducted by the GCG or any individual or entity accredited by the GCG”;

WHEREAS, there is a need to accredit private and government institutional training providers for the Board of Directors/Trustees of GOCCs in order to formally organize and determine those which have a track record for successfully conducting training programs for corporate governance pursuant to the requirements of the GCG.

NOW, THEREFORE, by virtue of the power vested in GCG under R.A. No. 10149, the Commission resolved to formally adopt guidelines for the accreditation of training providers, as follows:

- 1. Formal Accreditation of Training Providers.** – To comply with the governance training requirements mandated under the Fit and Proper Rule, Appointive Directors shall undertake such training only with a Training Provider duly accredited with the Commission, and as duly published in the GCG website.
- 2. Minimum Standards for Accreditation of the Training Provider.** – A training provider may be accredited to provide the good governance training for Appointive Directors, as well as for *Ex Officio* Directors on a voluntary basis, if such complies with the following standards set forth by the GCG:
 - 2.1.** It is formally organized to conduct training activities and has sufficient track record of successfully conducting corporate training programs including training in corporate governance for the past two (2) years;
 - 2.2.** It has a sound business plan including reasonable training fees for conducting corporate governance training and adequate financial resource to execute the same;
 - 2.3.** It can guarantee a qualified line-up of trainers who can effectively deliver, as a minimum, the required training in accordance with GCG Memorandum Circular No. 2012-07 or the Code of Corporate Governance for GOCCs with special emphasis on the following topics:
 - (a) Introduction to Corporate Governance and Public Corporate Governance in the Philippines;
 - (b) Institutional Framework for Corporate Governance;
 - (c) Powers, Roles, Responsibilities and Liabilities of the Governing Board;
 - (d) Strategic Leadership and Resource Management;
 - (e) Performance Management;
 - (f) Directors as Public Officials and Fiduciaries of the State;
 - (g) Illegal Activities of Corporations/Directors/Officers;
 - (h) Confidentiality;
 - (i) Conflict of Interest Situations;
 - 2.4.** That it has a line-up of trainers per course offering which has at least one experienced Corporate Director;
 - 2.5.** That it can provide for review its intended course materials, including its PowerPoint presentations in advance, and conduct a dry run for the Commission.
- 3. Formal Application and Other Documentary Requirements.** – The authorized officer of the applying Training Provider shall submit to the Commission, the following:
 - 3.1.** Written application for accreditation as a GCG training provider;