

MEMORANDUM ORDER NO. 73

**ENSURING THE COLLEGIAL DECISION MAKING PROCESS OF THE  
SECURITIES AND EXCHANGE COMMISSION**

**WHEREAS**, the Securities and Exchange Commission (SEC) is under the direct administrative supervision of the Office of the President;

**WHEREAS**, the President has the power of control over all executive departments, bureaus and offices;

**WHEREAS**, Presidential Decree No. 902-A, as amended, provides that the SEC shall be a collegial body composed of a Chairman and four Associate Commissioners to ensure that all decisions of the Commission are passed upon by the collective effort of its members as a more reliable measure of protection to the public;

**WHEREAS**, in line with the Administration's policy on transparency in the official conduct of Government business and the fight against graft and corruption in government, there is a need to ensure that the collegial decision making of the SEC as mandated by law is faithfully executed;

**NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the following:

1. Securities, franchises, licenses or privileges shall not be registered, granted, suspended, dissolved or revoked except by authority of the Commission *en banc*.
2. Penalties of whatever nature on any transaction or entity supervised or regulated by the SEC shall not be imposed, condoned or reprimanded except by authority of the Commission *en banc*.
3. Cease and desist orders, freeze orders or any other provisional sanction or remedy shall not be issued except by authority of the Commission *en banc*.
4. Applications by any corporation, partnership or association for registration or dissolution, increase or decrease of capital, merger or



consolidations, or for approval of any other acts or transactions which require approval by the SEC shall not be approved, denied, deferred or otherwise acted upon except by authority of the Commission *en banc*.

5. Investigations of any transaction or entity under the supervision or regulation by the SEC shall not be conducted, or any proceedings commenced against it, and no order of whatever nature or character, or decision in any matter being heard or investigated by the SEC or of any of its officers shall be issued or rendered except by authority of the Commission *en banc*.

6. Any detail, reassignment, promotion, transfer, reinstatement, re-employment, demotion, separation and any other action or movement of personnel from the rank of chief of division or higher including all Hearing Officers and Head Executive Assistants shall be with the consent of the Commission *en banc*. No case or matter being handled by any hearing officer, auditor, investigating officer or examining officer shall be reassigned to another without the consent of the Commission *en banc*.

7. The creation, abolition, closure or re-opening of any department, group or body within the SEC, whether permanent or ad hoc, or of any branch or extension office shall be by the authority of the Commission *en banc* and subject to existing laws, rules and regulations on reorganization of government agencies.

8. The Commission *en banc* is directed to adopt and promulgate rules and procedure to ensure compliance with the foregoing. It is also directed to adopt its rules and procedure to govern its meetings and sessions. Non-adoption of said rules shall not in any way defer the effectivity of the provisions of this Order. Until such rules are adopted, the Commission shall exercise its powers through the adoption of resolutions as the Commission *en banc* may from time to time deem necessary and appropriate.

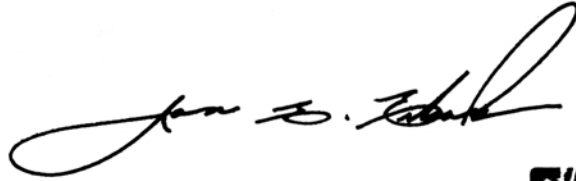
9. SEC Memorandum Circular dated 7 July 1997, SEC Memorandum Circular No. 1 dated 8 January 1999 and SEC Memorandum Circular No. 12 dated 15 June 1999 are hereby repealed. All orders, issuances, rules and regulations or any part thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

10. This Memorandum Order shall take effect immediately.



**DONE** in the City of Manila, this 6<sup>th</sup> day of September, in the year of our Lord, nineteen hundred and ninety nine.

By the President:



**RAMON B. CARDENAS**  
Acting Executive Secretary



  
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