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Press Release

May 13, 2020

The DFNN Group of Companies is seriously concerned with the recent articles politicizing the Business Process Outsourcing (BPO) Industry, which may have a long term and material financial impact on the growth prospects of the Philippine Information Technology (IT) and BPO industries.

Our key management, including the founder shareholders, were early stakeholders and participants in helping grow the IT and BPO industries in the Philippines at the early stages when the international market only considered India as a viable country destination. Both the Chairman of the Board, Ramon C. Garcia, Jr., and Chief Operating Officer Ricardo F. Banaag were original members of the Information Technology and Electronic Commerce Council (ITECC) during the administrations of former Presidents Joseph Estrada and Gloria Macapagal Arroyo which oversaw the implementation of the E-Commerce Law and worked closely with the Department of Trade and Industry (DTI) to grow the IT and BPO industries of the Philippines. Mr. Garcia was also one of original founders of a company which currently supplies 80% of the systems of the Philippine BPO industry today. On the other hand, Mr. Banaag was the former country manager of Intel Philippines which supported the growth of the BPO industry in its initial stages and was the core systems applications used by many IT and BPO companies. Recently, the present CEO of DFNN Calvin Lim is also a well-known IT company founder prior to joining the Group of Companies and is very familiar with the Philippine IT and BPO industries having tapped the knowledge industries of the Philippines to support his former offshore IT company.

There should have never been a distinction between IT / BPO Industries undertaken under different Philippine state regulatory bodies such as Philippine Economic Zone Authority (PEZA), Board of Investments (BOI), and/or Philippine Amusement and Gaming Corporation (PAGCOR). All the work, despite the different regulatory bodies, have commonalities defined under IT / BPO Industries inclusive of software development, customer support, creation of various financial technology (fintech) solutions, back office accounting, and telemarketing / contact centers.

Ultimately, many companies that are operating under PEZA / BOI are already competing with other countries and their counterpart regulators in China, the United States, Vietnam, Latin America, Taiwan, and other sovereign job seeking countries. Similarly, those companies under the PAGCOR regulatory authority also compete with companies and regulatory authorities from Malta, Cyprus, Antigua, Isle of Man, the United States, Canada, the United Kingdom, Singapore, Japan, Western Europe, Taiwan, Israel, Cambodia, Macau, and various EU countries inclusive of Sweden and Norway. We note that there are publicly listed companies that are fully recognized

DFNN is a leading I.T. solutions provider and systems integrator, enabling its clients to compete in an increasingly technology dependent environment. Through its subsidiaries and affiliates, DFNN also possesses licenses for Electronic Gaming Machines, a sports betting exchange, and digit and pari-mutuel games with the Philippine Amusement and Gaming Corporation.



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on their respective stock exchanges such as the London Stock Exchange and OMX/NASDAQ that fall under the PAGCOR regulatory authority. Some publicly listed companies under the PAGCOR regulatory authority are also recognized IT providers to such companies such as the Philippine Telco industry for their prepaid card solutions, as well as IT providers to the Government Service Insurance System (GSIS), Japan's ATM manufacturers, Japan's largest consumer finance company, and the Philippine Banking and Capital Markets sectors.

As a publicly listed company, we are therefore making a call to all the Philippine participants in the IT / BPO industries to refrain from being involved in any political agenda, and focus on not losing any jobs for Filipinos to other competing countries due to the negative press releases. In this uncertain time of unprecedented pandemic, the Philippines cannot afford to lose jobs and its legal and mandatory contributions to the government. These industries should instead focus on the strengths / incentives as well as the rule of law of our various business friendly regulatory bodies that is being offered to international and domestic IT / BPO companies to locate in the Philippines.

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