



MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

PARTIES

SECURITIES AND EXCHANGE COMMISSION, with principal office at SEC Building, EDSA, Greenhills, Mandaluyong City, represented by its **Chairperson, Hon. TERESITA J. HERBOSA**, and hereinafter referred to as the **“SEC”**;

and

GOVERNANCE COMMISSION FOR GOCCs, with principal office at 3/F Citibank Center 8741 Paseo De Roxas, Makati City, Philippines, represented by its **Chairman, Hon. CESAR L. VILLANUEVA**, and hereinafter referred to as the **“GCG.”**

WITNESSETH: THAT –

WHEREAS, Section 5.1 (a), (b) and (c) of R.A. No. 8799, otherwise known as the *“The Securities Regulation Code,”* provides that the SEC has “[j]urisdiction and supervision over all corporations, partnerships or associations who are the grantees of primary functions and/or license or permit issued by the Government,” and the power to “[a]pprove, reject, suspend, revoke or require amendments to registration statements, and registration and licensing applications, and to regulate, investigate or supervise the activities of persons to ensure compliance”;

WHEREAS, Section 5 of Republic Act (R.A.) No. 10149, otherwise known as the *“GOCC Governance Act of 2011,”* provides that the GCG has the power and function to, among others:

- Evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized, in consultation with the department or agency to which a GOCC is attached;
- Review the functions of each of the GOCC and, upon determination *that there* is a conflict between the regulatory and commercial functions of a GOCC, recommend to the President in consultation *with the Government Agency* to which such GOCC is attached, the privatization of the GOCCs commercial operations, or the transfer of the regulatory functions to the appropriate government agency, or such other plan of action to ensure that the commercial functions of the GOCC do not conflict with such regulatory function.

Handwritten signatures and notes on the left margin:
 - A large black scribble at the top.
 - A blue scribble in the middle.
 - A signature in black ink below the blue scribble.
 - A signature in black ink at the bottom left, with a date "7.9" and a checkmark next to it.