

Outsourcing *brief*

Q1 2017



BIR updates

RMO No. 3-2017: Amending Further the Prescribed Format for the Certificate of Availment / Approval and Notice of Denial Relative to Application for Compromise Settlement and / or Abatement of Penalties Pursuant to Section 204 of the Tax Code, as Amended

This Memorandum Order was issued to inform that all approved applications for compromise settlement and / or abatement of penalties shall be issued Certificate of Availment (CA) following the prescribed format while denied applications shall be issued Notice of Denial (ND) following the prescribed format.

Both CA and ND shall be included as accountable forms of the Bureau. This Order takes effect immediately.

For the full version of the Circular, please visit the BIR website: <http://www.bir.gov.ph>

RMC No. 5-2017: CY 2017 Priority Programs

This Circular is being issued to publish the Bureau's CY 2017 Priority Programs to

address their three (3) principal objectives:

- Attain collection targets;
- Improve taxpayers satisfaction; and
- Protect revenue and recapture public trust.

For the year 2017, the Bureau of Internal Revenue has been tasked to collect P 1.829 Trillion, which is equivalent to 79% of the National Government's total projected revenues of P 2.313 Trillion.

The taxes collected by the Bureau contribute significantly to the Government's revenue generating efforts, and will surely support the President's 10-Point Agenda. Under each objective are the programs to attain the Bureau's collection target and address the revenues and recapture public trust.

All Bureau offices are therefore enjoined to align their respective activities and projects to these Priority Programs, to reduce the opportunities for corruption in the revenue service, and ensure the fulfillment of the Bureau's mandate.

All revenue officials and employees are required to give this Circular the most

extensive publicity possible.

To see the complete list of programs, please visit the BIR website: <http://www.bir.gov.ph>

RMC No. 14-2017: Temporary Suspension of Enrollment to Electronic Filing and Payment System (eFPS) Facility

This Circular encourages taxpayers to proceed with the enrollment before the start of the filing season. The enrollment of eFPS will be temporarily suspended from March 1 to April 30 of every year to give the full resources during the deadline of filing the Annual Income Tax Return.

Taxpayers who are required to secure BIR Importer's Clearance Certificate (ICC) and Broker's Clearance Certificate (BCC) and Government Bidders Tax Clearance can still continue with their eFPS Enrollment during the period of suspension by presenting their duly accomplished and notarized application form to the Revenue District Office (RDO).

eFPS Enrollment shall resume on May 1. For the full version of the Circular, please visit the BIR website: <http://www.bir.gov.ph>

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RMC No. 22-2017: Publishing the Daily Minimum Wage Rates in Region VIII Pursuant to Wage Order No. RB-VIII-19 Prescribing a new minimum wage structure for Eastern Visayas

This Wage Order is issued by the Regional Tripartite Wages and Productivity Board, Eastern Visayas (RTWPB VIII).

COLA under Wage Order No. RBVIII-17
All workers in the private sector in Eastern Visayas receiving the basic wage rates prescribed herein shall continue to receive the SEVEN PESOS (P7.00) COLA prescribed in Wage Order No. VIII-17.

There shall be an increase in the basic wage as follows:

| Sector/ Industry | Basic Minimum Wages Rates under WO No. RB VIII-18 | Amount of Increase in Basic Minimum Wages Rates under WO No. RB VIII-18 | New Daily Basic Minimum Wage Rates upon affectivity | COLA under Wage Order No. RB VIII-17 | New Daily Minimum Wage Basics |
|--|---|---|---|--------------------------------------|-------------------------------|
| NON-AGRICULTURE (including Sugar Mills) | 253.00 | 25.00 | 278.00 | 7.00 | 285.00 |
| COTTAGE / HANDICRAFT | 255.00 | 23.00 | 278.00 | 7.00 | 285.00 |
| RETAIL / SERVICE | 231.00 | 15.00 | 246.00 | 7.00 | 253.00 |
| Employing 10 workers and below | 228.00 | 10.00 | 238.00 | 7.00 | 245.00 |
| Employing 11 up to 30 workers | | | | | |
| AGRICULTURE | 253.00 | 15.00 | 268.00 | 7.00 | 275.00 |
| Non-Sugar | 234.00 | 10.00 | 244.00 | 7.00 | 253.00 |
| Sugar Farm | 228.00 | 10.00 | 238.00 | 7.00 | 245.00 |

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BASIS OF WAGE INCREASE. The Minimum Wage Rates prescribed under the order shall be for the normal eight-hour work day.

COVERAGE. The wage rates per worker prescribed under the order shall apply to all minimum wage earners in the private sector in the Region. Not covered are kasambahay/domestic workers, persons in the personal service of another, including family drivers, and workers' of duly assigned Barangay Micro Business Enterprises (BMBEs) with Certificate of Authority pursuant to Republic Act No. 9178, as amended.

EXEMPTION. No exemption from compliance under this Order shall be allowed. However, in case of calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/or human-included disasters, subject to the NWPC guidelines No. 02 Series of 2007 as amended by NWPC Resolution No. 01, Series of 2014.

WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework shall be entitled to receive the prescribed new minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours a day.

WAGES AND COLA OF SPECIAL GROUP OF WORKERS. The minimum wages of apprentices and learners shall in no case be less than seventy five percent (75%) of the applicable minimum wage rate prescribed

herein.

EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the new minimum wage rates results in the distortion of wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code as amended.

ADVISORY ON PERFORMANCE BASED PAY. In line with the two-tiered wage system wherein the 1st tier is mandatory wage adjustment prescribed in the Wage Order "the Board shall issue an advisory on the 2nd tier or the performance based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.

EFFECTIVITY. This order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the region

To see the full version of the Circular, please visit the BIR website
<http://www.bir.gov.ph>

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PHIC No. 2016-0034: Compounded Computation of Interests and / or Surcharges on Delayed Employer Remittances

RA 10606, otherwise known as the National Health Insurance Act of 2013, gives the Philippine Health Insurance Corporation the authority to impose interests and/or surcharges on delayed premium remittances.

Section 16(v) of the Act states that “notwithstanding the provisions of any law to the contrary, to impose interest and/or surcharges of not exceeding three percent (3%) per month, as may be fixed by the Corporation, in case of any delay in the remittance of contributions which are due within the prescribed period by and employer, whether public or private. Xxx “.

Through PhilHealth Board Resolution No. 2132-2016, the Corporation hereby imposes a compounded computation of interests and/or surcharges on delayed employer remittances starting the applicable month of October 2016 onwards.

GENERAL GUIDELINES

Interests and/or surcharges for late payments by employers both in the government and private sectors, except

employers of Kasambahay, shall be computed as follows:

Interests and/or surcharges = Principal amount x 2% or Php200.00, whichever is higher, compounded monthly based on the number of months delayed.

1. The principal amount shall refer to any of the following, whichever is applicable:

a. The amount indicated in the Statement of Premium Account (SPA); or

b. The amount indicated in the PhilHealth Official Receipt (PGR)/PhilHealth Agent’s Receipt (PAR), in case of multiple payments for one applicable period.

2. The number of months delayed is determined from the day immediately after the deadline to the actual date of payment or remittance, inclusive of Saturdays, Sundays and holidays.

3. A fraction of a month shall be computed as one whole month delayed; i.e. premium contribution delayed for 1 day shall already be considered a delay for one month.

4. The amount payable indicated in the SPA shall pertain to the following:

a. The total premium due for the applicable month; and b. The interests and/or surcharges incurred from the previous month/s’ late payment of contributions.

EFFECTIVITY

The abovementioned guidelines shall be applied to late payments starting the applicable month of January 2017 onwards.

To view the full Circular, visit the PhilHealth website: www.philhealth.gov.ph

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Department Order No. 170: Implementing Rules and Regulations of Republic Act No. 10911 Otherwise Known as the “Anti-Age Discrimination in Employment Act”

The following rules and regulations are issued pursuant to Section 9 of Republic Act No. 10911 or the “Anti-Age Discrimination in Employment Act”:

Declaration of Policies - It shall be the policy of the State to:

- (a) Promote employment of individuals on the basis of their abilities, knowledge, skills and qualifications rather than their age.
- (b) Prohibit arbitrary age limitations in employment.
- (c) Promote the rights of all employees and workers, regardless of age, to be treated equally in terms of compensation, benefits, promotion, training and other employment opportunities.

Coverage – The provision of this Rules shall apply to all employers, publishers, labor contractors or subcontractors, and labor organizations, whether or not registered.

Exceptions. – It shall be lawful for an employer to set age limitations in employment if:

- (a) Age is a bona fide occupational

qualification reasonably necessary in the normal operation of a particular business where the differentiation is based on reasonable factors other than age;

- (b) The intent is to observe the terms of bona fide seniority system that is not intended to evade the purpose of this Rules.
- (c) The intent is to observe the terms of a bona fide employee retirement or a voluntary early retirement plan consistent with the purpose of this Rules. Provided, that such retirement or voluntary retirement plan is in accordance with the Labor Code, as renumbered, and other related laws; or
- (d) The action is duly certified by the Secretary of Labor and Employment after consultation with the stakeholders in accordance with the purpose of this Rules.

Employment Age of Children – The age requirement in the employment of children shall be governed by Republic Act No. 9231 and its Implementing Rules and Regulations, Article 138 of the Labor Code as renumbered, and other applicable laws, rules and regulations.

Upon hiring, the employer may require the child or the guardian to show proof of the child’s age for the purpose of compliance with minimum employable age under existing laws.

Penalty- Any violation shall be punished with a fine of not less than fifty thousand pesos (P 50,000.00) but not more than five hundred thousand pesos (P 500,000.00), or imprisonment of not less than three (3) months but not more than two (2) years, or both, at the discretion of the court. If the offense is committed by a corporation, trust firm, partnership or association or other entity, the penalty shall be imposed upon the guilty officer or officers of such corporation, trust, firm, partnership or association or entity.

Effectivity. – This Rule shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

To see the full version of the Circular, please visit the DOLE website: <http://www.dole.gov.ph>

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Circular No. 373: REVISED GUIDELINES ON THE Pag-IBIG MULTI-PURPOSE LOAN (MPL) PROGRAM FOR NON-IISP BRANCHES

This Circular publishes the revised guidelines of the Pag-IBIG Multi-Purpose Loan (MPL) Program for Non-IISP Branches in pursuant to the authority given to the Management to issue the necessary guidelines to implement the objectives of the MPL Program:

I. OBJECTIVES

The main objective of the program is to have all non-IISP branches become aligned with the specific provisions of the Integrated Information Systems Project (IISP) guidelines as a prelude to actual implementation of the aforementioned guidelines.

II. COVERAGE

The guidelines shall cover all multi-purpose loan (MPL) transactions, except those made under the Short-Term Loans Management System of the Integrated Information Systems Project (STLMS – IISP)

III. LOAN PURPOSE

The purpose of the loan is to provide financial assistance to Pag-IBIG members for:

- a. Minor home improvement/ home renovation/ upgrades;

- b. Livelihood/ additional capital in small business;
- c. Tuition/ educational expenses;
- d. Health and wellness; etc.

IV. BORROWER'S ELIGIBILITY

The program shall be open to a Pag-IBIG member who satisfies the following requirements:

1. Has made at least twenty-four (24) monthly membership savings (MS);
 - 1.1 A member who has withdrawn his MS, cannot obtain an MPL unless and until after he has subsequently paid 24 MS following the month of said withdrawal.
 - 1.2 A member who does not meet the required 24 MS may nevertheless, be allowed to avail of an MPL if his total savings is at least equivalent to 24 MS, at the rate applicable to him.
2. Has made at least one (1) MS within the last six (6) months prior to the date of loan application;
3. If with existing Pag-IBIG housing loan, the account must not be in default as of date of application;

4. If with existing MPL and/ or calamity loan, the account/s must not be in default as of date of application;
5. Submission of sufficient proof of income.

V. LOAN AMOUNT

A qualified Pag-IBIG member shall be allowed to borrow an amount based on the lowest of the following: desired loan amount, loan entitlement, capacity-to-pay.

1. Desired Loan Amount
 2. Loan Entitlement
 - 2.1 Equivalent to eighty percent (80%) of TAV
 - 2.2 However, if the borrower has an existing calamity loan, the loanable amount shall be the difference between the eighty percent (80%) of the borrower's TAV and the outstanding balance of his calamity loan.
 3. Capacity-to-Pay
- The loanable amount shall be limited to an amount which will not render the borrower's Net Take Home Pay (NTHP) to fall below the minimum requirement as prescribed by the General Appropriations Act (GAA) or company policy, whichever is applicable.

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VI. INTEREST RATE

The loan shall bear an interest at the rate of 10.75% per annum for the duration of the loan.

VII. LOAN TERM

The loan shall be repaid over a maximum period of twenty-four (24) months with a grace period of two (2) months.

VIII. LOAN RELEASE

The loan proceeds shall be released through any of the following modes:

1. Crediting to the borrower's cash card/ disbursement card;
2. Crediting to the borrower's bank account through LANDBANK's Payroll Credit Systems Validation (PACSVL);
3. Check payable to the borrower. However, when the check remains unclaimed for a period of thirty (30) calendar days from the DV/Check date, the loan shall be cancelled.
4. Other acceptable modes of disbursement.

IX. LOAN PAYMENTS

1. The loan shall be repaid in equal monthly payments.

2. For self-employed individuals, overseas Filipino Workers (OFWs), or other types of individual payors, monthly payments shall be paid over-the-counter or any other modes of payment approved by the Fund.

3. Payments shall be remitted to the Pag-IBIG Fund or before the fifteenth (15th) day of each month, starting on the third (3rd) month following the date on the DV/Check or manual disbursement voucher.

4. If the due date falls on a non-working day, the monthly amortization shall be paid on the first working day after the due date.

5. The borrower may fully pay the outstanding balance of the loan prior to loan maturity.

6. The borrower shall pay directly to the Pag-IBIG Fund in case the borrower is unable to pay through salary deduction for any of the following circumstances:

- 6.1 Suspension from work

- 6.2 Leave of absence without pay

- 6.3 Insufficiency of take home pay at any time during the term of the loan; or

- 6.4 Other circumstances analogous to the foregoing.

X. EFFECTIVITY

These guidelines shall take effect immediately for Non-IISP branches and until the new short-term loan systems under the IISP is already operational in the branch.

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Circular No. 374: REVISED GUIDELINES ON THE Pag-IBIG MULTI-PURPOSE LOAN (MPL) PROGRAM UNDER THE SHORT-TERM LOANS MANAGEMENT SYSTEM OF THE INTEGRATED INFORMATION SYSTEMS PROJECT (STLMS-IISP)

Pursuant to the authority given to the Management to issue the necessary guidelines to implement and for the furtherance of the objectives of the MPL program, the **Revised Guidelines on the Pag-IBIG Multi-Purpose Loan (MPL) Program under the Short-Term Loans Management System of the Integrated Information Systems Projects (STLMS-IISP)** are hereby issued:

I. COVERAGE

The guidelines shall apply to all multi-purpose loan (MPL) transactions that are made under the Short Term Loans Management System of the Integrated Information Systems Project (STLMS-IISP)

II. LOAN PURPOSE

To provide financial assistance to Pag-IBIG members for:

- a. Minor home improvement/ home renovation/ upgrades;
- b. Livelihood/ additional capital in small business;
- c. Tuition/ educational expenses;
- d. Health and wellness; etc.

III. BORROWER'S ELIGIBILITY

The program shall be open to a Pag-IBIG member who satisfies the following requirements:

3.1 Has made at least twenty-four (24) monthly membership savings (MS);

3.1.1 A member who has withdrawn his MS due to membership maturity, or who has optionally withdrawn his MS, cannot obtain an MPL unless and until after he has subsequently paid 24 MS following the month of said withdrawal.

3.1.2 A member who does not meet the required 24 MS may nevertheless, be allowed to avail of an MPL if his total savings is at least equivalent to 24 MS, at the rate applicable to him.

3.2 Has made at least one (1) MS within the last six (6) months prior to the date of loan application;

3.3 If with existing Pag-IBIG housing loan, the account must not be in default as of date of application;

3.4 If with existing MPL and/ or calamity loan, the account/s must not be in default as of date of application;

3.5 Submission of sufficient proof of income.

IV. LOAN AMOUNT

A qualified Pag-IBIG member shall be allowed to borrow an amount based on the lowest of the following: desired loan amount, loan entitlement, capacity-to-pay.

1. Desired Loan Amount
2. Loan Entitlement

2.1. Equivalent to eighty percent (80%) of TAV

2.2. However, if the borrower has an existing calamity loan, the loanable amount shall be the difference between the eighty percent (80%) of the borrower's TAV and the outstanding balance of his calamity loan.

3. Capacity-to-Pay

The loanable amount shall be limited to an amount which will not render the borrower's Net Take Home Pay (NTHP) to fall below the minimum requirement as prescribed by

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the General Appropriations Act (GAA) or company policy, whichever is applicable.

V. INTEREST RATE

The loan shall bear an interest of 10.5% p.a (equivalent rate of 17.50% based on diminishing principal balance), with interest during the grace period shall be amortized equally over the term of the loan.

VI. LOAN TERM

The loan shall be repaid over a maximum period of twenty-four (24) months with a grace period of two (2) months.

VII. LOAN PAYMENTS

7.1 The loan shall be repaid in equal monthly payments.

7.2 For self-employed individuals, overseas Filipino Workers (OFWs), or other types of individual payors, monthly payments shall be paid over-the-counter or any other modes of payment approved by the Fund.

7.3 Payments shall be remitted to the Pag-IBIG Fund on or before the fifteenth (15th) day of each month, starting on the third (3rd) month following the date on the DV/ Check or manual disbursement voucher.

7.4 If the due date falls on a non-working day. The monthly amortization shall be paid on the first working day after the due date.

7.5 The borrower may fully pay the

outstanding balance of the loan prior to loan maturity.

7.6 The borrower shall pay directly to the Pag-IBIG Fund in case the borrower is unable to pay through salary deduction for any of the following circumstances:

7.6.1 Suspension from work

7.6.2 Leave of absence without pay

7.6.3 Insufficiency of take home pay at any time during the term of the loan; or

7.6.4 Other circumstances analogous to the foregoing.

8. EFFECTIVITY

These guidelines shall take effect immediately.

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MEMORANDUM CIRCULAR NO. 2, s.2017: 2017 FILING OF ANNUAL FINANCIAL STATEMENTS AND GENERAL INFORMATION SHEET

This Circular provides the following measures in the filing of annual reports to maintain an organized and orderly filing of Audited Financial Statements (AFS) and General Information Sheet (GIS).

AUDITED FINANCIAL STATEMENTS OF COMPANIES WHOSE FISCAL YEAR ENDS ON DECEMBER 31, 2016:

All corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations, shall file their AFS depending on the last numerical digit of their SEC registration or license number in accordance with the following schedule:

| | | |
|----------------------|---|---------|
| April 17,18,19,20,21 | : | 1 and 2 |
| May 2,3,4,5 | : | 3 and 4 |
| May 8,9,10,11,12 | : | 5 and 6 |
| May 15,16,17,18,19 | : | 7 and 8 |
| May 22,23,24,25,26 | : | 9 and 0 |

The above filing schedule shall not apply to the following corporations:

Those whose securities are listed on the Philippine Stock Exchange (PSE) and those whose Securities are registered but not listed in PSE and Public Companies covered under Sec.17.2 of the Securities Regulation Code (SRC). These entities shall continue to observe the due date of filing of their AFS (within 105 calendar days after the end of fiscal year) as attachment to their Annual Reports (SEC Form 17-A), in accordance with the Implementing Rules and Regulations of the Securities Regulation Code.

GENERAL INFORMATION SHEET (GIS)

All corporations shall file their GIS within 30 calendar days from:

Stock Corporations – date of actual annual stockholders’ meeting

Non-Stock Corporation – date of actual annual members meeting

Foreign Corporations – anniversary date of the issuance of the SEC License.

For the full version of the Circular, please visit the SEC website: <http://www.sec.gov.ph>

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**Memorandum Circular No. 3, s. 2017:
Consolidated Schedule of Fees and
Charges**

This Circular provides the list of all the fees and charges to be imposed and collected by the Securities and Exchange Commission.

| REGISTRATION AND FILING FEES | |
|--|--|
| Articles of Partnership | 1/5 of 1% of the Partnership's Capital but not less than P 2,000 |
| Increase in Capital Partnership | 1/5 of 1% of the Partnership's Capital but not less than P 2,000 |
| Amended Article of Partnership | P 2,000 |
| Deed of Assignment of Partner's Interest | P 2,000 |
| Articles of Dissolution of Partnership | P 1,000 |
| Affidavit of Withdrawal of Partner | P 1,000 |
| Affidavit of Incorporation | |
| A. Stock corporation with par value | 1/5 of 1% of the authorized capital stock but not less than P 2,000 or the subscription price of the subscribed capital stock whichever is higher |
| B. Stock corporation without par value | 1/5 of 1% of the authorized capital stock computed at P 100 per share but not less than P 2,000 or the issue value of the subscribed capital stock whichever is higher |
| Articles of incorporation of Non-Stock Corporation | P 1,000 |
| By-Laws of Both Stock and Non-Stock Corporation | P 1,000 |
| Amended Articles of Incorporation | |
| A. Stock Corporation | P 1,000 |
| B. Non-Stock Corporation | P 1,000 |

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|---|--|
| Amended Articles of incorporation where amendment consist of extending the term of corporate existence | 1/5 of 1% of the Authorized Capital stock but not less than P 2,000 |
| • Stock Corporation with par value | 1/5 of 1% of the authorized capital stock but not less than P 2,000 or the subscription price of the subscribed capital stock whichever is higher |
| • Stock Corporation without par value | 1/5 of 1% of the authorized capital stock computed at P 100 per share but not less than P 2,000 or the issue value of the subscribed capital stock whichever is higher |
| • Non-Stock Corporations | P 2,000 |
| Amended Articles of Incorporations re: conversion/ reclassification of shares/charge in par vale | P 2,000 |
| Amended By-Laws of both Stock and Non-Stock Corporation | P 1,000 |
| Increase of Capital Stock | |
| A. Corporation with par value | 1/5 of 1% of the increase in capital stock but not less than P 3,000 or the subscription price of the subscribed capital stock whichever is higher |
| B. Corporation without par value | 1/5 of 1% of the increase capital stock computed at P 100 per share but not less than P 3,000 or the issue value of the subscribed capital stock whichever is higher |
| Decrease of Capital Stock | |
| A. Return of Capital | P 5,000 |
| B. All Others | P 3,000 |
| Merger or consolidation of corporation | |
| A. Merger | 1/5 of 1% of the equity of the absorbed corporation/s but not less than P 3,000 |
| In case with simultaneous filing of application for increase of authorized capital stock the surviving corporation | Filing fee for increase in capital stock or filing fee for Merger whichever is higher but not less than P 3,000 |
| B. In consolidation where the total equity of constituent corporations is different from authorized capital of the consolidated corporation | 1/5 of 1% of total equity of the constituent corporations or the filing fee for Articles of Incorporation whichever is higher but not less than P 3,000 |

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|---|---|
| Valuation of Consideration for shares of stock | 1/5 of 1% of the value of share of stock to be issued but not less than P 3,000 |
| Equity Restructuring | |
| A. To wipe out existing deficit | P 5,000 |
| B. To create additional paid in capital | 1/5 of 1% of the amount infused but not less than P 5,000 |
| C. Quasi Reorganization | |
| Stock/Cash dividend of up to P 50,000,000 declared by the corporation whose securities are not listed | P 500 |
| Stock/Cash dividend of over P 50,000,000 declared by the corporation whose securities are not listed | P 1,000 |
| Property Dividend Declaration | P 1,000 |
| Dissolution via shortening of corporate term | |
| A. Stock Corporation | P 1,000 |
| B. Non Stock Corporation | P 500 |

To view the complete list, please visit the SEC website:
<http://www.sec.gov.ph>

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Circular No. 2017-002: Grant of P1,000.00 Additional Benefit for Disability, Retirement, and Death Pensioners Effective January 2017

The grant of additional benefit of P1,000.00 to all permanent disability, retirement, and death pensioners effective 01 January 2017 has been approved by the President of the Philippines, Rodrigo Roa Duterte.

The P1,000.00 additional benefit shall be paid as differentials for regular pensions for the months of January, February, and March 2017, in three (3) separate runs as follows:

| Item | Withdrawal Date |
|-----------------------|-----------------|
| January 2017 Pension | 03 March 2017 |
| February 2017 Pension | 10 March 2017 |
| March 2017 Pension | 17 March 2017 |

Pensioners shall start to receive the updated amount of their monthly pension by April 2017.

To view the full version of the Circular, please visit the SSS website: <http://www.sss.gov.ph>

SMC No. 04-2017: Term Limit of Independent Directors

The Commission amends its rules on the term limit of independent directors to promote and strengthen board independence. The rules are as follows:

1. A company's independent director shall serve for a maximum cumulative term of nine (9) years;
2. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director;
3. In the instance that a company wants to retain as independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek

shareholder's approval during the annual shareholders' meeting; and

4. Reckoning of the cumulative nine-year term is from 2012.

This Memorandum Circular shall take effect immediately.

To view the full version of the Circular, please visit the SEC website: <http://www.sec.gov.ph>

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We welcome your suggestions and feedback so that the Outsourcing brief may be even more useful to you. Please get in touch with us if you have any comments and if it would help you to have the full text of the materials in the Outsourcing brief.

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