



## 필리핀한인상공회의소뉴스

# KOREAN CHAMBER OF COMMERCE PHILIPPINES NEWSLETTER



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Business Matching and Networking  
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### SEC calls for greater ownership transparency across Southeast Asia

September 18, 2024 | Meg J. Adonis - @inquirerdotnet | Philippine Daily Inquirer

The Securities and Exchange Commission (SEC) is pushing for more transparency reforms in the country and across Southeast Asia, particularly through disclosures of beneficial ownership data, to promote “financial integrity” and combat corruption.

The corporate watchdog said in a statement that it had already made “significant progress” in implementing its beneficial ownership policies, as these resulted in a “marked increase” in compliance rates among companies—around 70 percent from only 30 percent five years ago.

“As businesses increasingly operate across borders, understanding and implementing robust [beneficial ownership] frameworks will become essential for compliance and risk management,” the SEC said on Tuesday.

Beneficial ownership refers to a person or entity that owns or controls a company, although their names are often not stated in official documents. They are also usually the ones who get the most gains from the company’s finances.

The SEC’s call came after it promoted its policies at a recent anticorruption and transparency event in Indonesia.

The regulator previously worked with the United Nations Office on Drugs and Crime to improve the process of disclosing beneficial ownership data among companies in the Philippines.



Securities and Exchange Commission (SEC) Headquarters in Makati. | PHOTO: Daniella Agacer / INQUIRER.net

In 2019 and 2020, the SEC likewise mandated the declaration of beneficial ownership data in the general information sheets of domestic and foreign corporations.

Issuance of bearer shares was also prohibited to “enhance transparency.”

Bearer shares refer to stocks owned by someone who is in possession—the bearer—the stock certificate. These can make it difficult to properly track the rightful owner of shares, as ownership can be transferred by delivering the certificate to the buyer.

The commission also called on regional cooperation to help prevent corruption among companies.

“The SEC remains committed to supporting these efforts, recognizing that regional cooperation is crucial to achieving sustainable progress in the fight against the misuse of corporations for crimes,” it said.

[Source: https://business.inquirer.net/480567/sec-calls-for-greater-ownership-transparency-across-southeast-asia](https://business.inquirer.net/480567/sec-calls-for-greater-ownership-transparency-across-southeast-asia)

### BSP to revise rules on selection of external auditors

September 18, 2024 | Keisha Ta-Asan | The Philippine Star

MANILA, Philippines — The Bangko Sentral ng Pilipinas (BSP) is looking to amend the guidelines on the selection of external auditors for banks and financial institutions to enhance corporate governance.

In a draft circular, the BSP said it considers the external auditing profession as a partner in promoting the safety and soundness of BSP-supervised financial institutions (BSFI). [Cont. page 2]

## BSP to revise rules on selection of external auditors

[Cont. from page 1]



This photo shows a facade of the Bangko Sentral ng Pilipinas STAR / File

“External auditors, through the conduct of audits and opinions rendered on audited financial statements, contribute to enhancing corporate governance and empowering the public and investors to make informed financial decisions,” it said.

Thus, the BSP will amend relevant sections of the Manual of Regulations for Banks and Non-Bank Financial Institutions, pursuant to Republic Act 8791 or the General Banking Law of 2000, as amended.

Under the draft rules, the BSP included new entities that external auditors can extend their services to such as digital banks, credit card issuers and virtual asset providers.

“The external auditors’ category or group shall be determined based on their track record and the results of the BSP’s assessment of their continuing eligibility to be included in the List of Selected External Auditors for BSFIs,” the BSP said.

External auditors applying for inclusion (new or renewal) in the list of selected external auditors for BSFIs should adhere to the BSP’s qualification and documentary requirements. The BSP may require additional documents as deemed necessary.

Lead partners and the engagement quality control reviewers of audit firms should be included in the list of selected external auditors as well. They will also be subject to the same requirements of the BSP.

Being a part of the BSP’s list of selected external auditors should be valid for five years or for a shorter period as prescribed by the central bank.

“The BSP shall not be held responsible for any liability or loss arising from the selection of the external auditors to be engaged by BSFIs for audit or non-audit services,” the BSP said.

The central bank will also periodically evaluate the external auditor’s performance by assessing the quality of the BSFI’s audited financial statements and its compliance with the requirements.

External auditors whose validity for inclusion expires after the audit of 2023 financial statements will be allowed to engage in the audit of the 2024 financial statements, excluding those who are subject to escalated enforcement action, the BSP said.

[Source: https://www.philstar.com/business/2024/09/18/2385984/bsp-revise-rules-selection-external-auditors](https://www.philstar.com/business/2024/09/18/2385984/bsp-revise-rules-selection-external-auditors)

## Senate Oks PHL-South Korea FTA

September 18, 2024 | John Victor D. Ordoñez | BusinessWorld

THE PHILIPPINE Senate on Wednesday approved on second reading a resolution calling for concurrence in the free trade agreement (FTA) between the Philippines and South Korea.

In Senate Resolution No. 1188, Senator Maria Imelda “Imee” R. Marcos said the free trade deal, which was signed on Sept. 7 last year in Indonesia, would encourage more foreign direct investments and more concessions than those under the Regional Comprehensive Economic Partnership Agreement.

The pact will remove tariffs on about 94.8% of Philippine products and 96.5% of South Korean goods.

Under the Constitution, international agreements and treaties require the concurrence of two-thirds of the Senate’s members for ratification.

The Philippines plans to export more bananas and processed pineapples to South Korea once the FTA is finalized.

Earlier this month, the Pilipino Banana Growers & Exporters Association, Inc. lobbied for the Senate’s concurrence in the free trade pact to boost banana exports and to compensate for losses caused by the Panama disease.

“The FTA is also expected to stimulate more Korean investments into the country,” Ms. Marcos said in her sponsorship speech earlier this month.

South Korean Ambassador to the Philippines Lee Sang-hwa earlier told reporters he was hoping for the pact to be a “game-changer” for trade and investment between Manila and Seoul.

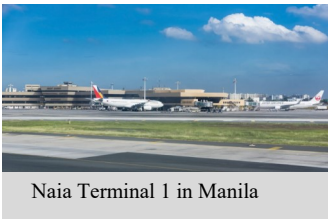
The Philippines is expected generate as much as P200 billion worth of foreign direct investments from the electric vehicle industry and agricultural processing sector within three years, Ms. Marcos said, citing estimates by the Trade department.

[Source: https://www.bworldonline.com/the-nation/2024/09/18/622503/senate-oks-phl-south-korea-fta/](https://www.bworldonline.com/the-nation/2024/09/18/622503/senate-oks-phl-south-korea-fta/)



**No immediate reassignments at Naia as NNIC takes over**

September 18, 2024 | Lorenz S. Marasigan | BusinessMirror



Naia Terminal 1 in Manila

THE New Naia Infrastructure Corp. (NNIC) on Tuesday assured the public that the status quo at Ninoy Aquino International Airport (Naia) will remain in place following its recent takeover of airport operations, with no immediate changes to terminal assignments.

According to NNIC General Manager Angelito Alvarez, any future adjustments will be introduced “gradually and strategically,” ensuring smooth operations as new management takes charge.

“These adjustments will be aligned with ongoing infrastructural and technical upgrades at the airport, ensuring a seamless experience for passengers,” he said.

Alvarez emphasized that the terminal reassignments will not be rolled out all at once.

Instead, they will be phased over time to minimize disruptions for passengers.

“NNIC is committed to keeping the public informed, and any changes to terminal assignments will be communicated in advance to ensure a smooth and efficient transition as part of broader modernization efforts,” the corporation said.

**‘Only in 3 years’**

During the Aviation Forum hosted by the Economic Journalists Association of the Philippines (EJAP) and San Miguel Corp. (SMC) last week, Alvarez said the company plans to reassign carrier assignments to optimize the use of the terminals.

Initially, the proposal is to make Terminal 2 a purely domestic facility, while Terminal 1 will be for the exclusive use of Philippine Airlines (PAL). All foreign airlines, including some operations of Cebu Pacific and AirAsia, will be moved to Terminal 3. It also includes the proposal to transfer AirAsia back to the smaller Terminal 4.

He noted that the plan “will happen only in three years once the Terminal 2 extension is completed,” referring to the construction of a new terminal building beside Terminal 2, where the abandoned Philippine Village Hotel is located.

Both AirAsia and Cebu Pacific support NNIC’s modernization plans but called for meticulous planning and thorough consultations to minimize potential disruptions during the transition.

Earlier, AirAsia stressed the need for time and motion studies and sufficient preparation, particularly as peak travel season approaches. Similarly, Cebu Pacific shared its experience with terminal transfers at Singapore’s Changi Airport, where extensive planning and consultation took over a year, ensuring minimal disruption to passengers.

NNIC took over the operations and maintenance of the Naia on Saturday. Under its concession agreement, the SMC-led NNIC will improve Naia’s infrastructure, increasing passenger capacity from 43 million to 62 million annually, and boosting air traffic movements from 42 to 48 per hour.

In the short term, the company plans to make immediate improvements to Naia’s facilities. Within the next three to six months, travelers can expect to see functional escalators and toilets, stable power and water supplies, better air conditioning, upgraded baggage handling systems, faster passenger processing, more seating, and enhanced WiFi connectivity.

Looking ahead, NNIC has outlined a comprehensive three-year plan that includes runway improvements, expanded terminal capacity, enhanced commercial spaces, and a direct link from Naia Terminal 3 to the Skyway system.

Long-term goals include building a new terminal to accommodate an additional 35 million passengers annually, improving flood mitigation in surrounding areas, and linking Naia to the Metro Manila Subway.

The government stands to gain approximately P1 trillion in revenues over the 25-year public-private partnership (PPP) concession period. This includes an 82.16-percent revenue share that will be remitted yearly.

Image credits: [Michael Edwards | Dreamstime.com](#)

*Source: <https://businessmirror.com.ph/2024/09/18/no-immediate-reassignments-at-naia-as-nnic-takes-over/>*

## DA to bid out 17 port projects

September 19, 2024 | Jasper Emmanuel Arcalas | The Philippine Star

MANILA, Philippines — The Department of Agriculture (DA) is set to bid out over P40 billion worth of port projects nationwide as part of measures to reduce retail food prices by slashing transport costs through efficient logistics system.

Agriculture Secretary Francisco Tiu Laurel Jr. said the agency would bid 17 port projects, 10 of which being big ones capable of accommodating Panamax vessels.

A Panamax vessel has a capacity of about 60,000 to 80,000 deadweight metric tons or about 4,500 20-foot containers.

The 10 big ports would cost P3 billion each while the other seven would be about P1.5 billion each for a total of P40.5 billion, Tiu Laurel said.

The agriculture chief explained that the country lacks ports to efficiently transport farm inputs to key producing provinces, thus, resulting in higher logistics costs and delays in much-needed materials.

Some of the prospective sites for the proposed port projects are Mindoro, Negros, Iloilo, Southern Albay, Southern Batangas, among others.

Tiu Laurel said the establishment of news ports could slash feed and fertilizer costs by as much as 15 percent since most of these inputs are imported.

“We make a proposal to the public and hopefully there will be bidders or there will be unsolicited proposals. In sites that there will be no interested parties then the government would look for the fund to undertake the project,” he said.

“Because if other people are interested to risk (in the projects) then let use other people’s money,” he added.

Tiu Laurel estimates that three out of the 10 Panamax size port projects could be the most attractive ones for private sector investment.

The agriculture chief also called on the private sector to bid and invest in the prospective new port projects of the government to reduce the country’s food course.

“That is why I’m asking the help of Makati Business Club and other groups to lobby. If possible, private sector would also build agricultural port,” he said.

“If we have the right number of agricultural ports all over the country, the cost of rice, fertilizer and seeds would go down,” Tiu Laurel added.

*Source: <https://www.philstar.com/business/2024/09/19/2386226/da-bid-out-17-port-projects>*



## DOE policies on RE boost investments

September 18, 2024 | Lenie Lectura | BusinessMirror



THE lifting of foreign ownership restrictions on some renewable energy (RE) projects, alongside measures and mechanisms to accelerate their development, resulted in a more favorable business environment for investments in the power sector.

The Department of Energy (DOE) on Thursday welcomed the latest report from the Board of Investments (BOI), which highlights a record-breaking P1.35 trillion worth of investments in the country approved from January to date, surpassing last year’s total of P1.26 trillion.

Of the P1.35 trillion total investments, P1.29 trillion or 95 percent is on RE projects.

One of the DOE programs that lured in more investors is the Green Energy Auction Program (GEAP), which promotes transparent and competitive pricing for RE and enhances project bankability through a 20-year offtake guarantee. *[Cont. page 5]*

**DOE policies on RE boost investments***[Cont. from page 4]*

The government has also simplified the application process for RE development and duty-free importation incentives.

Additionally, it has created new opportunities for new investments within existing contract areas, allowing them to apply for additional RE contracts. This, it said, could lead to extended contract terms and incentives for capacity-increasing investments.

“The DOE is committed to work with the private sector and our partner agencies in the national government and local governments to ensure that these approved investments will ripen into beneficial and tangible energy infrastructure for our people,” Energy Secretary Raphael P.M. Lotilla said.

Investments registered under the BOI enjoy a wide range of incentives, including income tax holidays, a preferential tax rate on gross income, zero value-added taxes (VAT) rating, as well as tax- and duty-free importation of capital equipment, raw materials and supplies.

Additionally, “with banks and financial institutions playing a vital role in our quest for the accelerated development of renewable energy projects, we are working closely with banks and financial institutions, through the Bangko Sentral, to align the needs of developers with the objectives of financial institutions to effectively support these projects,” added Lotilla.

Recently, the BSP convened a forum on “Financing the Philippine Energy Transition Program. This maiden session of the BSP Knowledge Exchange Series on Inclusive Sustainability was held in coordination with Citi Philippines and the DOE. The forum put a spotlight on the opportunities and challenges around financing RE projects.

Interest in the country’s renewable energy sector has grown since the implementation of the Renewable Energy Act of 2008. As of March 2024, the DOE has awarded a total of 1,327 renewable energy service contracts, with 5.8 gigawatts already installed and a further potential capacity of about 137.8 gigawatts.

The majority of the renewable energy potential capacities are from solar, hydro and wind accounting for almost 90 percent of the total renewable energy contracts awarded.

To further accelerate renewable energy projects, the third round of GEAP is scheduled for this year, covering capacities for impounding and pumped storage hydropower as well as geothermal technologies. The fourth round will focus on Integrated Renewable Energy and Energy Storage Systems (IRESS) and natural gas technologies.

*Source: <https://businessmirror.com.ph/2024/09/18/doe-policies-on-re-boost-investments/>*

**[UPCOMING EVENT]****A Joint Event of Rotary Intl D3810-BNI– KCCP | Business Matching and Networking Event**

October 18, 2024 | SMX Convention Center, Pasay City

**KCCP in partnership with PPC Rotary International D3810 and BNI Philippines, one of the largest business referral organizations in the world, will hold a Business Matching/Networking Event on October 18, 2024 6:00PM at 2F SMX Convention Center, Pasay City. The registration starts at 5:00PM.**

**This event is a great opportunity to broaden your network and connect with potential business partners, investors and collaborators as this event will be attended by 400+ local and foreign businessmen and we highly encourage KCCP members to join. In addition, sponsorship opportunities are also available as attached below.**

**For KCCP Members, the registration fee is Php 2,000.00. If you have any questions in regards to this event and for confirmation, kindly contact KCCP at +632-8885-7342, or mobile numbers 0917-8015920 (Ms. Chi) / 0915-8887296 (Ms. Sang) or through email at [info@kccp.ph](mailto:info@kccp.ph).**



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**18 OCTOBER 2024**  
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