



CAPITAL MARKETS: QUO VADIS?



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OPENING OF CLASSES
August 24, 2020
(Public Schools)



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CAPITAL MARKETS: QUO VADIS?



by Dr. Amy H.C. Ylagan



Antonio was a wealthy and powerful nobleman in 16th century Venice, hub of economic flurry in the triumphant dawning of the capital markets in Europe. He is the protagonist in William Shakespeare's morality play, *The Merchant of Venice*, which opens Act I in the Rialto, the stock exchange of Venice. Antonio was a merchant capitalist, in today's financial language, a "venture capitalist" – for he owned trading ships and financed others that set forth with wool and luxury goods from Italy to the East, to come back laden with spices, tea, silk, gold and silver, and many wondrous new goods from the other side of the world.

The cutting conflict in *The Merchant of Venice* is provided by the antagonist Shylock, whose name to this day is synonymous with "cunning usurer," unfortunately with some vestiges of anti-Semitism against money-lending Jews during Shakespeare's writing. Note that the Catholic Church in the 16th century banned collecting interest on loans (which was called "usury" at whatever rate) at the time *The Merchant of Venice* was written by Shakespeare. The play also depicted that in Judaism, Jews were likewise forbidden to charge interest on loans to fellow Jews, but were allowed to lend with interest to non-Jews. In this rife double standard, Shylock lends 3,000 ducats to his arch-enemy and rival in financial business, Antonio, for three months, collateralized by a bond signed by Antonio against his anticipated revenues

from trading ships just dispatched.

It was the proud Antonio – he who spat with disdain at the usurer – who had to borrow from Shylock on behalf of Bassanio, who in turn wanted to invest in Antonio's current project, a trading ship setting out for the East. Bassanio needed cash even before the money would come back from his equity participation in Antonio's venture because he was going to woo and wed the rich heiress Portia – his personal "project." And so Antonio was effectively a guarantor for a loan that was really Bassanio's. But Shylock considered the loan Antonio's for his better credit rating, and to humiliate Antonio for his bigotry against Jews. Shylock cunningly agreed to an unprecedented no-interest loan – but with the damning colatilla that if the bond issued by Antonio would be worthless (if the trading ships sank, for example), Shylock shall slice a pound of flesh from Antonio as payment for the principal of 3,000 ducats.

As it happened, Antonio's ship was reported lost at sea in a storm. Shylock said no to the payment of three times the 3,000 ducats principal, as offered by Bassanio (which was to be funded by Antonio, anyway), that's not the contract. "I want my pound of flesh from Antonio," he insisted. Put aside the very much-hinted homosexual relationship between Antonio and Bassanio – but why did Antonio, likewise known to be shrewd like Shylock, agree to such an onerous loan agreement that would exact a pound of flesh from him? Did he not

analyze and measure his risks? In rhetorical hyperbole: did he not work out the standard deviation of historical outcomes of his merchant ship projects to determine volatility and risk of the current venture? Seriously, many merchant ships similar to his had sunk or were lost at sea in those over-eager outward voyages for trade and colonization.

Risk has always been the most basic consideration in financial and investment transactions 500 years ago, in the time of *The Merchant of Venice*, as it is today, in the convoluted evolution of instruments and vehicles derived from the more basic proofs of indebtedness or contracts to buy or sell. Shakespeare's clever allegory of the risks in the financial and capital markets in Venice highlights the difference between borrowers/lenders and investors/equity holders in the levels of risk versus returns.

Though the shrewd Shylock was exposed to counterparty risk (default of the borrower, Antonio), he was doubly covered because of the collateral (the equity participation certificate of Bassanio in Antonio's project) and if that failed as it did, then the pound of flesh payment would be called upon. Bassanio in effect shorted his equity participation by surrendering it to Antonio in exchange for the 3,000 ducats cash that Antonio borrowed from Shylock for him. Antonio's position was open and uncovered while Bassanio was hedged, covered, and really had no open risk. He was perhaps shrewder than Shylock ever was – and maybe a user who banked on Antonio's love for him. Antonio broke a cardinal rule in finance: never mix business with emotion. "Grieve not that I am fall'n to this for you," Antonio says to Bassanio when Shylock insists on slicing off payment in the pound of flesh from Antonio (Act 4 Scene 1). "Love is blind and lovers cannot see," was the looming epitaph for Antonio's failed gambit (Act 2 Scene 6).

Clear vision is needed for the investor to know the risks in the financial and capital markets, as well as in business in general. There is always the chance that expected values for the investment made will differ at the end. In fact there will always be the possibility of losing some or all of the investment. Business-specific risks like product quality, regulation, competition, management, and other



Rialto stock exchange in medieval Venice

idiosyncrasies of the business are assumed by the equity or bond buyer, but can be mitigated by portfolio diversification. However, diversification will not have lessened risk for an investor in the capital markets for systematic risk that can include interest rate risk, inflation risk, currency risk, liquidity risk, country risk, and sociopolitical risk affecting the entire economy or a large

percentage of the total market. Yet knowing the risk-return trade off – the greater the risk, the greater the potential return – there are still many speculators who will gamble for higher gains. Such was the character flaw of the merchant capitalist Antonio: that he gambled.

Usually there are many who challenge and test the risk-return trade-off when the market tips with the weight and the pressure. Then the reaction can be herd panic, and a crash inevitably happens. From the times of the British East India Company and similar chartered joint stock companies in the 1600s and 1700s, to the takeover by America and England of the stock and bond markets in the 1800s, the exhilaration of markets and subsequent disappointments brought heady boom-and-busts causing panic in discernible cycles of approximately every 10 years. Fast-forward to the "Panic of 1901" while the US was in a severe drought and the economy was very low, causing the first crash of the New York Stock Exchange, which had a bigger crash in 1929 that led to the Great Depression of the 1930s. The world reeled with a succession of recessions and depressions causing market crashes before, during, and after the World Wars and into the 20th century rehabilitation and global economic booms.

The Keynesian economics of assisted growth that was the formula for rehabilitation and reconstruction after the World Wars prevailed and persisted in the modern times and institutionalized democratic capitalism as the way of life for most of the world. War, the supreme equalizer, had rearranged and redistributed capital. Stock exchanges flourished in the surge of demand for public participation in companies and businesses, and banks grew in the relaxation of credit and lending to many who then had more opportunities to lift their status in life and enjoy their freedoms and rights. The middle class found prominence and influence, while capital and financial markets roused

and caroused in their glory in the capitalist competition for money and power.

The inordinate desire for more money and power by the greediest investors has created aberrations in the market by their schemes and scams, causing market failure and collapse in too many examples since the 1960s (roughly when credit facilities eased, and the credit/charge card was gaining popular usage). The declining concern for interest rate caps and the blurring of legal definitions of what was onerous interest made usury laws irrelevant. There was profligate credit. Transparency in financial transactions was spoofed by stringent bank secrecy laws, safe havens, and special purpose vehicles for tailor-made transactions. Derivatives and “creative” financial products abetted “too much borrowing, foolish

closely, and to rely on stock indices as well as interest and foreign exchange charts to discern logical action and reaction to market changes. Computerization and information technology has made decisions easier and more confident for investors, sellers, and brokers in the capital markets. Online transactions and settlements brought portfolio management to real-time efficiency and flexibility. Immediate accounting of assets and liabilities strengthened the integrity of transactions and submitted to compliance requirements of regulators. But of course, hacking of accounts and phishing of client data by unscrupulous tech persons pulled down the confidence in financial technology for all the threatened parties in the busiest and most engaged capital markets.

The 2013 Forbes article that worried about



investments, greedy banks, regulators asleep at the wheel, politicians eager to promote home ownership for those who couldn't afford it (remember the financial meltdown of 2008?)" – warned a 2013 article in Forbes magazine, "Big Banks and Derivatives: Why Another Financial Crisis Is Inevitable."

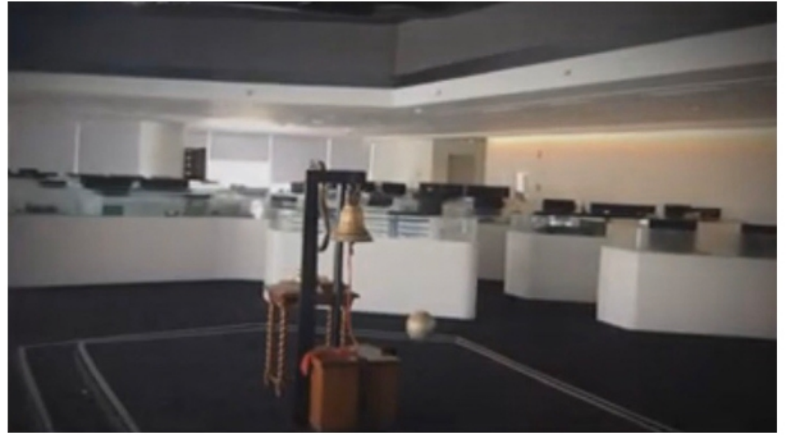
The stock market crash of 2008-2009, the biggest in recent history, was believed to have been caused by the dysfunction of mortgage-backed securities of the US housing sector which were sold by financial institutions to investors, pension funds, and banks starting in 2006. With fewer homeowners able to meet their mortgage loan obligations, mortgage-backed securities plummeted, sending financial institutions into bankruptcy. Investors were unwilling to provide liquidity at the clear risk to their capital. The US Congress stepped in to bail out "too big to fail" banks and bought up the mortgage-backed securities to resuscitate the markets.

The never-ending saga of risks and failures in financial and equities markets have taught investors to look at economic indicators more

Wall Street's last trading day before NYSE's 67-day on-site shutdown

an impending financial crisis bigger than the 2008 crash was happily proven wrong in the surprising boom of the markets in 2019 – despite fears of a global economic slowdown, the escalating trade war between the US and China, and the debated "Brexit" withdrawal of the UK from the European Union. The Standard & Poor's 500 boasted of a 28.5% return, the best since 2013; the tech-heavy Nasdaq did even better with 35%, thanks to trillion dollar companies Apple and Microsoft; and the Dow Jones average was up 22% as at December 30, 2019.

And then the most unexpected happened. The World Health Organization (WHO) on March 11 declared COVID-19 a "public health emergency of international concern" – a pandemic in common understanding, with now over five million cases of the viral illness in over 200 countries around the world and the sustained risk of further global spread. "Do not panic" has been the message of health departments in many countries, as quarantines and lockdowns were nevertheless strictly



imposed to contain the spread of the deadly disease. Social distancing and proper sanitation was imposed, meaning no more travel or commuting. Business activities stopped.

The markets were listless even before the WHO came clean with its careful formal declaration of the pandemic. At end-February, stock markets worldwide reported their largest one-week declines since the 2008 financial crisis and in early March they became extremely volatile with large swings, dropping below levels of the 2008 crash. Global stocks have seen a downturn of at least 25% during the crash, and 30% in most G20 nations. Countries have declared themselves in recession.

But in the two and a half months of world lockdowns since mid-March, stocks rallied after the initial jitters as interest rate cuts were made and government subsidies were poured to alleviate the pain of lost jobs and businesses. "The stock market is not the economy," resuscitated brokers and dealers enthused, as indices climbed despite the undeniable recession. In the Philippines, the PSEi index that had its recent peak at 8198 in November 2019, plunged to 4621 on March 19, jumped to 5421 on March 26, rose to 5857 on April 14, and closed at 5838 on May 29 amid rising numbers of COVID-19 cases, deaths, and recoveries.

This is the first time in the history of capital markets that the status of the economy is not shifting the demand curve leftwards to disinterest in the face of unknown and unquantifiable risks. Maybe it is because to idle minds in quarantine: what is there to lose more than what is already lost in terms of increasing what wealth you have? So investors gamble. Now that prices are low, interest is low, credit is available, payments are allowed to be deferred, and there is hardly any banking activity, no inflows – perhaps the claustrophobia of the

Empty trading floor of PSE's new headquarters at BGC during ECQ/MECQ lockdown

quarantine has made some look at their decimated savings as "crazy money" that can be gambled and lost, what the heck!

It must be human psychology that drives the markets, after all. Fundamentals of the business seem not to have been analyzed, for is anyone sure what businesses will be like one or two years from now, when a vaccine is finally approved and tested for general use? As there have been evident paradigm shifts in global and local economics and finance, there definitely have been paradigm shifts in investors' personal models for wealth preservation and aggrandizement.

Yes, capital markets will continue to live and serve investors, albeit maybe not in the grand manner as before the humbling of investors by the most terrible COVID-19 pandemic. Maybe people will save more instead of the inordinate consumption way beyond needs in the immediate past decades of rapid world economic growth. Since jobs will be decreased, both by the decrease in economic activity after the scourge of the coronavirus and by automation takeover – thanks or no thanks to technology – risk-taking levels will go lower for safety of principal in favor of tempting but risky high returns.

And 500 years from The Merchant of Venice in the Italian Rialto, it seems like the capital markets are in the same unchartered waters that Antonio sent his merchant ships to. Neither the equity investors in his venture nor even he himself knew the risks and uncertainties of their gamble. The same message to investors in today's "new normal" after the pandemic holds true: know your risks, and cover those uncertainties. It may cost you a pound of flesh.

Above all, moderate your greed, Shakespeare says: "All that glitters is not gold. Gilded tombs do worms enfold." (Act 2 Scene 7) [FD](#)

Amelia "Amy" H.C. Ylagan is a FINEX Life Member. Her college degree is AB English Literature, minor in Journalism. She re-engineered herself with an MBA from the Ateneo de Manila University, then a Doctorate in Business Administration from the University of the Philippines (UP) when she was widowed very young, to embark on a career in finance.

Amy worked in two banks and in the finance departments of four big corporations, alongside a parallel career as part-time MBA professor at UP and Ateneo Graduate School of Business, and as adjunct professor at the Asian Institute of Management. She is now retired from corporate work and academe, but continues to write her "Corporate Watch" column in BusinessWorld newspaper for some 20 years now.

INCOMPREHENSIBLE: CLASSES SANS VACCINE

MARKET MONITOR



by Edwin V. Fernandez

In a departure from President Duterte's statement that schools are unlikely to resume unless a vaccine is found, the Department of Education issued a statement that enrollment begins in June and classes will start in August. This DepEd decision is incomprehensible at many levels:

1. The COVID-19 pandemic is still very much around and the confirmed cases continue to rise together with the death toll, albeit at a less steep rate. While this would seem to indicate that treatment protocols are improving through a better experience from our frontliners in understanding the virus' behavior, this doesn't mean safety measures should not continue to be pursued. It has been painfully apparent that even notionally healthy or asymptomatic people, who are viewed as virus-free, can be carriers. While the consequences of a serious infection are daily being splashed in media, it is good to remind authorities that the disease has a high fatality rate and very expensive treatment cost, with no guarantee of recovery.

2. To prevent the spread of the disease, rigid safety measures have to be adopted. These measures have consequences on the opening of classes. Scientists say an effective vaccine would at best be available only by December 2020, and if the standard rigid testing procedures are to be adopted, December 2021 is a more likely date for the development and mass production of a vaccine. Even assuming that the vaccine will be available by September 2020 as President Trump pompously declared, DepEd is gambling with the lives and health of our students.

3. Physical distancing is the most basic safety measure to minimize the spread of the virus. This alone will have one of the most serious impacts on the early resumption of classes. At the start of schoolyear 2019-2020, the number of classrooms available was barely enough to accommodate 22 million students in public schools and

a little over three million in private schools. If physical distancing is to be implemented, then it stands to reason that to fit the standard class size of 40 per room, we will need more than double the number of classrooms to fit the new normal as each student will occupy roughly double the space occupied under the old order. To exacerbate the situation, there will be a migration of about 33% of students from private schools as parents or guardians struggle in making ends meet to afford enrolment.

4. Transportation logistics to move about 70% of students from home to school and back with physical distancing are enormous. Physical distancing requirements would involve 15.5 million students – further complicated by the fact that under the current fare regime with enforced fewer number of passengers per vehicle, the economics of the matter dictates that any trip for jeepneys or buses is going to result in losses.

5. The method of instruction is still unclear. While DepEd has touted that it will deliver the learning through the Internet and radio broadcasts, the specific modules and procedures for instruction and grading are nebulous at best. With the exception of a few pilot schools, most of which are better-funded science high schools, this has never been attempted at the scale that DepEd needs to go nationwide. Just the training and instruction of 400,000 teachers on using the Web to teach and grade is a task that DepEd has not yet even remotely started.

Thus, to start the schoolyear in August, given the foregoing considerations, is ill-conceived and may be downright foolhardy. Starting the schoolyear at some later date, perhaps January 2021, would be better advised.

From a purely rational standpoint, the risk-reward of such a venture is highly stacked on failure and the upside is so small. The infection of a few thousand schoolchildren with COVID-19 as a result of a rushed opening of classes will be disastrous for our government. And expensive too, a price the government will be hard pressed to pay. [FD](#)

OPENING OF CLASSES

August 24, 2020
(Public Schools)



THE STRUGGLES OF ABS-CBN

ONE VOICE



by **Bingo P. Dejaresco III**

It was a double tragedy for the Filipino people. During this pandemic when fear and hunger drove the masses to seek legitimate information and cheap entertainment, the nation's largest broadcast network was issued a cease and desist order by the National Telecommunications Commission on May 4, 2020.

Our cook, nearly in tears, asked us if the network will ever be back. It was her only balm to face a global plague away from her family in Bacolod. It was the same feeling for millions of "madlang people" thirsty for (not fake) news who witnessed a network close down.

Who is to blame for ABS-CBN's woes? The President apparently had accepted the network's apology for an election advertising fault and suggested donation of the lost money to charity. Could it be persons ingratiating themselves to the President who left the network's fate to Congress, which has the sole right to grant broadcast contracts?

NTC recently apologized for not giving the network due process in issuing the closure order and making everyone believe it was ready to grant a provisional authority – as it had given to rival GMA7 and others that applied for renewal before their franchise expiry. So why single out ABS-CBN?

Solicitor General Jose Calida alleged his warning to NTC not to grant a provisional authority was in recognition of Congress' exclusive prerogative to do so. But the timing is suspect, only days ahead of the May 4 expiration date.

Why then did Congress not act when the first bill for the franchise renewal was filed way back in July 2019? Why did it drop a compromise proposal to grant a provisional authority up to October 2020? Why opt for a drawn-out debate on a new 25-year franchise, which its Speaker said could happen in August 2020?

Meanwhile, ABS-CBN is allegedly losing P30 million in daily advertising income and continues to pay its highly-salaried stars reportedly getting fixed

salaries with or without projects. By August, the network will be forced to retrench.

One doesn't need to be a rocket scientist to know the administration's antipathy against the network, judging from past cases filed against it which had been legally deflected. Let us count the ways.

ABS-CBN was cleared by BIR for tax deficiency in the last eight years and by NTC for alleged breach of franchise when using its pay-for-view channel. Chairman Emeritus Gabby Lopez' dual citizenship does not deny him full Filipino citizenship and was cleared by SEC as he was born to full-blooded Filipino parents.

SEC likewise ruled that the use of Philippine Depositary Receipts (PDRs) does not encroach into the constitutional requirement of 100% Filipino media ownership. Foreigners holding PDRs don't have voting rights and such transactions are "off-balance-sheet" – an accepted way of raising funds without ceding control. Converting PDRs to stocks remains a mere option until a law is passed allowing foreign ownership of media.

To some, the struggle between the most influential network and an administration with a high public acceptance rating is a test of wills – a battle for public opinion seemingly going the network's way. To others, it is a morality play on the national stage testing a network's right to remain operational in a democracy versus policymakers' carrot-and-stick approach to uphold their own version of the national good.

Fortunately or unfortunately for the administration, this controversial closure happened during the quarantine period. Unfortunate, as millions were focused on the news including the network's shutdown – a headline grabber affecting their very lives. Fortunate, in that the lockdown prevented any mass action to prosper on the streets against the perceived selective persecution of a network they view as benevolent to the Filipino nation for decades.

We shouldn't tempt the gods further and add more fuel to the conflagration that is this pandemic which may make people unnecessarily burn underneath their collars or whatever is left of their shirts – tattered by this ongoing global tragedy caused by a tiny virus. [FD](#)



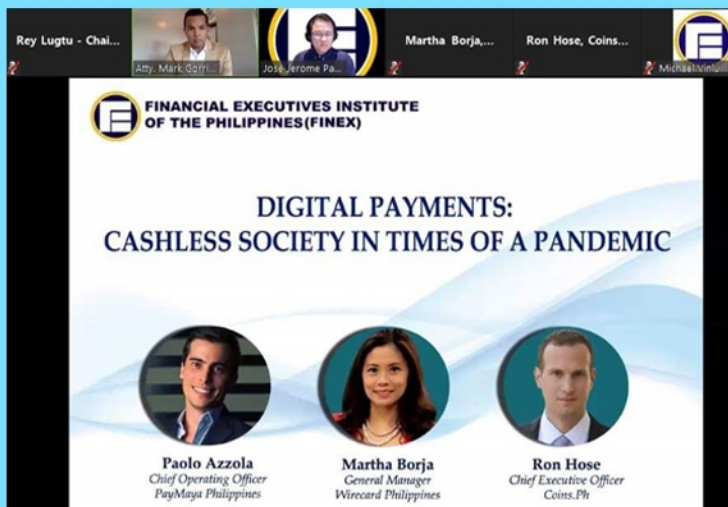
COMMITTEE CLIPBOARD

Capital Markets amid the Outbreak

The Capital Markets Development Committee (CMDC) held its first webinar via Zoom on May 6, 2020 with the theme, "Capital Markets in the Time of COVID-19." The forum discussed how the financial markets can help stabilize the economy from the pandemic fallout and aid in the recovery thereafter. Speakers were Michael Ferrer, CEO of ATR Asset Management; Augusto Bengzon, SVP, CFO and Treasurer of Ayala Land Inc.; and SEC Commissioner Ephyro Luis Amatong. CMDC Vice Chair Malou Cristobal acted as moderator.



E-wallets in the COVID-19 Era



A well-attended, income-generating webinar on "Digital Payments: Cashless Society in Times of Pandemic" was organized by the Information and Communication Technology (ICT) Committee on April 28, 2020. Speakers were Paymaya COO Paolo Azzola, Wirecard General Manager Martha Borja, and Coins.Ph CEO Ron Hose. They discussed the effects of social distancing and the pandemic in driving the growth of e-wallets and digital payments. ICT Committee Chair Rey Lugtu and Vice Chair Mark Gorriceta were the event's emcee and moderator.

Arts in Pandemic Times

FINEX Foundation, through its Arts Committee, conducted a webinar titled "Arts During the Time of Pandemics" held on May 7, 2020. A total of 103 attendees registered in the Zoom webinar that also reached an estimated 4,200 Facebook viewers. BSP Museum Deputy Director Regina Mercedes Cruz, Galerie Joaquin Managing Director Joaquin Teotico, and CNN News Anchor and Director of Content Development Federico Hizon were the invited speakers who shared their thoughts and expertise on the topic.



COMMITTEE CLIPBOARD

FIC, WIFC Sponsor Fund-Raising Fora



The Financial Inclusion Committee (FIC), in partnership with the Women In Finance Committee (WIFC), sponsored a webinar via Zoom titled, "Beyond Financial Inclusion: A Fundraising Effort for the Frontliners and Raising Awareness to Address the Pandemic" held on April 23, 2020.

During the webinar, Senator Sherwin T. Gatchalian discussed the salient points of the Bayanihan Act, his views on the Enhanced Community Quarantine, and the Legislative Agenda moving forward.

Department of Trade and Industry Director Jerry T. Clavesillas talked about the DTI's efforts and MSMEs challenges today.

Other speakers were Jay Fajardo, CEO and Co-Founder of MEDIFI, an online medical consultation platform, and Carlos Ani, Executive Director of Water.org Philippines, who each spoke about their companies' work to further financial inclusion in this time of the pandemic.

Ma. Victoria C. España, Chair of FINEX Academy, emceed the webinar that had 127 attendees, while the moderator was, FIC Chair Griselda "Gay" G. Santos.

The second webinar co-sponsored by FIC and WIFC was held on May 12, 2020, titled "Beyond Financial Inclusion: International Lessons of Experience under the Pandemic".

Alphonse Ibi Kouagou, Alternate Executive Director for Africa Group II of the World Bank, spoke on Africa's Efforts and the Ebola Experience. Roland Michelitsch, Evaluator

General of the African Development Bank, talked about Lessons from Crisis: What Have We Learned? Kobsak Duangdee, Secretary General of the Thai Bankers Association and Chair of the APEC Business Advisory Council, discussed Thailand's COVID-19 Efforts. Julius Caesar Parreñas, Senior Advisor of Mizuho Bank Ltd., presented a program in response to pandemic and other ABAC Country experiences. Hideki Kagohashi, Development Specialist of the International Labor Organization, outlined the systems to bring back jobs safely.

There were 255 attendees for this webinar moderated by FIC Chair Griselda "Gay" Santos and emceed by Marilou C. Cristobal, Vice Chair of the Capital Markets Development Committee.

Registration for both fora was free with an option to donate. Funds generated were channeled to the Kaagapay Project of the Philippine Disaster Resilience Foundation.



COMMITTEE CLIPBOARD

NAC Hosts Webinar on Transport and Mobility

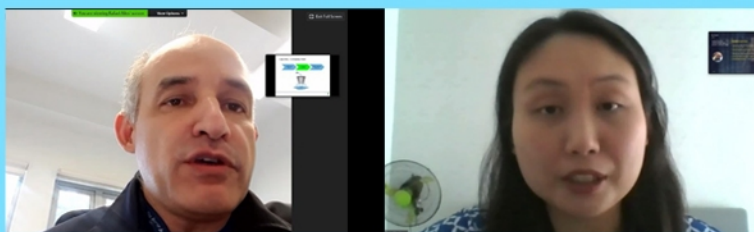
The National Affairs Committee (NAC) hosted its first webinar on May 14, 2020 via Zoom about Averting a Crisis in Public Transportation and Mobility. NAC Chair Eduardo "Eddie" Yap presented his advocacy in reforming the bus system on EDSA. He was followed by Robert "Robbie" Siy, who shared his strategies in averting the crisis of public transportation and mobility. The panelists were Glicerio V. Sicat, a former DOTC Undersecretary; Herminio "Sonny" Coloma Jr., Executive Vice President of Manila Bulletin Publishing Corp.; and Vicente Julian Sarza, Director and COO of Mabuhay Capital.



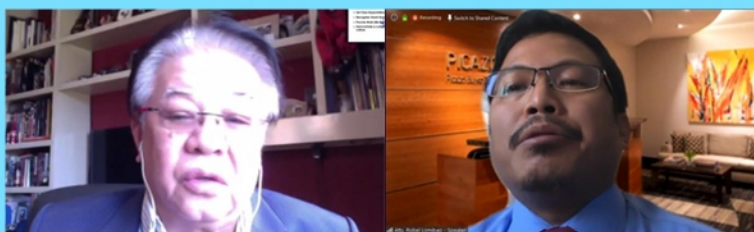
PDC Covers Post-ECQ Issues

The Professional Development Committee, in cooperation with the FINEX Academy, conducted two well-attended webinars last April 14 and April 21.

First was "The Road to Recovery: COVID-19" webinar with two speakers: Stephanie Tan-Hamed, Partner of SGV and Co. who covered "Helping CFOs Navigate the Impact of COVID-19," and Eduardo Olbes, EVP & CFO of Security Bank Corp. who talked about "Addressing Liquidity."



Next was "Managing HR During and After the Lockdown: The Legal Limitations" with the following topics and speakers: "Managing People in Time of the Pandemic: Engaging & Retrenching" by Reynaldo Gener, Executive Director of People Management Association of the Philippines; and "Addressing Labor Issues During and Post-ECQ: Legal Implication of Acts of Bayanihan Law" by Atty. Robel Lomibao, Partner of Picazo Buyco Tan Fider & Santos Law Offices.



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COMMITTEE CLIPBOARD

FINEX FOCUS Goes Online



Lockdown or no lockdown, the news must go on. When the FINEX Board of Directors cancelled the March 18, 2020 General Membership Meeting (GMM) while the enhanced community quarantine (ECQ) protocols had just been imposed on the entire island of Luzon, the Media Affairs Committee decided to convert the monthly FINEX FOCUS into an online newsletter with a reduced number of pages starting with the March 2020 issue.

Previously, the January and February issues both had print versions that were distributed during this year's first and only actual FINEX GMM last February 19, 2020. But since April, the country's foremost finance organization has been holding virtual GMMs as Metro Manila and adjoining regions observed ECQ or modified ECQ protocols.

And there's no telling when actual GMMs would resume under more relaxed rules such as the general community quarantine (GCQ) at present and the next easing of protocols known as modified GCQ, or even under the new normal when all lockdown levels are lifted.

Meanwhile, back issues of FINEX FOCUS and its quarterly sibling, FINEX DIGEST, may be downloaded at www.finex.org.ph by clicking the Media Affairs tab.

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COVID-19 STRESS: A KRYPTONITE?

INNER GARDEN



by Wilma I. Miranda

Have you ever felt suffocated while in quarantine? Do you wake up in the morning anxious of what tomorrow will bring? Are you suffering from difficulty in sleeping? It is a relief that many of us can now go out of our homes due to the lowering of quarantine levels although some still prefer to work from home for very good reasons. Until that time when a vaccine is discovered, it is better to stay away from crowds as much as possible.

This pandemic is not only affecting physical but also mental health. One may not die from COVID-19 but because of stress or depression. Being confined inside the house especially those living in small spaces is no small feat.



Not only confinement is affecting mental health; this crisis is inducing a great degree of anxiety, worry, fear, and insecurity. The problem of ambiguity is also mentally wearing down some people. We always want to take control and our brains want to keep the status quo in place. Disruptions can take a toll in our body.

For instance, in Italy's Lombardy region which is heavily affected, providing access and services for people with developing or existing mental health conditions are now a major concern including that of frontline workers. The World Health Organization is working with partners to address the mental and psychological aspects of COVID-19.

Short-term stress is common in everyday life but the brain finds it difficult to handle long-term stress that can undermine our thinking. In this crisis, we are bombarded with this kind of stress. Everything is so uncertain with our "backs at the wall" feeling helpless like the rest of the world amid uncertainties regarding our health, our family, the

economy, and our own financial and business concerns. Ambiguity, change, and long-term stress form a kryptonite trifecta for our brains according to Forbes magazine.

In fact, stress brought about by economic uncertainties and living under crisis can create more havoc than the disease itself. Aside from eating healthy and getting enough sleep, there are various ways to cope but I will trim it down to what I think are more effective ways of overcoming COVID-19 stress:

1. Take it easy. Discouragement usually happens when you try to do so many things and not be able to accomplish too many goals or too difficult goals impossible to attain.

2. Incorporate exercise in your daily schedule. It does not only help tone the bones but also the stress system so it can tolerate a higher stress level with less reaction and faster recovery. All you need is a 30-minute, moderate-intensity aerobic exercise such as walking, running, or swimming thrice a week.

3. Get out of the house and enjoy the sunshine and nature. Better if you have a garden because I found out during quarantine that taking care of my plants lifted my spirits. I love sitting in the middle of the garden enjoying the fresh air. I have a game with the kids to identify different sounds of birds they can hear, and we plant flowers which bloom non-stop around the garden.

4. Write down what worries you, pray about it, and make action plans.

5. When you go to bed at night release your mind from thoughts about work, home, or social media and tell yourself you need to have enough sleep and rest. Your mind may be active with 4-5 hours of sleep before, but research shows you need at least 7-8 hours of sleep to keep your immunity strong.

There are so many other stress busters, but a study by the University of Florida and Wayne State University shows 96% of participants use prayer to cope with stress and older adults turn to prayer more than any other alternative health therapies. Those who stayed strong in times like these are the ones whose faith is strong.

It may take long before this crisis ends, but those who are prepared physically, mentally, and spiritually will survive. As they say: "Hope for the best, but prepare for the worst." **FD**

Q & A with Santi Dumlao



by **Manny R. Guillermo**

We cannot, in conscience, detach this Q&A segment from the very serious issue of the COVID-19 pandemic that has brought us all an affliction of cataclysmic proportions.

Thus, we posed an additional question to our two featured FINEX members in this issue: "May I ask you then, as we all suffer through the scourge inflicted by this dreadful virus, how would you approach – from a leadership perspective – making your judgment on striking a balance between the clear and present danger of more loss of human lives and deciding on avoiding the also clear global risks of reactivating the economy by prematurely lifting the lockdowns?"

What were the cultural values you grew up with that guided you in your life's journey?

My earliest memories are of 1941 when I was seven years old at the outbreak of World War II. I grew up in Sorsogon and spent a lot of time as sacristan in the company of older boys, all of us coming under the solicitous tutelage of Fr. Valesa who taught us religion. Most of them went on to become priests and bishops. A devotion to God settled early in me.

During the Japanese Occupation, my life was characterized by hardship, moving from one evacuation place to another. Yet my parents managed deftly well, diplomatically dealing with the Japanese authorities and guerilla leaders, some of whom were former teachers. My father was then Division Superintendent of Schools. Hardship and uncertainty were introduced to me as part of life.

My high school years in Abra brought me to Boy Scouting and trying to achieve as many "merit badges" as I could. I took to heart the Boy Scout oath and law, and wearing the Boy Scout uniform was my pride. In fact, when I enrolled in UP Diliman in 1949, I still used my Boy Scout short pants, which marked me as a real promdi. Yes, the Boy Scout law, perseverance under hardship conditions, fear of God – these were the dominant influences of my youthful years.

Did you experience any compelling adversities that you have triumphed over in your career? How did you manage through them?

In 1972-1974, I was working in Hong Kong running a group of publications including The Asian — a weekly broadsheet distributed by the Manila Chronicle, Bangkok Post, South China Morning Post, Indonesia Raya, and Mainichi Daily News. The Asian editors were very critical of President Marcos. This, and the fact that Eugenio "Geny" Lopez Jr. was behind the publishing enterprise, made me a "target enemy" upon the proclamation of martial law. When Geny was incarcerated, my operating funds were cut off and I was forced to close operations after terminating the editors and other staff.

Left by myself without funds and having to face many editorial staff from several Asian countries suddenly without jobs in the harsh environment of Hong Kong, I moved quickly to meet with partner newspapers to explain the situation, which they understood. We held an "end of operations" party well attended by the sympathetic local journalists.

Running out of personal funds, I listened to Vicente "Ting" Paterno's advice to go back to the Philippines and confront the risks of possible vindictiveness of an anti-Lopez dictatorship. Well, the military did not pick me up when I arrived at the airport. Back in Manila, no one wanted to employ me or be associated with me, like I was a COVID-19 case. Only Lupita Aquino-Concio and her husband Cesar would seem to be our remaining friends. It was personal adversity at the extreme; I don't know how I managed through. In hindsight, I can only say, God is good.

What do you consider are your key successes through the years?

I would not identify them as milestone accomplishments but as anchor values that I developed, held on to, and enabled me simply to move on. Hard work and persistence are certainly high on my list. So are



Santi and his family

honesty and fair dealing – but above all, an abiding faith in God. In my senior years, I have seen enough to realize that God's love is a reality, and there's power in prayer.

You ran for President in 1998 against Joseph Estrada, who was eventually overthrown. If you were the President of our country today, what is the most urgent measure you would undertake? Why?

In exercise of sovereign authority, it is to quickly increase purchasing power of households so they can buy basic necessities for survival and in turn support the viability of producers. This can be through direct means like wage subsidies, conditional or unconditional cash transfers for poor families or, indirectly, through accelerated creation of jobs. The State, by fiat, could provide its citizens purchase coupons valid for buying essentials and semi-essentials, in the nature of stored-value gift cards for a limited period.

This household demand boost should be matched by a corresponding production boost so the additional purchasing power can buy more products and services. Therefore, producers should be kick-started with loans and guarantees for this stimulus. Supporting them would also create more jobs, thereby boosting incomes and purchasing power, which create more employment and production, and so on in a reinforcing and expanding cycle of economic activity.

In a way, the Philippines, Japan, and the US are following this conceptual approach, but my idea would be to exclude the creation of "purchasing power by fiat" from being counted as national government debt.

Amid the COVID-19 pandemic, how would you approach this monumental challenge from a leadership perspective?

The approach would be like that of a doctor who prescribes medicine to stop the disease and prevent it from spreading, similar to quarantine. Yet he knows there could be unwanted side effects such as income loss, curtailment of economic activity, and unemployment. So he manages it through mitigating medicines in the form of emergency counter

measures and fiscal stimulus. The key to control the disease is to closely monitor and manage the results of prescriptions as they evolve. The doctor applies his practice on the basis of scientific studies, updated expert advice, comparable cases, and his own experience.

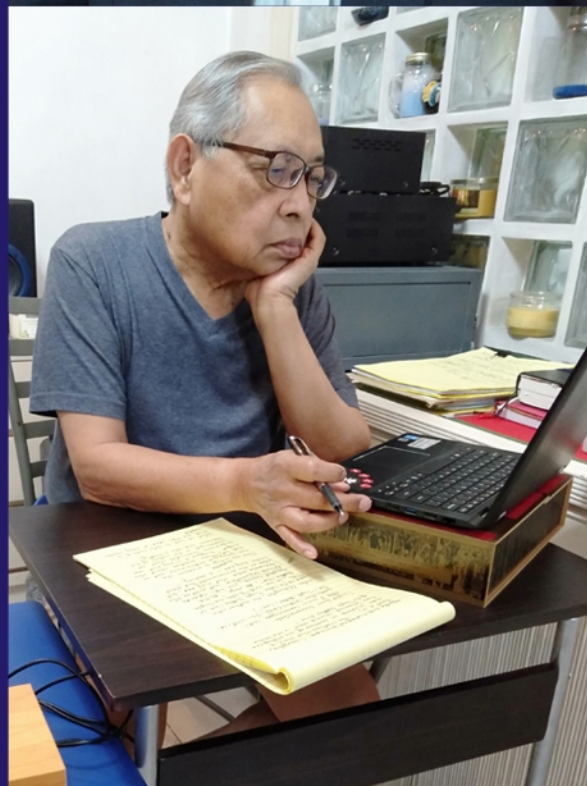
In all these, dealing with the patient should be characterized by honesty and forthrightness. They reinforce the doctor's ascendancy when he advises the patient to cooperate and be disciplined for faster recovery in a human decision-making framework. But in the end, God's wisdom is what we seek and need.

How have you balanced your lifestyle so as not to miss out on your family despite the conceivably grueling demands of your work?

Even in recent years of continuing corporate work, my family life is alive and well since I really have not retired. My daughter as well as my son and his wife and two children stay with us, and I'm grateful for this. Every Tuesday evening, we have weekly prayer meetings. We eat out every Sunday lunch and hear afternoon mass together. During family dinners, we talk about various topics, ranging from Philippine history and politics to homeschooling and religion, from cooking and favorite recipes to music and new technology. We all love humor, inane jokes included. My teenage grandson says quarantine has not made us insane; we already have been, pre-COVID 19.

If you had such an opportunity, what would you change in the way you have crafted your career to flourish?

You really don't craft your career. You just move into every opportunity as it comes. I studied law in UP but got drawn to an insurance job which allowed me to travel all over the country. I got a US government scholarship and a college fellowship, so I went to Harvard for my MBA. I concentrated in finance because people said lawyers are bobo in this area. Perhaps, I could still be the first legitimate married priest if radical reforms in the Catholic Church catch up with me. Who knows? My wife wouldn't mind joining me as missionary in Nagasaki. Not Nauru, she says.



Q & A with Cora de la Paz Bernardo

What were the cultural values you grew up with that guided you in your life's journey?

I grew up in the town of Pateros, bounded by the three big cities of Makati, Pasig, and Taguig. The only remaining municipality in Metro Manila to date, it has become a bedroom community of sorts for people who work in the adjoining cities. With immense pride, my kin tends to boast that our maternal grandfather was one of the signatories to the 1898 Philippine Declaration of Independence. We have mixed Malay, Spanish, and Chinese blood. Because of the proximity of Pateros to many of the leading universities of the country, many of our relatives have become successful professionals and served as role models my parents had urged us to emulate.

With three sisters, and a younger brother who passed away years earlier, I grew up in a home where my parents had been present in our upbringing. Their values of simplicity, piety, respect for education, diligence, industry, fairness, generosity, gratitude, caring, and respect for others were made part of our daily standards. We were also imparted with doing our best to pursue a professional career so we could prepare for responsible adulthood. Growing up, we were taught household work and to help in the family business of duck-raising and balut-making, as well as their distribution – a distinctive trade Pateros is widely known for. We also grew up learning how to relate well with different types and classes of people. It's probably no coincidence that my mom had been twice chosen Mother of the Year at Pateros Elementary School. Thus, we pursued our respective professional careers, all with fairly stable family lives. We siblings have remained close, especially when we go on vacation together – exactly the way our parents had raised us to be.

My first husband, Pat de la Paz, was a lawyer and a government official, while the second, Ike Bernardo, was a CPA-banker. We all had a chance to train abroad with two of us returning



Cora and her first husband Pat de la Paz with their daughter Cristina



Cora and her second husband Ike Bernardo

to practice our professions here.

Did you experience any compelling adversities that you have triumphed over in your career? How did you manage through them?

I have been lucky in my life, blessed even. It has been relatively smooth sailing for the most part. When confronted with difficult issues, I simply worked smarter and prayed harder for guidance and support.

Somehow, my being a woman in a profession that used to be dominated by men at the top did not deter me. I believe that a woman can succeed by following the dictum, "work like a horse, look like a doll, think like a man." In the first place, I had other concerns at the time: I wanted to have my first baby. However, a lead position was offered to me, and after thinking it over and seeking my husband's advice, I relented and took on the job.

The professional firm I headed for 20 years until my retirement as a CPA is not the biggest in the country, but it continues to have a reputation for being very professional in the true sense of the word. Incidentally, the firm will celebrate its 100th founding year in 2022. It has gained a reputation as "The Auditor's Auditor" taking on controversial assignments involving investigations of well-publicized corporate cases.

Meanwhile, I have remained friends with the CPAs in different firms as we stood professional and fair in handling those difficult cases involving their practice firms.

The most difficult situation I was confronted with was when I was with the government. A multibillion-peso transaction that we had proposed – which was approved by the ruling Commission – became the subject of a Senate hearing. I was attacked in the press for several weeks. Eventually, the Supreme Court ruled in favor of the deal. The media attack lost steam. Some told me that it was my reputation for probity and no-nonsense professionalism that saved me.

What do you consider as your key



The first woman and first non-European President of ISSA

successes through the years?

Without a doubt, whatever I have achieved in my career was the offshoot of how our parents prepared us for life. Clearly, the encouragement and confidence they have guided me with through the years have been more than instrumental. Likewise, my belief in the Divine Providence has made a big difference. I would leave everything to the Almighty when I have done everything humanly possible to address the situation.

I would be remiss if I don't give credit to my first and second husbands who provided me all the love, support, and understanding I had needed to pursue the grueling schedule that characterized my professional life. Both of them had the intelligence and self-assurance needed by any man to keep pace with me, while attending to their own careers. Sometimes, I wondered if their early demise resulted from my not having paid more attention to their own individual needs. Neither complained about my work nor about my limited time for them. Pat was kept busy trying to address the long power blackouts in the remaining months of the first Aquino administration as Napocor Chair plus his Cabinet role as Presidential Adviser on Energy. On the other hand, Ike had a more relaxed schedule as President Commissioner of ANZ Bank in Jakarta. Being in his late 70s, he could have enjoyed more time at golf courses or visiting his sons and grandkids in Sydney and North Carolina.

I graduated class salutatorian at Rizal High School in Pasig and Magna Cum Laude at

University of the East (UE). The biggest thing to me at that point was topping the 1960 CPA board exams. It carried a UE scholarship to an American or European university for an MBA program. This, plus a Fulbright Grant, allowed me to earn my MBA at Cornell University.

Then I worked for two years with Price Waterhouse (PW) in New York City where I obtained the highest rank in a one-month orientation course as the only woman and only foreigner in a class of 50. I returned to the Philippines in 1967 and joined the PW firm of Joaquin Cunanan & Co. where I became a partner in 1973, the first woman in the world to be admitted partner of PW International.

In 1978, I was elected National President of PICPA. I also became the first woman President of FINEX in 1984, and of MAP in 1994. Not wishing to bore our readers with a litany of professional accomplishments, I would make an exception, however, to mention that in 2004, I was elected first woman and first non-European President of the International Social Security Association (ISSA), re-elected in 2007, and served until 2010. ISSA is based in Geneva, Switzerland and I still remain as one of its Honorary Presidents until today.

If you were President of our country today, what is the most urgent measure you would do? Why?

I'm thankful I will never be in that almost impossible position of running the country during this pandemic. But if I would have this task, I will ensure that we will have adequate food supply for our people at affordable prices, preferably from local sources and distributed efficiently. We need to have adequate rice supply, with a buffer enough to last several



Cora (seated leftmost) and her PW Joaquin Cunanan & Co. partners

months until the harvest season. Water supply must also be secured to cover our consumption and cleaning needs. Transport facilities must be in place for workers to access their jobs conveniently and safely. Hospitals and clinics must be given critical support so they would continue to have the needed resources to care for the medical cases confronting them.

Amid the COVID-19 pandemic, how would you approach this monumental challenge from a leadership perspective?

This is a tough balancing act needing careful study and learning from best practices of other jurisdictions. Right now there are not too many successful experiences yet but we can also learn from the failure of others.

Data-driven decision-making should be employed considering the needs of different age groups and regional experience. There must be consultation with government officials at all levels and private sector representatives, regardless of political color and income groups. Communication lines have to be open so that the public would be adequately informed – and in turn allow them to voice out their concerns and suggestions.

We cannot avoid having loss of lives but we have to minimize such occurrences to a feasible extent. We have to learn from all these

experiences so that we can apply them in our future planning exercises to determine our annual national budgeting priorities. Our economy has to be saved in the interest of our present and future, otherwise losses from resulting hunger and other forms of deprivation might be more than what we bargain for.

How have you balanced your lifestyle so as not to miss out on your family despite the conceivably grueling demands of your work?

Balancing lifestyles was never easy. When I was first asked to head our firm, my shocked reaction was: "Why me? I'm female!" Obviously,

I was not a feminist. I had another aspirant in mind, a male partner. In my younger years, I thought it would be my husband's principal role to provide for the financial needs of our family while I tended to home matters and child rearing.

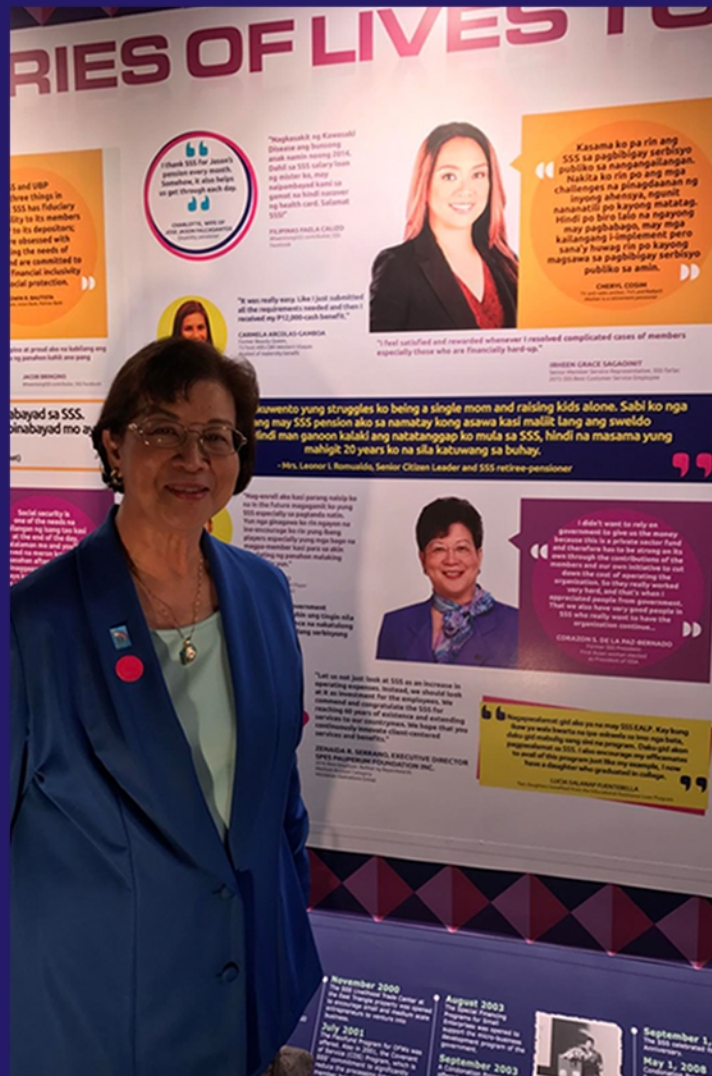
So I told our retiring senior partner over lunch that I would speak to my lawyer-husband and seek his permission. The rest was history. My husband told me he had always believed I could do the job and should accept the offer. And true

to his word, he became very close to the child we came to have, a girl who idolizes him no end to this day.

The problem came when he passed away when our daughter was 16. She was inconsolable, having lost her anchor. She refused to go to school and instead traveled with me everywhere. Eventually, she agreed to pursue her high school studies at a California boarding school and later did her college work in Maine. We would see each other for short visits when I had meetings abroad, and also during Christmas and summer breaks. She stayed home for three years after college and later went to London for further studies. She is back home now living her life, mostly on her own in a separate flat. It's never the same. She loves me, but her heart belongs to Daddy!

If you had such an opportunity, what would you change otherwise in the way you have crafted your career to flourish?

If I could give more time to my daughter in her pre-teen and teen years, I would. Regarding the way I pursued my career, I would not change much. Outstanding client service is the backbone of our practice together with the PW values of independence, excellence, integrity, ethical conduct, and developing people to their full potential. We ran our firm in a way that we were like a family with deep concern for our people. We walked our talk and I would not have it any other way. I had to give to the firm what I expected and demanded from our people. I would not do it any other way.



experiences so that we can apply them in our future planning exercises to determine our annual national budgeting priorities. Our economy has to be saved in the interest of our present and future, otherwise losses from resulting hunger and other forms of deprivation might be more than what we bargain for.

DOUBLE STANDARDS OF LAW AND JUSTICE?

FINAL SAY



by J. Albert Gamboa

FINEX and seven other business organizations have called out government officials for violating with impunity the IATF quarantine protocols intended for public health. In a strongly worded statement **[see next page]**, leaders of the business community pointed out that in the first 30 days of the Luzon lockdown starting March 17, some 30,000 violators were arrested and the figure had gone up to more than 40,000 by May 1.

Only one name was mentioned in the manifesto, that of Metro Manila's top cop, Major General Debold Sinas – who had warned violators of arrest when the enhanced community quarantine was imposed. And yet, on May 8, a birthday bash in the guise of a police and military tradition called *mañanita* was hosted by Gen. Sinas, himself not wearing a face mask and his guests not observing physical distancing, not to mention outright defiance of IATF rules prohibiting mass gatherings.



"We are greatly disappointed – even appalled and dismayed," the May 31 statement of FINEX, MAP, MBC, JRI, ICD, ISA, AmCham, and CanCham lamented. So was I, especially after a distant cousin, PNP Chief Gen. Archie Gamboa, immediately cleared Gen. Sinas of wrongdoing before making an about-face and ordering an investigation of the *pasaway* NCRPO head in a belated response to public outrage.

Meanwhile, six jeepney drivers belonging to the PISTON transport group were arrested for allegedly violating quarantine rules when they staged a rally along EDSA on June 2 calling for the lifting of the IATF ban on passenger jeepneys, after losing their livelihood during two and a half months of lockdown. At that time, Metro Manila was already under the general community quarantine that allows a gathering of 10 people and they were only six who all observed safe distancing and wore face masks.

One of the detained drivers was 72-year-old Elmer Cordero, whose continued detention in a potentially COVID-infested jail merited calls for his release on humanitarian grounds since he has a debilitating ailment.

But according to Presidential Spokesperson Harry Roque, age is not a consideration in his case.

In contrast, former First Lady Imelda Marcos was convicted of graft by the Sandiganbayan but has never spent a single day in prison because the court granted her post-conviction bail due to her advanced age and for health reasons, too. Senator Juan Ponce Enrile, whom the Ombudsman charged with plunder (a non-bailable crime), is still out on bail courtesy of a Supreme Court decision citing humanitarian grounds on account of his being a senior citizen.

Why the double standard then if "the law is the law" as President Rodrigo Duterte is fond of saying? During his nationwide address on May 20, the Chief Executive contradicted himself by first assuring Filipinos about the universal application of the law, then 20 minutes later in the same speech, announcing that Gen. Sinas will keep his position since he is "honest" and "a good officer." He also defended the *mañanita* participants from accusations regarding their multiple violations of quarantine rules.

Netizens vented their ire through social media with comments like "the law is the law unless you're friends with the ones who rule" and other takes on selective justice. This was clearly a circumvention of the law – with the law enforcer becoming the lawbreaker – calling to mind recent incidents involving Senator Koko Pimentel and OWWA Deputy Administrator Mocha Uson who both defied IATF protocols.

What a relief, though, that the business organizations have rediscovered their voices and are no longer afraid to speak up against injustices or to publicly oppose the enactment of oppressive laws such as the controversial Anti-Terrorism Act of 2020. **[see next page]**

Hopefully, this newfound proactive stance among businessmen and professionals would lead to bolder assertions of independent thinking. A resurgence of peaceful protests could even result to the 21st century equivalent of the afternoon rallies conducted by the private sector at the erstwhile Ugarte Field (now Ayala Triangle) in Makati during the waning years of the Marcos dictatorship. **FD**

JOINT STATEMENT ON RULE OF LAW IN THE MIDST OF COVID-19 PANDEMIC

31 May 2020

To mitigate the spread and impact of the COVID-19 virus, the government acted decisively and placed Luzon under severe quarantine measures starting March 17, 2020. In line with ensuing directives on the enhanced community quarantine (ECQ) in Metro Manila, NCRPO chief Maj. Gen. Debold Sinas declared that –“We will arrest those who will not follow the guidelines”.

The restrictions under the IATF guidelines have affected millions, in terms of livelihood and freedom of movement. The impact has been much greater on families living near or below the poverty line, despite government's extension of financial aid. Additionally, the seeming confusion and different interpretations of rules led to numerous quarantine violations.

From March 17 to April 17, almost 30,000 violators had been arrested; 6,616 underwent inquest while 23,016 cases were for filing. The number was reported to have reached nearly 41,000 by May 1. Many of those arrested suffered detention, costs, humiliation, and inconveniences, and some endured unwarranted jailtime when unopened courts or government offices, or even limited bank branches, could not process their bail in a timely manner.

Above happened even with the Supreme Court's recently issued administrative circulars that reduce bail and allow recognizance as among the means of releasing the accused. The compounding economic hardships and unfamiliarity with new rules resulted in many people languishing in detention centers for many days, thus risking exposure to the virus in overcrowded facilities.

The private sector strongly supports the “whole-of-government, whole-of-society” effort to respond and recover from the social and economic adversities brought about by the COVID-19 pandemic. Together with the international community, we have demonstrated utmost cooperation, and enjoined our own officers and employees to abide by the quarantine rules of the IATF.

We are therefore greatly disappointed – even appalled and dismayed – about news reports of public officials violating with impunity the IATF and DOH protocols intended to protect public health.

As the country rides this tide of uncertainty, we trust that our leaders at the national and local levels, will demonstrate beyond doubt, the highest standards in observing and enforcing the rule of law, and serve as role models in discipline and moral ascendancy. Upholding the law and ensuring faith in our justice system stand as the bedrock of our democracy, and will enable the economy to survive and recover from these most trying times. The sacrifice of our people deserves nothing less.



JOINT STATEMENT ON ANTI-TERRORISM ACT OF 2020

5 June 2020

We the undersigned are united in voicing our opposition in the strongest possible terms to the enactment at this time of the Anti-Terrorism Act of 2020 (House Bill 6875) recently approved by the House of Representatives on third and final reading, and a similar bill approved by the Senate (Senate Bill 1083) last February.

In these trying times of the COVID-19 pandemic, what we need is national unity. We are all suffering and fighting for survival; businesses are closing down, people are losing their jobs, those who still have jobs find it impossible to find safe transportation to work, our children are going hungry and the continuity of their education is under threat. We need to come together, united around a set of relief and recovery measures that will help us come out of this pandemic a stronger and more resilient nation.

We fully appreciate the need for peace and security in building a stronger nation. Current threats to national security are well addressed by existing laws and policies, and as such do not require urgent new legislation. And the Anti-Terrorism Act of 2020 is highly divisive - because it poses clear and present danger to human rights enshrined in our Constitution - at a time when our nation needs to come together as one.

We strongly urge our national leaders and the private sector to be focused fully at this time on what really matters; developing policies that will address multiple socio-economic shocks resulting from the COVID-19 pandemic, strengthening our health systems, improving the investment climate to create more jobs especially given many thousands of returning OFWs. These are what our country needs to pull us out of our crisis and get back on our feet.



**FINANCIAL EXECUTIVES INSTITUTE
OF THE PHILIPPINES (FINEX)**

STATEMENT ON ANTI-TERRORISM ACT OF 2020

We, the Financial Executives Institute of the Philippines (FINEX), express solidarity with our co-business organizations in strongly opposing the enactment of the Anti-Terrorism Act of 2020 (ATA), as embodied in House Bill 6875 and Senate Bill 1083, which had been recently approved by the House of Representatives and Senate, respectively.

We acknowledge the importance of securing the safety and well-being of Filipinos, and of protecting public and private assets and infrastructure from the threat of terrorism. National security should not be compromised. And it is good to see that the ATA, as proposed, also upholds the basic rights and fundamental liberties of Filipinos as enshrined in the Constitution.

We are concerned, however, that the changes proposed in the ATA in relation to the existing Human Security Act of 2007 (HSA), particularly the expansion of the definition of terrorism, addition of acts punishable under the ATA, coupled with the reduction, or removal, of specific safeguards against abuse and mistaken charges, may create more issues and complications in its implementation and enforcement.

Public servants should be held to the highest standard of accountability and compliance, whether in rejecting any involvement in terrorist acts or in properly carrying out and enforcing anti-terrorism initiatives and activities while ensuring that constitutional rights of suspected persons are protected and respected. These highest standards need to be incorporated in the penalties outlined for public officials and law enforcers, including the Anti-Terrorism Council (ATC), for abuse of power, authority or discretion.

The determination of probable cause before an individual is designated a terrorist by the ATC, needs to be clearly assigned to a competent court, such as the Court of Appeals, given that the ATC does not have the power to exercise judicial or quasi-judicial power or authority. And we believe that the rights and dignity of those erroneously charged with terrorism be preserved and upheld, and any and all inadvertent damages and losses be equitably compensated. These were clearly provided in the HSA but now completely omitted in the ATA.

We believe at this time as we struggle to recover from the COVID-19 quarantines that the most urgent and important task we would ask of Congress is to pass the laws that will help business to recover, and attract the attention of new investors so we can put the two million or so unemployed Filipinos back into a job.

The most important bill to pass immediately is CREATE to allow the tax relief to be converted into salaries and business recovery, and then followed by other necessary economic stimulus measures. We urge Congress to call an emergency session to pass these extremely important bills.

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OF THE PHILIPPINES (FINEX)**

through
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presents this webinar via Zoom

Effective Media Communication in the Time of COVID-19

Guest Speakers:



Ernestine Amper
Executive Director
Nilsen Media
"Media and COVID-19"



Pat del Castillo
FinServe Head
Facebook Philippines
"Banking on Digital Transformation"



Reactor:
Dante "Klink" Ang II
President & CEO
Manila Times



Moderator:
Wilma I. Miranda
Managing Partner
Inventor, Miranda & Associates CPAs
Chairperson, FINEX Media Affairs Committee

Thursday | 9 July 2020 | 2:30 PM - 4:00 PM

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"20:20 VISION - LEADING THE WAY TOWARDS WORLD-CLASS PHILIPPINE BUSINESS"

DIGITAL TRANSFORMATION Can Make a Business Thrive Today

AMTI is one of the few companies that was able to continue its business operations since the beginning of the Enhanced Community Quarantine in Metro Manila due to the COVID-19 pandemic. It relentlessly performs its services without compromising the health and safety of its employees, as well as following the government directives by implementing skeletal workforce and work-from-home arrangements despite the health-crisis and business challenges.

AMTI's investment in Digital Transformation (DX) a few years ago, which was led by its President, Mr. Allyxon Cua, with the support of Dell Technologies and VMware, prepared the company for this crisis and has thus far been proven successful.

Why Transform

Businesses have to be ready for 'the new normal' since there has been a tremendous change in the way we work and perform business functions in the workforce and commerce

What to Transform

AMTI embarked on simultaneous streamlining of its business processes through software, automation, and modernization of its IT infrastructure. It implemented the digital workspace for its workforce to securely work remotely. AMTI likewise invested in cloud-based CRM and workflow applications to manage sales activities, purchasing, and logistics. Its early venture on DX enabled them to fine-tune its systems and operations.

How to Transform

Talk to AMTI. Leveraging from its experience and ecosystem of technology partners, AMTI can customize a solution depending on the nature of the business, IT maturity, and current IT assets to help companies accelerate their Digital Transformation initiative to prepare them quickly for 'the new normal' in business. AMTI offers innovative bundled solutions for companies such as:

- **Modern Distributed Workforce / Digital Workspace**
- **Modern Data Center and Hybrid Cloud**
- **Business Continuity Plan (BCP)**
- **Application Cloud Management and DevOps**
- **Managed Device and/or Security Services**



“The fruit of our successful DX journey today drove us the initiative to help companies emerge from this period stronger than ever and be one of the champions in the post-COVID19 economy.”

ALLYXON CUA
President, AMTI



“The current pandemic will accelerate the adoption of DX. DX is no longer a choice but a key strategic investment for every company in order to survive and stay relevant.”

BONG M. PALOMA
EVP for Technology, Sales & Marketing /
DX Executive Sponsor, AMTI

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