



Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
**EMPLOYEES' COMPENSATION COMMISSION**  
ECC Building, 355 Sen. Gil J. Puyat Avenue, City of Makati

Tel. No. 899-4251 • Fax. No. 897-7597 • Email Add: ecc\_malls@yahoo.com • Website: <http://www.ecc.gov.ph>

**EXCERPTS FROM THE MINUTES OF  
THE SECOND (2<sup>nd</sup>) JOINT SPECIAL COMMISSION MEETING,  
EMPLOYEES' COMPENSATION COMMISSION, SERIES OF 2014,  
*Ichikawa Hall, OSHC Bldg. Agham cor. North Ave, Quezon City*  
*Wednesday, 15 October 2014 at 12:00 NN***

**BOARD RESOLUTION NO. 14-10-43**

***Policy on Investment of the Private Sector State Insurance Fund (SIF)***

**WHEREAS**, Article 178 of P.D. No. 626, as amended, partly provides;

***"ART. 178. Management of Funds. – All revenues collected by the System under this Title shall be deposited, invested, administered and disbursed in the same manner and under the same conditions, requirements and safeguards as provided by Republic Act numbered eleven hundred sixty-one, as amended, and Commonwealth Act numbered one hundred eighty-six, as amended..."***

**WHEREAS**, in relation to the said provision, Art. 179 of P.D. No. 626, as amended, partly reads:

***"ART. 179. Investment of funds.- xxx All amounts accruing to the State Insurance Fund, which is hereby established in the SSS and GSIS, respectively, shall be deposited with any authorized depository bank approved by the Commission, or invested with due and prudent regard for the liquidity needs of the System."  
(As amended by Sec. 4, P.D. 1368)***

**WHEREAS**, on the basis of the said provisions, the investment of the SIF shall be governed by the respective charters of both Systems with a limitation that the SIF should be "invested with due and prudent regard for the liquidity needs of the System";

**CERTIFIED TRUE COPY**

  
**Dianne Lilibeth S. Bautista**  
Board Secretary III

**WHEREAS**, SIF investments made by the GSIS for the past years prior to 2012 had been limited to Republic of the Philippines (ROP) bills and cash deposits in banks but since 2012 to date has expanded these to ROP bonds, corporate bonds and equities;

**WHEREAS**, on the other hand, the SSS is presently guided by the "low-risk, low yield" policy conveyed to SSS in the letter of then ECC Executive Director Elmor Juridico dated April 29, 2004;

**WHEREAS**, for the past several years, the private sector SIF had been invested in low income generating schemes such as co-mingled investment in SSS loans and in bank deposits and therefore did not optimize the good investment climate during these times;

**WHEREAS**, the SSS has offered to extend the investments portfolio for the SIF to domestic equities and fixed income instruments;

**WHEREAS**, the SSS has requested this Commission for the approval, through the issuance of a Board Resolution, of the investment of the SIF in domestic equities and fixed income instruments;

**WHEREAS**, this Commission has considered the possibility of an increase in the return of investment (ROI) of its investible SIF through an expanded investment portfolio given healthy financial market indicators and GNP growth of the country;

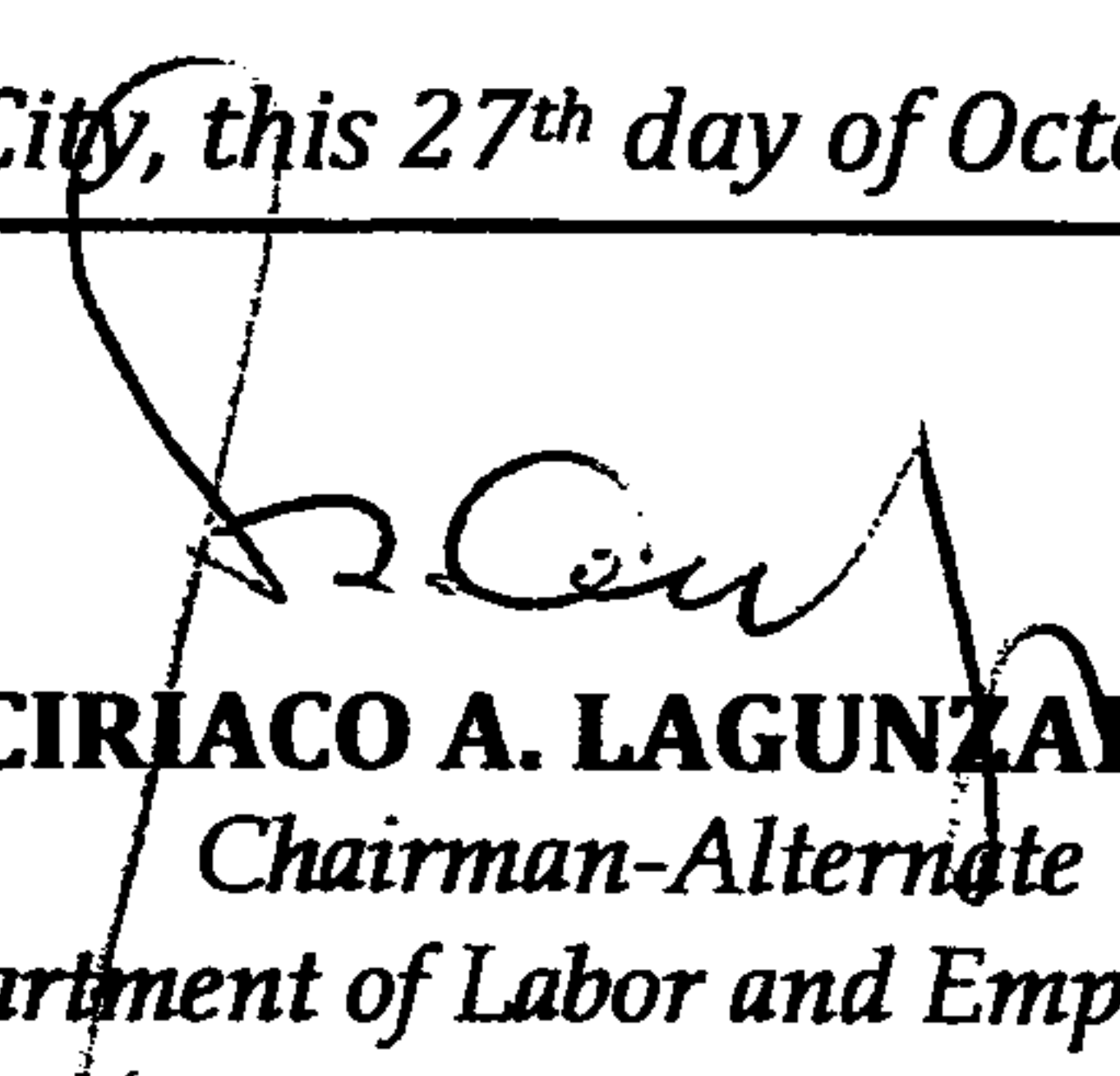
**NOW, THEREFORE, ON MOTION DULY MADE AND SECONDED;**

This Commission **RESOLVES** as it hereby **RESOLVED** to authorize the SSS to expand the investment portfolio of the SIF to include domestic equities and fixed income securities;

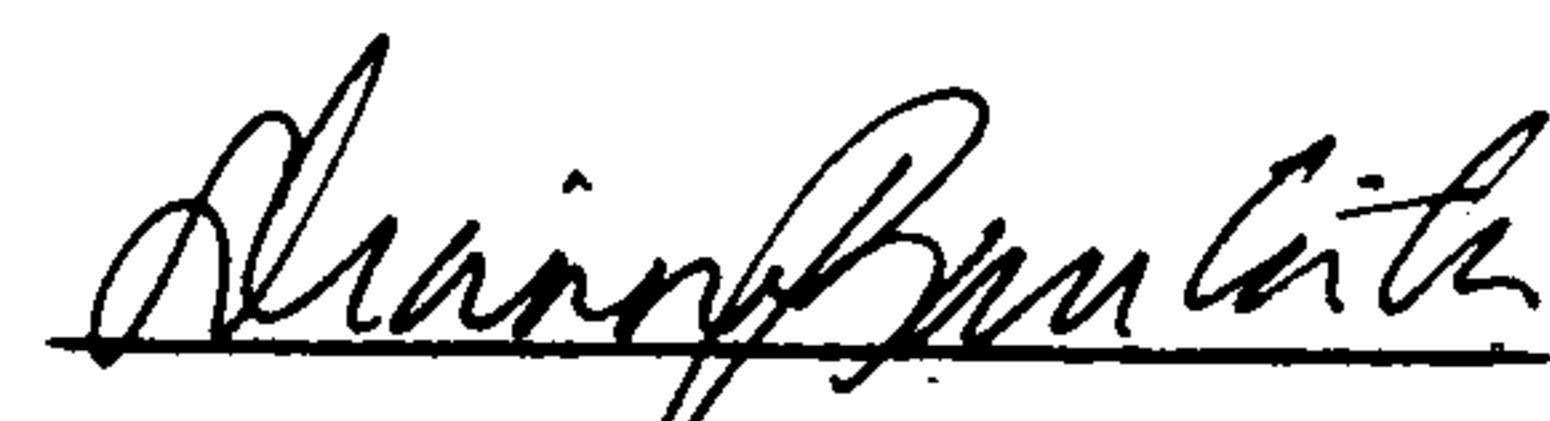
**RESOLVED FURTHER**, that this Commission requires the SSS to regularly report their SIF investment and income to the EC Board on a quarterly basis;

**RESOLVED FINALLY**, that a copy of this Resolution be furnished to the SSS and to the GSIS for information and guidance.

**APPROVED** in Makati City, this 27<sup>th</sup> day of October 2014.

  
**CIRIACO A. LAGUNZA III**  
Chairman-Alternate  
Department of Labor and Employment

**CERTIFIED TRUE COPY**

  
**Dianne Lilibeth S. Bautista**  
Board Secretary III




ABSENT

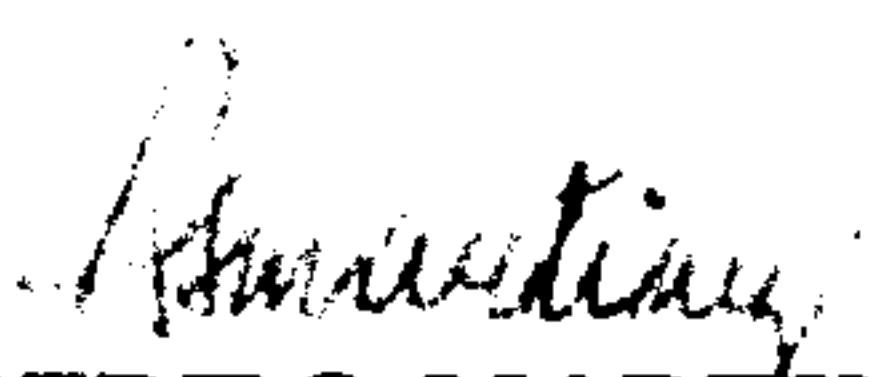
**AGNES E. SAN JOSE**  
*Member-Designate*  
*Social Security System*

**DIONISIO C. EBDANE, JR.**  
*Member-Designate*  
*Government Service Insurance System*

  
**CARLITO P. ROBLE**  
*Member*  
*Employees' Sector*

  
**MIGUEL B. VARELA**  
*Member*  
*Employers' Sector*

  
**ALEXANDER A. PADILLA**  
*Member-Designate*  
*Philippine Health Insurance Corporation*

  
**ROBERT S. MARTINEZ**  
*Member-Designate*  
*Civil Service Commission*

  
**STELLA ZIPAGAN-BANAWIS**  
*Member*  
*Employees' Compensation Commission - Secretariat*

**CERTIFIED TRUE COPY**

  
**Dianne Lilibeth S. Bautista**  
**Board Secretary III**

