

Exec sees constraints to SME growth

BY EIREENE JAIREE GOMEZ

TO enable small and medium-sized enterprises in the country to grow rapidly, financial institutions should focus on removing capital constraints and charging zero interest to Filipino entrepreneurs, an official of a financial technology (fintech) company said.

Speaking at the recent Davao City Chamber of Commerce and Industry Inc.'s 6th General Membership Meeting dubbed "Boundless Opportunities Through For-

eign Linkages," Marcus Erlano, head of Customer Success and Support at First Circle Growth Finance Corp., identified some of the major challenges that slow

down the growth of SMEs in the Philippines. Among these are high-interest financing, limited access to financing and transactional deals with no long-term partnership.

He stressed that financial institutions should work together to address these issues and focus on implementing programs that will promote the growth of SMEs and what they can bring into the Philippine economy.

This is what First Circle has been doing, Erlano noted. "[We] acknowledge that the next gen-

eration of businesses will come from the network of SMEs in this country."

First Circle has been financing SME growth since 2016. It has partnered with the Department Trade and Industry (DTI), Security Exchange Commission and local governments units like Quezon City to finance SMEs and promote financial literacy.

"There are a good number of business people in the Philippines who are very keen and eager to grow their businesses. However, they do not have ac-

cess to financing that enables them to take more projects or to expand their operations," Erlano pointed out.

"We found out that there is growth but businesses are not growing fast enough," he added.

Role of SMEs

SMEs play an integral role in generating employment in the country. According to DTI, Filipino micro, small and medium enterprises (MSMEs) comprise 99.5 percent of the national

economy and provide employment to 62.4 percent or 5.5 million Filipinos.

Loans to SMEs are a special type of loans that are provided to startups, small business owners, women entrepreneurs and medium-sized businesses. According to Erlano, providing secured loans among businessmen and entrepreneurs in the country is a crucial part of driving SMEs growth.

"We all know that financial products here in the Philip-
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■ Department of Human Settlements and Urban Development (DHSUD) Secretary and Pag-IBIG Fund Chairman of the Board Eduardo D. del Rosario. TMT FILE PHOTO

PAG-IBIG RELEASES P40.41 BILLION IN HOME LOANS

THE Home Development Mutual Fund (Pag-IBIG Fund) has again surpassed its own record by releasing over P40 billion in home loans in the first five months of 2022, top officials announced on Tuesday.

From January to May, the agency released home loans worth P40.41 billion, the highest amount released during the first five months of any year in its history.

"Pag-IBIG has once again set a new record in the amount of home loan releases to begin the first five months of the year. We are happy that the number of Filipino workers who are able to become homeowners through the Pag-IBIG home loan programs continue to grow in number," Department of Human Settlements and

Urban Development Secretary and Pag-IBIG Chairman Eduardo del Rosario said.

In addition to this, the amount disbursed so far this year is 15 percent higher from the P35.28 billion released during the first five months of 2021.

For his part, Pag-IBIG Fund Chief Executive Officer Acmad Rizaldy Moti noted that the amount released as of May financed the acquisition and construction of 36,865 homes for Pag-IBIG Fund members, which is 5 percent higher than the 34,979 homes financed during the same period last year.

He added that out of the total number of homes that were financed, 6,787 of them (18
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PSEi up 1.71% on bargain hunting

THE Philippine Stock Exchange index (PSEi) continued its slow recovery as the index rose Tuesday by 106.59 points to close at 6,345.41.

According to analysts, investors continued to hunt for bargains for now as bets are being made ahead of the turnover of the new administration on speculation as to which issues and sectors would likely benefit at the beginning of the third quarter this year.

The peso strengthening against the US dollar also improved market sentiment.

"The PSEi also continued to gain after the peso exchange rate continued to strengthen for the second straight day, closing at P54.77, from yesterday's P55.15, as this would be more advantageous for some foreign investors converting their US dollars and receive more peso currency used

for any bottom-fishing activities and other purchases in the local financial markets," said Michael Ricafort, chief economist at Rizal Commercial Banking Corp..

Regina Capital Development Corp. Managing Director Luis Limlingan, meanwhile, said that a slew of economic data is scheduled to be released, including June consumer confidence
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A look at donor and estate taxes

SIR Benjamin Franklin wrote: "... but in this world, nothing can be said to be certain, except death and taxes." From taxes withheld in paychecks to value-added taxes on department store purchases, we keep encountering them. Nevertheless, some of us probably haven't crossed paths with certain types like donor and estate taxes.

While the Covid-19 pandemic may be nearing its end, the coast isn't clear yet. This made me realize that natural phenomena or even artificial catastro-



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phes threaten a considerable portion of society. Being well-informed on donor and estate taxation can thus provide an advantage, especially when it comes to the latter since there is a lot to consider.

In the Philippines, we cannot trans-

fer personal or real properties to heirs without filing an estate tax return and paying the estate tax due. The imposition of estate tax arises from the privilege of conveying the properties of an individual to lawful heirs or beneficiaries upon the former's death. A donor's tax, meanwhile, is imposed on the gratuitous transfer of personal or real property between two or more individuals still alive at the time of the transfer.
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Addressing risks and threats to payroll data

IN 2013, Yahoo was hit with one of the biggest, if not the most massive, data hacks in history. At that time, the company was in the process of a huge takeover deal. The company only revealed the breach in 2016 when it admitted that over a billion subscriber accounts had been compromised. It claimed that the hackers were able to access security questions and answers but were not able to steal payment cards and other bank details of the company's subscribers.

Lucky for Yahoo? Not really. It lost credibility to investors and the loyalty of its clients, which are some of the harm businesses subjected to data leaks have had to endure even years after a cyberattack. Nearly a decade later, we still hear reports of data losses due to cybersecurity breaches. In today's data-driven world, we have become increasingly susceptible to such. And as more companies embrace digital transformation, it also opens the floodgates for possible cyberattacks that become more sophisticated and more difficult to evade over time.

The truth is no one is ever really safe. The Philippines has risen in the rankings of countries most targeted by cyber threats, placing fourth in cybersecurity provider Kaspersky's 2021 list. The usual targets are students and those working from home during the pandemic. If personal files are seen as attractive targets, we can only imagine how much more attractive files of businesses are to hackers.

In the same way that trade secrets are protect-

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ed by Philippine data privacy laws, a company's payroll data is also treated as highly confidential and private. When we speak of protecting payroll data, it is important to realize that we are dealing with two

distinct kinds of information: payroll strategies and procedures and the personal data of corporate staff. When payroll information is compromised, businesses risk not just employee personal data but also their competitive advantage over other firms. Employee data includes their names, addresses, benefits and bonuses while employer data covers statutory liabilities and bank account information — the latter an irresistible lure for hackers.

In taking the first step to prevent a payroll data breach, a distinction must be made between breaches done through malicious stealing and those due to negligence or lack of due diligence. Common to both types is weak technology. If the issue is poor cybersecurity practice, it is advisable to focus company payroll policies on fostering a culture of accountability, with emphasis on instilling a proper and a common mindset when it comes to preventing data breaches. It may also be helpful to look at the current security culture within the firm, which is particularly helpful for companies who are or are keen on implementing remote or hybrid work arrangements.

The easiest but one of the most neglected ways in keeping sensitive information safe
► **From Where B2**



NOTICE AND AGENDA OF THE ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2022 Annual Meeting of Stockholders (the "Annual Meeting") of **GLOBAL-ESTATE RESORTS, INC.** (the "Company") will be held on **22 July 2022 at 9:00 a.m.** to be conducted virtually, through the link <https://geri.com.ph/asm2022/> that can be accessed through the Company's website, with the following agenda:

- I. Call to Order
- II. Certification of Notice and Quorum
- III. Approval of the Minutes of the previous Annual Stockholders' Meeting
- IV. Annual Report of Management
- V. Appointment of External Auditor
- VI. Ratification of all acts and resolutions of the Board of Directors, Board Committees and Corporate Officers adopted during the preceding year
- VII. Election of Directors
- VIII. Other matters
- IX. Adjournment

Stockholders of record as of **22 June 2022** will be entitled to notice of, and to vote at, the Annual Meeting.


Pursuant to Article V, Section 2 of the Company's Amended By-Laws and Sections 23 and 57 of the Revised Corporation Code and to conform with the government's regulation on social distancing and prohibition on mass gatherings, the Company decided to hold the Annual Meeting via remote communication, and allow the stockholders to cast their votes by remote communication or in absentia, or by proxy.

To participate in the Annual Meeting, stockholders must register from 9:00 AM of **07 July 2022** until 5:00 PM of **15 July 2022**. The procedure for participation via remote communication and in absentia is contained in the Information Statement.

Stockholders who wish to appoint proxies may submit proxy instruments until 5:00 pm of **14 July 2022** to the Office of the Corporate Secretary at 9th Floor, Eastwood Global Plaza, Palm Tree Avenue, Eastwood City, Bagumbayan, Quezon City or by e-mail at corpsecretary@global-estate.ph. Validation of proxies shall be held on **15 July 2022**. A sample proxy form will be enclosed in the Information Statement for your convenience.

The Information Statement and other pertinent documents and information on the Annual Meeting are available through the Company's website. For any clarifications, please contact the Office of the Corporate Secretary via email at corpsecretary@global-estate.ph.

Taguig City, Metro Manila, Philippines, 07 June 2022.



MARIA CARLA T. UYKIM
Corporate Secretary