



MEMORANDUM ORDER NO. 2017-07

CLASSIFICATION OF CIIF-OMG AND THE 14 CIIF HOLDING COMPANIES

WHEREAS, on 29 July 1975, Presidential Decree (P.D.) No. 755 was enacted mandating the acquisition of a commercial bank for the benefit of coconut farmers (now the United Coconut Planters Bank (UCPB)) through the use of the Coconut Consumers Stabilization Fund (CCSF) and the distribution, for free, of the shares of stocks in UCPB to coconut farmers;

WHEREAS, on 11 June 1978, P.D. No. 1468 was enacted and pursuant to Article III Section 9 of the said P.D., the Philippine Coconut Authority (PCA) was mandated to ascertain the amount of collections out of the CCSF and/or the Coconut Industry Development Fund (CIDF) which may be treated as surplus, and subsequently this ascertained surplus came to be known as the Coconut Industry Investment Fund (CIIF);

WHEREAS, pursuant to the foregoing mandate in respect of the CIIF and Letter of Instruction (LOI) No. 926 (s. 1979), UCPB acquired six (6) coconut oil mills corporations using the CIIF (now the CIIF-Oil Mills Group or otherwise known as the "CIIF-OMG") and the CIIF Companies thereafter acquired or organized fourteen (14) holding companies (now the CIIF Holding Companies);

WHEREAS, in a letter dated 23 February 2016, the Governance Commission officially informed the CIIF Companies that the latter are GOCCs subject to the regulatory powers of the Governance Commission under Republic Act (R.A.) No. 10149;

WHEREAS, on 11 April 2016, the GCG and PCGG entered a Supplemental Memorandum of Agreement (Supplemental MOA), turning over to the GCG from PCGG the regulatory, supervision, and oversight jurisdiction over UCPB, CIIF-OMG, and CIIF Holdings Company pursuant to R.A. No. 10149.

WHEREAS, Section 5(b) of Republic Act (R.A.) No. 10149 mandates the GCG to "[c]lassify GOCCs...without prejudice to further sub-classifications in each category and/or any other classification based on parameters as it may find relevant or material such as, but not limited to, industry type," and that the GCG classified the GOCCs by sectors in a document tagged as "*Annex A – Classification of GOCCs by Sectors*," with the latest update dated 17 April 2017;

WHEREAS, the GCG determined that the CIIF OMG and the fourteen (14) Holding Companies are still active and in operation based on the corporate documents filed with the SEC and are recommended for reclassification;

NOW, Be it –

RESOLVED, that the reclassification of the six (6) CIIF-OMG Companies and the fourteen (14) CIIF Holding Companies is hereby **APPROVED**;

RESOLVED FURTHER, that based on the GCG's review and evaluation, the **six (6) CIIF-OMG Companies** are hereby reclassified from "Coconut Industry Investment Fund Oil Mills Group" to "**Agricultural, Fisheries and Food Sector**" under GCG's Annex A – Classification of GOCCs by Sectors;

RESOLVED FURTHER, that based on the GCG's review and evaluation, the **fourteen (14) CIIF Holding Companies** are hereby reclassified from "Coconut Industry Investment Fund Oil Mills Group (CIIF-OMG)" to **Item XII – Realty Holding Companies**.

DONE, in the City of Makati, this 6th day of November 2017.

Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner