



MEMORANDUM – 2020-012

TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS

SUBJECT : PARTIAL DISCONTINUANCE OF CMIC MEMORANDUM 2020-011

DATE : 23 March 2020

In *CMIC Memorandum 2020-011*, the Capital Markets Integrity Corporation (“CMIC”) advised the investing public and the trading participants (“TPs”) of the implementation of certain guidelines in view of the circumstances attendant in the imposition of an enhanced community quarantine and stringent social distancing measures over the entire Luzon. One of these guidelines involves the submission of certain reports, as provided by the third or 3rd bullet under *Reportorial Requirements* of the said memorandum, which expressly states:

With regard to reports and/or documents that have been due since the commencement of the enhanced community quarantine and those due within the next seven calendar days, including the bi-monthly RBCA reports, the same should have been or should be submitted within the prescribed periods via the abovementioned means. However, in cases where, despite due efforts, the reports and/or requested documents have not been or cannot be filed within the required periods, the same should be submitted not later than 25 March 2020. Apart from the submitted reports, the trading participant must also state or notify CMIC of the reason behind the belated filing thereof. It must be emphasized that this exception only covers reports required to be submitted to CMIC.¹

In its letter dated 20 March 2020, which CMIC received on 23 March 2020, the Securities and Exchange Commission (“SEC”) ordered CMIC to immediately discontinue the implementation of the 3rd bullet under *Reportorial Requirements* of *CMIC Memorandum 2020-011*. The SEC, in the aforesaid letter, expressly stated, among others, the following: “It is clearly observed that amidst the Covid-19 pandemic, stock market prices have become volatile, both locally and globally. These circumstances only make compelling compliance by TP’s with the Risk-Based Capital Adequacy (RBCA) requirements as it is consistent with public interest and protection of investors.”

¹ Pursuant to Section 40.3 (c) of the Securities Regulation Code, among other securities laws. The cited provision states, *inter alia*, that “[in] the event of an emergency requiring action for the protection of investors, the maintenance of fair and orderly markets, or the safeguarding of securities and funds, a self-regulatory organization may put a proposed amendment into effect summarily xxx”

Thus, consistent with the SEC's letter, the TPs are advised of the following:

- The 3rd **BULLET UNDER REPORTORIAL REQUIREMENTS OF CMIC MEMORANDUM 2020-011 IS DISCONTINUED**.
- Hence, **THE RBCA REPORTS AND THE OTHER REPORTS AND DOCUMENTS REFERRED TO IN THE SAID 3rd BULLET SHALL BE SUBMITTED TO CMIC, AS PRESCRIBED IN THE CMIC RULES OR IN THE SECURITIES REGULATION CODE AND ITS IMPLEMENTING RULES AND REGULATIONS.** The extension given in *CMIC Memorandum 2020-011* with regard to the submission of certain reports, *i.e.*, not later than 25 March 2020, is now considered without effect.

Finally, the investing public and the TPs are advised that, except for the 3rd bullet under *Reportorial Requirements of CMIC Memorandum 2020-011*, the same memorandum remains in force until further notice.

For your information and compliance.

(original signed)
DAISY P. ARCE
President

ACD	FHRAD	IED	SD