

REAPING THE BENEFITS OF REORGANIZATION: THE SECURITIES AND EXCHANGE COMMISSION AT 67

November 11, 2003 marks the 67th anniversary of the Securities and Exchange Commission (SEC). The Philippine SEC was the first of its kind established in Asia, and through nearly seven decades, the SEC has succeeded not only in withstanding change, but more so in anticipating and managing it. Nowhere is this more evident than in the Commission's extraordinary success in reorganizing itself three years ago, following the enactment on July 19, 2000, of R.A. 8799 which is also known as the Securities Regulation Code (SRC).

This year's celebration is therefore more than just an anniversary --- it is also a testament to SEC's dynamism and visionary spirit that have enabled it to flourish in the midst of great transformation.

History of the Securities and Exchange Commission

The SEC was created on October 26, 1936 by virtue of Commonwealth Act No. 83 entitled the Securities Act. Its establishment was prompted by the need to safeguard public interest in view of local stock market boom at that time. Operations began on November 11, 1936 under the leadership of Commissioner Ricardo Nepomuceno. At that time, while the SEC took care of registering corporations and recording partnerships, the Commission's major functions included the registration of securities, analysis of every registered security, evaluation of the financial condition and operations of applicants for security issue, screening of applications for broker's or dealer's license, and supervision of stock and bond brokers as well as the stock exchanges.

The agency was abolished during the Japanese occupation and was replaced with the Philippine Executive Commission. It was reactivated in 1947 with the restoration of the Philippine Commonwealth.

Due to the changes in the business environment under then President Ferdinand Marcos, the agency was reorganized on September 29, 1975 as a collegial body with three (3) commissioners and was given quasi-judicial powers over intra-corporate disputes and exclusive jurisdiction and control over all corporations under PD902-A.

In 1981, the Commission was expanded to include two (2) additional commissioners and two (2) departments, one for prosecution and enforcement and the other for supervision and monitoring. No significant changes in the Commission's structure and powers were made thereafter.

The Securities Regulation Code and SEC's Mandated Reorganization

In 1999, the BWRC stock manipulation scandal attracted worldwide scrutiny, prompting legislators to fast-track the passage of R. A. 8799 or the SRC. The passage of the SRC in 2000 resulted in a fundamental shift in the Commission's mandate, towards one focused on developing a fair, efficient, and transparent capital market. Up until the enactment of the SRC, SEC's role in developing the Philippine capital market was much less than what was called for. Previously, the SEC concentrated on company registration and monitoring, and the performance of its quasi-judicial functions. In the process, not much attention was given to activities that would develop the capital market.

The new demands placed by the SRC on the Commission underscored the importance of strengthening the SEC's role in capital market development and regulation, and highlighted the need to retool the Commission's regulatory and administrative structure. For this reason, a critical element of the SRC reforms was the mandated reorganization of the Commission. Towards this end, the SRC:

- Transferred the SEC's quasi-judicial powers, particularly the resolution of intra-corporate disputes and corporate recovery cases, to the regular courts;
- Authorized the Commission to undertake a reorganization, streamline its structures and operations, and upgrade its human resource component;
- Allowed the Commission to determine its own qualification standards and position classification system, and granted the Commission continuing flexibility to review its compensation structure every two years, thus enabling it to retain and attract qualified individuals for its staff; and
- Granted limited self-funding authority by allowing the Commission to retain and utilize PHP 100 Million from its yearly income.

In effect, SEC no longer has absolute control over corporations, which have no secondary license from SEC. It only receives the financial statements and GIS of corporations with no secondary licenses.

The Reorganization Process

The SEC lost no time in effecting the SRC's provisions for reorganization. Shortly after the SRC was enacted, the Commission started to work on the orderly transfer of over a thousand cases on intra-corporate disputes to the regional trial courts. The SEC retained jurisdiction on cases relating to administrative sanctions for non-compliance of the SRC, the Corporation Code, and other laws it is tasked to implement, as well as authority to investigate apparent as well as reported violations of said laws and to refer the same for criminal prosecution to the Department of Justice.

Meanwhile, to facilitate and oversee the streamlining of SEC's organizational structure, a Reorganization Committee was established, headed by the Chairperson and consisting of the Commissioners as members.

With technical assistance from the Asian Development Bank, the Commission conducted an organizational study and drew up the recommended organizational structure, position and job descriptions and qualification standards for the reorganized SEC. These recommendations were taken up by the Reorganization Committee, in consultation with the employees. Taking off from these recommendations, the streamlining proceeded as follows:

- A new organizational chart for the SEC was produced, along with the supporting function and job descriptions;
- SEC's operating departments were streamlined to execute the SEC's core functions of capital market development and regulation; company registration and monitoring; enforcement; and support services. The number of regular departments was reduced from 10 to eight (8), and all ad hoc departments were abolished. The number of divisions was reduced from 36 to 26, and extension offices were brought down from 11 to seven (7). Meanwhile, two special offices were created in the Head Office, specifically, the Office of the General Counsel and the Office of the General Accountant, to enable the Commission to perform expanded and specialized functions requiring expertise in law and in accounting principles and practices, respectively;
- The Commission's manpower complement was reduced. In order to ensure a conflict-free separation process, the SEC worked closely with the employees, the Civil Service Commission (CSC), and the Department of Budget and Management (DBM) to facilitate the provision of a fair separation package. In particular, the following steps were taken by management:
 - In September 2000, the employees were informed that the Commission would soon issue letters of redundancy, thus preparing the employees for the eventuality. The employees were likewise informed that the SEC had already requested DBM to release the necessary funds for the payment of retirement or separation benefits.
 - A final list was submitted to the DBM. The date for termination of services was made operative upon the availability of funds and submission of clearances. The separation plan consisted of a "golden handshake," the amount of which was computed based on two (2) months for every year of service, in addition to other entitlements under existing laws. Casual and temporary employees were

included. As a result, the manpower complement was reduced by 50 percent, bringing the total actual number of employees down from 708 to 350.

- The Commission provided an Assistance Program to exiting employees, to help them decide on their future career options. Seminars on investing, entrepreneurship, and new job opportunities were conducted.
- Employees who were retained were matched with positions in the new organizational chart. A Placement Committee screened and recommended the candidates for new appointments. Training programs were lined up to support and enhance the core competencies of the reorganized workforce.

To support the SEC's new mandate and its reorganized structure, the Commission updated its five-year Information Strategic Systems Plan (ISSP) to provide the framework for utilizing IT (Information Technology) in delivering public services related to capital market development. Although SEC had an existing computer system at that time, it could not have handled the demands of the new law and SEC's reorganized structure. The updated ISSP was therefore designed to allow SEC to do more under the law, and carry out its functions with less people. More importantly, it was designed to allow the SEC to concentrate on developing the capital market by freeing up the staff from routine transactions and duties.

The first major step towards reorganization was therefore successfully completed in just five months after the SRC took effect in August 2000. By December 2000, the SEC had successfully transformed itself into a leaner organization, governed by a structure more responsive to the changing demands of capital market regulation, staffed with vibrant and highly-qualified professionals, and supported by a computerization program that would both modernize and transform the SEC and its services.

The Rewards of Reorganization

Three years hence, the SEC has clearly prospered under the reorganized structure. The transfer of jurisdiction over intra-corporate cases to the regular courts has allowed the SEC to set the tone and pace of capital market development, having unburdened the Commission of the tedious job of resolving intra-corporate disputes. As such, the SEC is now able to devote more of its time, energy, and resources to policymaking, compliance monitoring, enforcement, and investor education.

More importantly, today, the SEC is an organization where the employees are highly qualified, vibrant, spirited, and self-motivated, rendering services even beyond the office hours regularly observed in most offices. Complemented by the

Commission's computerization program, this has resulted in a dramatic and noticeable improvement in the timely and courteous delivery of services to the public.

Some of the Commission's more notable accomplishments since its reorganization are as follows:

Rulemaking. Consistent with its new mandate under the SRC, the SEC now has the full time task of pursuing policy reforms necessary to address the changes arising from globalization, financial liberalization, and e-commerce. Towards this end, the SEC has actively participated in Congressional deliberations on a number of capital market development-oriented bills.

The SEC was extensively involved in the deliberations on the Anti-Money Laundering Act and the Special Purpose Vehicle (SPV) Act. Following their enactment, the SEC swiftly issued rules and guidelines to support their implementation. To implement AMLA, two (2) Memorandum Circulars were issued in 2002 requiring covered institutions to comply with the procedural guidelines on the implementation of the AMLA; and submit reports on Covered and Suspicious transactions following the AMLC-prescribed format. In addition, the SEC took the lead in preparing the Implementing Rules and Regulations of the SPV Act, the final version of which was approved by the Congressional Oversight Committee on 19 March 2003.

SEC issued several memorandum circulars and new rules and guidelines in response to changing demands and the dynamics of the capital market. The more recent defining actions taken by the Commission in this regard include the issuance of circulars promoting corporate governance principles, including the promulgation of the Code of Corporate Governance, and adoption of international accounting and auditing standards.

With regard to regulating the pre-need industry, the SEC has stepped up its initiatives to ensure and promote the viability of the industry through enhanced prudential regulation. Prior to the SRC, the pre-need industry was managed by the SEC on an ad-hoc basis, which led to a lack of continuity and weak enforcement of policies. After the reorganization, a department was created to focus solely on the regulation of the industry. The issuance of new Pre-Need Rules and the implementation of prudential reforms have contributed substantially to strengthening the industry.

Compliance Monitoring. To protect the integrity of the capital market and ensure compliance with the laws and regulations implemented by the Commission, the SEC has intensified its compliance monitoring efforts. Some of the Commission's major accomplishments in this respect include the following:

- SEC has made its audit of the Philippine Stock Exchange (PSE) more focused through the conduct of Thematic Audits. Last year, the SEC

conducted a 100 percent thematic desk audit to check broker compliance with the Chinese Wall Rule and the independence of the compliance function of the Exchange. SEC has likewise conducted joint thematic audits with the PSE to check compliance with SRC implementing rules. Audits of other market participants such as investment houses and pre-need companies have also been conducted, in cooperation with their compliance officers and associated persons.

- In 2003, with the assistance of the ADB, SEC installed the Advance Warning and Control System (AWACS) market surveillance software designed to protect the integrity of the market from fraud and abusive trading practices, particularly price manipulation associated to trades occurring in the financial market.
- Realizing that the enforcement of accounting rules has been lacking in the past, the SEC has started to strictly monitor compliance with accounting rules to ensure the development of a credible and transparent capital market. In coordination with the UP College of Business Administration, the SEC reviewed the 2001 financial statements (FS) of 131 listed companies. The results clearly showed that compliance with accounting standards required improvement. A number of listed companies had significant violations that made their FS materially misleading while many listed companies committed disclosure violations. There is an ongoing review of the 2002 FS filings, this time including samples not only from listed companies but also from other public companies such as pre-need, investment houses, and finance companies. The results for the portion completed thus far indicate that compliance with accounting rules has improved.
- With regard to compliance with full and fair disclosure rules, there has been a great improvement in the level of compliance by publicly held companies. Previously, disclosures submitted to the Commission were largely incomplete, but this has been turned around through the stricter monitoring of compliance with requirements and the imposition of appropriate penalties.
- As a result of the intensified monitoring of corporations, SEC is set to revoke the certificates of registration of more than 240,000 corporations registered between 1936-1995, for failing to submit annual reports such as the General Information Sheet (GIS) and Financial Statements as required under Sec. 141 of the Corporation Code. In connection with this, show cause orders have been published in the Philippine Daily Inquirer on a staggered basis. Corporations which persist in ignoring the show cause orders will have their certificate of registration revoked before the end of the year.

Enforcement. Faced with the proliferation of pseudo-investment scams in recent years, SEC has put in place an effective enforcement mechanism that deals with transgressions quickly and determinedly. Since 2001, the Commission has been more visible in its campaign against boiler room operators in the Philippines engaged in offering foreign penny stocks to foreigners. Moreover, enforcement actions have led to the closure of several big operators engaged in pseudo-investment schemes and fraudulent securities transactions. Some of the more notable enforcement actions were those involving G. Cosmos Philippines, Multitel, Glasgow, Tibayan, and MMG. In the case of Glasgow, the Commission was able to work for the return of around PhP 650 Million to investors.

The Commission has also actively pursued investigative and enforcement actions against issuers and brokers for possible insider trading violations. In the BWRC case, various complaints filed by the Commission were eventually filed in court, while other brokers and dealers filed settlement offers with the Commission amounting to around PhP 20 Million.

To strengthen coordination with other government regulatory and enforcement agencies, SEC has signed MOAs (Memorandum of Agreement) with the National Bureau of Investigation (NBI), the Department of Trade and Industry (DTI), and the Bangko Sentral ng Pilipinas (BSP). The Integrated Bar of the Philippines (IBP) has also agreed to provide free legal aid to overseas Filipino workers and retirees who wish to recover their placements from pseudo-investment schemes. This partnership will complement the work of the taskforce on prosecutors formed by the Department of Justice (DOJ) to speed up the disposition of cases filed against pseudo-investment firms.

Investor Education. Along with determined enforcement, SEC has intensified efforts to provide the public with the information necessary for them to make intelligent investment decisions. Last year, a series of Investor Information Seminars was held in key cities nationwide. The Seminars were intended to promote the importance of informed investing and motivate the public to take personal responsibility for their investment decisions and financial security.

A Citizen's Manual has been prepared and is being disseminated in English, setting out in simple, understandable terms, SEC's processes and other most-sought after information. A 'Citizen's Investment Alert' is also being disseminated in English and Pilipino, Cebuano, Ilocano, and Ilonggo.

In May 2003, the SEC launched 1-908-1-ASKSEC, a Hotline service which provides automated responses to most frequently asked questions. Callers who wish to file a complaint or inquire about companies that have been

closed down, also have the option to speak with an SEC representative during office hours. The Hotline Service, which can accommodate up to 12,000 calls daily, is a convenient facility that can be accessed from anywhere in the Philippines, anytime of the day.

A nationwide Anti-Scams Awareness Campaign has likewise been launched in coordination with the DTI. Anti-scams posters and brochures were provided to partners in government and the private sector, for dissemination to the public.

Finally, to broaden the reach of the Commission’s investor information campaign, the SEC has launched three (3) 30-second infomercials on how to avoid investment scams. A radio version of these infomercials shall be launched shortly.

Delivery of Services to the Public. The past three years have seen a dramatic and noticeable improvement in the timely and courteous delivery of services to the public. Registration procedures have been simplified, processing times have been reduced, and access to corporate records has been improved dramatically.

Major Areas of Improvement in the Delivery of Services to the Public

Areas of Improvement	Before Reorganization	After Reorganization
Registration of corporations and partnerships, and amendments of articles of incorporation and by-laws.	Over-the-counter processing and approval of applications took 3 – 5 days. Verification of proposed corporate and partnership names could only be done at the SEC Records Division.	Over-the-counter processing and approval has been reduced to 1 – 2 days. Moreover, since the launching of SEC-iRegister, the Commission’s on-line company registration system, the SEC has been able to provide its clients the convenience of transacting with the Commission from the comfort of their respective offices or homes. With SEC-iRegister, the public can now do the following online: a. Verify the availability of the proposed corporate or partnership name;

Areas of Improvement	Before Reorganization	After Reorganization
		<ul style="list-style-type: none"> b. Receive approval for the desired name after the system has determined that the proposed name is still available for use and will not result in any confusion; c. Reserve the available name; d. Accomplish the Articles of Incorporation or Articles of Partnership, using the electronic template for the purpose. This means that the applicant does not have to buy the pre-printed forms, which have to be filled up manually; e. Submit the duly accomplished electronic form; f. Pay the reservation and/or registration fees online; and finally, g. Receive same-day approval for the application.
<p>Procedures for registration, licensing, and applications and petitions for price increase by pre-need firms</p>	<p>Processing and approval took anywhere between 3 – 6 months on average.</p>	<p>Processing time has been reduced by 50 percent due to:</p> <ul style="list-style-type: none"> ● Careful screening of compliance with the checklist of requirements prior to the acceptance of application papers; and ● Reduction of signatories for approval.

Areas of Improvement	Before Reorganization	After Reorganization
Procedures for licensing investment houses or underwriters of securities that are also licensed as Government Securities Eligible Dealers (GSEDs)	Applications for registration had to be filed separately	A single licensing regime has been implemented since the beginning of the year.
Release of comment letters on registration statements submitted to the Commission	Release of comment letters took more than 15 days and the unstructured list of comments made it difficult for companies to comply with requirements.	Comment letters are released on or before the 7 th day from submission. The use of structured comment letters has made the process more systematic and timely.
Access to Corporate Records at the Public Reference Unit	Waiting time for requests for corporate records was not monitored prior to reorganization. However, records for April 2001 showed that 71 percent of requests had to wait from 2 to 5 hours before being served at the Public Reference Unit (PRU). Aside from verbal complaints, written complaints for the long waiting time averaged around two (2) letters per week.	<p>By September 2003, eighty eight (88%) percent of clients requesting for corporate records during the month were served in <i>less than one hour</i>. This major turnaround can be attributed to the following:</p> <ul style="list-style-type: none"> ● The acquisition of additional and upgrading of certain equipment for document retrieval; ● The outsourcing of document conversion of the Annual Audited Financial Statements (AFS) and General Information Sheets (GIS) filed in April 2002 and 2003, which allowed document conversion to digitized format within 30 days; and ● The conversion of 1996 to 1999 back files to digitized format which enabled retrieval through the Document Imaging System.

Areas of Improvement	Before Reorganization	After Reorganization
Microfilming of Corporate Records	<p>In January 2001, the Micrographics Unit had a backlog of 66,000 documents or around a million pages. Microfilming of documents took 60 days from receipt. This required retention of corporate records in hard copies within six months to one year of receipt for the use of the public. For Audited Financial Statements and General Information Sheets, it took 6 to 7 months before these could be retrieved through the DIS.</p>	<p>By the end of 2001, the Micrographics Unit (with 5 regular SEC personnel and 4 haulers) was able to convert corporate records to microfilm/digitized format within 30 days from receipt. In September of 2003, the Unit was able to convert documents into microfilm and digitized format within 7 days from receipt, making them immediately available for public use through the DIS.</p>
Optimization of Resources – Review of contracts for goods and services	<p>Before the reorganization, contracts for lease, maintenance and their services were never reviewed. They were just renewed. Requests for increases in rentals were readily granted.</p>	<p>Starting 2001, all contracts were reviewed and request for increases in rentals and other services were carefully evaluated. The review resulted in less security guards and utility staff, reduction in rates for services such as photocopying and printing and deferment of increases in rent. Likewise, requisitions for office supplies and equipment were reviewed to check prices and volume. Estimated savings from these activities amounted to Php 8,170,000 from 2001 to 2003.</p>

Financial Performance. Since SEC's reorganization, the Commission's net contribution to the National Treasury has increased, from an average of PhP 395 Million a year for the period 1998-2000, to PhP 420 Million for the years 2001-2002. The ratio of expenditures over income has likewise improved; in 1998, expenditures amounted to half of SEC's income; in 2002, the ratio had declined to 38.86 percent, enabling the SEC to contribute more to the government coffers.

Standing in Public Opinion Surveys. SEC's accomplishments and the improvement in the delivery of services over the past three years have not gone unnoticed by the public. Prior to its reorganization, the SEC had been widely perceived as one of the more unreliable agencies of the government. This perception has changed dramatically in the last three years, with the SEC's responsiveness and customer-service levels consistently garnering praise in public opinion surveys.

In the January 2000 Executive Outlook Survey conducted by the Makati Business Club, and all its previous surveys, the SEC was nowhere in the list of 32 agencies that featured in the performance ranking of various government agencies. SEC, however, first entered the survey in July 2000, by placing 21st.

Since 2001, the SEC has consistently made it to the list of top ten performing government agencies.

Moreover, as a testament to SEC's commitment to fight corruption, its standing in the Social Weather Station's survey of enterprises on corruption has improved. In the latest survey conducted in October 2002-February 2003, the SEC ranked second, garnering a rating of "very good", among agencies considered sincere and effective in their efforts to fight corruption. The survey likewise placed SEC as:

- Among the agencies less corrupt now than five years ago; and
- Among the top six (6) agencies that enterprise managers considered as "can be trusted to complain to."

Factors Behind the Success of SEC's Reorganization

The success of SEC's reorganization may be attributed to four (4) critical factors:

- First of all, an intensive organizational study was undertaken before proceeding with the reorganization itself, taking into consideration the new demands of the SRC. Meanwhile, regular consultations with employees and others concerned allowed the SEC to streamline its structure and reduce its manpower complement with little disruption and loss of morale.

- Second, following the streamlined structure and functions of the reorganized SEC, there was an earnest effort to improve internal procedures and enable the Commission to function more efficiently and effectively. This year, SEC departments and offices took this effort one step further by developing and adopting their respective Manual of Operations. The Manuals were developed to reflect streamlined or automated processes, set reduced processing times, and limit the number of processors. The Manuals now serve as benchmarks for performance, measuring how well the SEC responds and delivers services to the public.
- Third, the development and implementation of SEC's ISSP was critical to modernizing SEC's delivery of services. The significant shortening of the waiting time for the delivery of requests for corporate records was made possible through the acquisition of a state-of-the-art mass storage system, among others, for the document imaging and retrieval system being used by the PRU. The storage system is scalable to accommodate the increasing demand for storage capacity resulting from the growing corporate documents.
- More significantly, with the implementation of SEC's online company registration system, SEC-iRegister, SEC has managed to earn two distinctions. First, in November 2002, the SEC received a Certificate of Recognition at the Philippine E-Government Awards in "recognition of its Excellence in Governance with the use of Information Technology." More recently, the SEC was identified by the National Computer Center as one out of only two government agencies which have attained transactional web presence, or Stage Four of the five-stage classification model of e-government developed by the United Nations and American Society of Public Administration (UN-ASPA).
- Fourth and most importantly, the reorganized Commission was fortunate to have attracted a cadre of highly-qualified professionals committed to serving the public with excellence and hard work. This in turn was driven by four defining changes:
 - The hiring and selection process of the Commission was improved. Under the old SEC structure, selection of candidates was based on the minimum Qualification Standards set by CSC. Post-reorganization, higher Qualification Standards were set for the employees of SEC. Employees appointed to positions must possess a higher educational attainment, longer years of relevant experience, more substantial training, and higher eligibilities, particularly in the case of lawyers and accountants. To select the most qualified applicants, in 2001 the Personnel Selection Board developed a more rational procedure and system for hiring, promotion and appointment;
 - The SEC Performance Evaluation System was institutionalized and strengthened in 2001. This resulted in a more objective assessment of

employee performance and an increased awareness among SEC employees of the importance of the PES;

- A more strategic approach to the provision of training and capacity building programs was developed. Prior to reorganization, training activities were conducted on an ad hoc basis, as requested by the departments and offices. In 2002, the Commission initiated the development of the SEC Strategic Training Plan for 2003. Institutional training needs analysis was conducted at the Head and Extension Offices to determine the actual competencies of the employees' vis-à-vis their job requirements. An SEC Training Calendar was adopted to formalize the schedule for the training programs and to ensure that training priorities are met. As a result, training activities are now aligned with the vision of SEC, making them more responsive and relevant to the needs of the employees; and
- The compensation package was substantially improved, allowing the SEC to meet private sector competition for the talents of lawyers and accountants, and pay salaries at a sum commensurate to job responsibilities.

The Reorganized SEC at 67: Looking Towards a Brighter and More Productive Future

The dynamism and vision which enabled the SEC to successfully reinvent itself and accomplish so much in a span of only three years are still very much alive and well today. Proof of this is the fact that the SEC's efforts to reinvent itself has entered a new phase, one that will take the process of institutional strengthening and reorganization several steps further. This new phase will involve the following major initiatives:

First of all, the SEC will continue to take measures to rationalize the distribution of functions and responsibilities between the Head Office and SEC's Extension Offices, a process which it started in the beginning of the year. Cognizant that the Extension Offices should serve as a microcosm of the Head Office, the Head Office has started to devolve more of its monitoring, investigative and investor information functions to the Extension Offices. This initiative is expected to strengthen the Extension Offices by broadening their responsibilities beyond corporate registration.

Second, the SEC will continue to pursue reforms that will instill a more solid performance-oriented culture in the Commission, consistent with the broader set of reforms being undertaken by government in Public Expenditure Management. Every year, as part of its annual corporate planning exercise, the SEC commits to the attainment of certain performance targets. These aggregate performance targets are

cascaded to the different departments and offices, and are used as basis for determining each employee's individual performance targets for the year. In this manner, the SEC strives to ensure that each employee's output ultimately contributes to the attainment of the Commission's overall targets and objectives for the year.

Third and finally, the SEC will continue to implement its ISSP, and thus strengthen the Commission's ability to integrate and take advantage of new technologies quickly. SEC is currently working towards the implementation of the Compliance Monitoring and Evaluation System (CMES), which will provide an automated facility for monitoring the compliance of registered entities with government laws and regulations. CMES, which has been dubbed the SEC-iReport will provide, among others, a mechanism for monitoring enforcement of actions against non-complying companies, as well as enable online analytical processing of the financial performance of registered entities. The first of this two-phased project, which is called the SEC-iView, will allow decentralized access to the SEC corporate files, i.e., web-based document retrieval of reports submitted to SEC such as the AFS and the GIS (General Information Sheet). It will also provide a facility for the on-line submission of reports.

As it celebrates its 67th anniversary, the SEC remains steadfast in its commitment to pursue reforms that are responsive to the new realities of the marketplace. And without a doubt, at 67, the SEC stands ready to meet future challenges and opportunities with the same dynamism and visionary spirit that have guaranteed its success over the years.

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