

# ugnayan

## IRR of the Microfinance NGOs Act signed by DOF, DTI, DSWD, and SEC



(SEATED FROM LEFT) SEC CHAIRPERSON TERESITA J. HERBOSA, DOF SECRETARY CARLOS G. DOMINGUEZ, SENATOR PAOLO BENIGNO "BAM" AQUINO IV, FORMER CONGRESSMAN PABLO R. NAVA III, DTI SECRETARY RAMON M. LOPEZ AND DSWD UNDERSECRETARY MAE FE TEMPLA. (STANDING FROM LEFT) MR. JOSEF LERON OF CARD MRI, MR. SONNY GUIANG OF KAZAMA GRAMEEN, MR. EDUARDO MENDOZA OF TSPI, MR. EDUARDO JIMENEZ OF KMBI, MS. MARIA ANNA IGNACIO OF KASAGANA-KA, FR. JOSE VICTOR LOBRIGO OF SEDP-SIMBAG SA PAG-ASENSO, INC., MR. ROLANDO B. VICTORIA OF ASKI, MR. ANGELO SOLARTE OF TSKI, AND MS. MILA BUNKER, MEMBER OF THE MCPI ADVISORY COUNCIL.

On August 16, 2016, the Implementing Rules and Regulations (IRR) of the Microfinance NGOs Act – Republic Act No. 10693, also known as “An Act Strengthening Nongovernment Organizations Engaged in Microfinance Operations for the Poor” was signed at the Ayuntamiento Building, Intramuros, Manila.

Present during the signing were the permanent members of the Microfinance NGOs Regulatory Council (MNRC) led by Chairperson Teresita J. Herbosa of the Securities and Exchange Commission (SEC), Secretary Carlos G. Dominguez of the Department of Finance (DOF), Secretary Ramon M. Lopez of the Department of Trade and Industry (DTI), and Undersecretary Mae Fe Templa representing Secretary Judy Taguiwalo of the Department of Social Welfare and Development (DSWD). Also present were Senator Paolo Benigno “Bam” Aquino IV, Former Congressman Pablo R. Nava III, and key leaders from the microfinance sector.

The Microfinance NGOs Act aims to strengthen non-government microfinance institutions (MFIs) in their pursuit of community development and improvement in the socio-economic welfare of the poor and other basic and marginalized sectors. Microfinance NGOs shall be required to obtain accreditation from the MNRC in order to fully enjoy the benefits accorded to them under the law. The IRR contains the accreditation criteria including financial and social performance, and governance standards for microfinance NGOs. An accredited MF NGO shall only be subjected, in lieu of all national taxes, to a two percent tax based on its gross receipts from microfinance operations. Gross receipts refers to lending activities and insurance commissions which are bundled and forming an integral part of the lending activities of Microfinance NGOs.

# Realizing the Sustainable Development Goals through Microfinance: The 2016 MCPI Annual Conference

The Microfinance Council of the Philippines, Inc. (MCPI) held its 2016 Annual Conference with the theme Realizing the Sustainable Development Goals through Microfinance on July 28-29, 2016 at the Century Park Hotel, Manila. The conference convened more than 400 microfinance practitioners, funders, government institutions, donors, investors and other development organizations to discuss the Sustainable Development Goals (SDGs) and the role of microfinance in achieving these key development targets.

In his keynote speech, Senator Paulo Benigno “Bam” Aquino IV talked about the journey taken by supporters of microfinance in the legislative branch and key microfinance leaders for the approval of Republic Act No. 10693, also known as the Microfinance NGOs Act. Senator Aquino underscored the need to explain and clarify misconceptions about the microfinance sector which helped push the microfinance agenda in the Senate and Congress. Senator Aquino assured his continuous support to *nanays* so they can graduate from micro to SMEs.

Vice President Maria Leonor “Leni” Robredo, through her representative, Ms. Georgina Hernandez, lauded MFIs for their contribution to poverty



reduction and noted MFI's perfect position to help since they know the landscape of the poor. In her new role as overseer of housing programs, the VP said she has a lot to learn from the successes of microfinance in the Philippines. In addition to managing loan portfolios, the VP indicated that the poor should also be taught the value of savings and use of market-based principles in managing their businesses.

During the opening plenary, UNDP Philippines Country Director Titon Mitra provided an introduction to the SDGs. Mr. Mitra emphasized the need for public awareness, multi-stakeholder approaches, monitoring, reporting, and accountability to attain the SDGs in the Philippines. The opening plenary was followed by a session on government, microfinance and private sector initiatives helping drive the SDGs.

The two-day conference was devoted to breakout sessions that tackled areas within the key development targets the microfinance sector can contribute to, including sustainable agriculture, water and sanitation, health, clean energy, resilient human settlements, and disaster risk reduction and management. The insights of speakers were complemented by the sharing of experiences of microfinance clients, including Persons with Disabilities (PWDs) currently being served by one MFI, Kasagana-ka Development Center, Inc. (KDCl).

At the end of the conference, the importance of a multi-stakeholder



approach in achieving the key development goals was emphasized and the support of the microfinance sector in government's initiatives to end poverty was reassured. It was concluded that the microfinance sector can help achieve the SDGs through implementation of services beyond microfinance, enhancing relationship with clients, and maintaining linkages with government, private sector, and local communities.

Prior to the Annual Conference, new members and officers of the MCPI Board of Trustees were elected during the Annual General Meeting of Members last July 27, 2016. The new Board members who will serve MCPI from August 2016 to July 2017 are: Fr. Jose Victor Lobrigo of SEDP-Simbagsa Pag-asenso, Inc. (Chairperson); Mr. Eduardo C. Jimenez of Kabalikang para sa Maunlad na Buhay, Inc. (Vice-Chairperson); Ms. Marilyn M. Manila of CARD, Inc. (Corporate Secretary); Mr. Kamrul H. Tarafder of ASA Philippines Foundation (Treasurer); Mr. Angelo B. Solarte of Taytay Sa Kauswagan, Inc. (Internal Auditor); and Dr. Cecilia D. del Castillo of Negros Women for Tomorrow Foundation, Inc., Ms. Ma. Teresa G. Catipay of RAFI Microfinance, Mr. Gadwin Handumon of Paglaum Multi-Purpose Cooperative, and Mr. Rolando B. Victoria of Alalay Sa Kaunlaran, Inc. (Members).

Presentations during the 2016 Annual Conference can be downloaded here: <http://www.microfinancecouncil.org/2016-annual-conference-materials-and-presentations>.

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