



SEC MEMORANDUM CIRCULAR NO. 2

Series of 2023

TO : ALL CONCERNED

SUBJECT : GRANT OF AMNESTY FOR NON-FILING AND LATE FILING OF THE GENERAL INFORMATION SHEET (GIS) AND ANNUAL FINANCIAL STATEMENT (AFS), AND NON-COMPLIANCE WITH MEMORANDUM CIRCULAR NO. 28, S. 2020

DATE : 16 March 2023

WHEREAS, Section 179(o) and (p) of Republic Act (RA) No. 11232, otherwise known as the "Revised Corporation Code of the Philippines" (RCC), grants the Commission the power and authority to: (i) formulate and enforce standards, guidelines, policies, rules and regulations to carry out the provisions of the RCC; and (ii) exercise such other powers provided by law or those which may be necessary or incidental to carry out the powers expressly granted to it;

WHEREAS, Section 13 of the RCC provides that the articles of incorporation and applications for amendments thereto may be filed with the Commission in the form of an electronic document, in accordance with the Commission's rules and regulations on electronic filing;

WHEREAS, in pursuit of sustainable practices, and streamlined and automated processes, the Commission no longer accepts submission of hard copies of reports, and has adopted the use of the Electronic Filing and Submission Tool (eFAST)¹ in the filing of GIS and AFS;

WHEREAS, the filing of the GIS is within thirty (30) calendar days from: (i) the actual annual stockholders' meeting for stock corporations; (ii) the actual annual members' meeting for non-stock corporations; or (iii) the anniversary date of the issuance of the Securities and Exchange Commission (SEC) License for foreign corporations; while the filing of the AFS generally depends on the last numerical digit of a corporation's SEC Registration or license number, subject to the schedule to be prescribed by the Commission, provided that corporations whose fiscal year ends on a date other than 31 December may file their AFS within 120 days from the end of their respective fiscal years;

WHEREAS, Section 177(b) of the RCC provides that the Commission may place corporations under delinquent status in case of failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of 5 years;

WHEREAS, the Commission imposes fines and/or penalties to regulated entities for failure to file the required reportorial requirements in a timely manner;

¹ SEC Memorandum Circular No. 2, s. 2020, entitled "Schedules for Filing of Annual Financial Statements and General Information Sheet" dated 21 January 2020.

WHEREAS, the Commission has issued Memorandum Circular (MC) No. 28, s. 2020,² which necessitates the creation and designation of an official email address and cellphone number of every corporation, association, partnership, and person under its jurisdiction and supervision;

WHEREAS, an administrative penalty of Ten Thousand Pesos (Php 10,000.00) is imposed upon corporations, associations, partnerships, and persons under the jurisdiction and supervision of the Commission that failed to comply with MC No. 28;

WHEREAS, the power and authority to grant amnesty on all fines and penalties that may be imposed by the Commission on corporations is necessary and incidental to carry out the power to impose administrative sanctions under Section 158 of the RCC;

WHEREAS, providing an amnesty on fines and penalties will provide corporations ample and cost-effective opportunity to update and make current their compliance with the documentary and reportorial requirements under the RCC, and the rules promulgated by the Commission;

WHEREAS, it is the policy of the Commission to encourage compliance of its regulated entities, ensure a prudent identification of active and inactive corporations, and enhance and organize its database as part of continuing efforts to nurture a healthy and vibrant corporate sector; and

WHEREAS, the Commission shall be reevaluating its existing scale of fines and penalties upon a thorough review of all active regulated entities, to meaningfully deter violations and/or noncompliance with current regulations;

NOW THEREFORE, the Commission hereby promulgates the following guidelines and procedures on availing the amnesty on fines and penalties to be assessed and collected by the Commission for: (i) the non-filing and late filing of the GIS for the latest and prior years; (ii) the non-filing and late filing of the AFS for the latest and prior years; and (iii) the non-compliance with MC No. 28, s.2020:

SECTION 1. Covered Violations. Unless otherwise provided under Section 5 of these Circular, an amnesty on the unassessed (not yet assessed) and/or uncollected fines and penalties by the Commission (already assessed not yet paid) is hereby authorized to be granted to all corporations, including branch offices, representative offices, regional headquarters, and regional operating headquarters of foreign corporations and foundations, for the following violations:

- a. Non-filing of GIS for the latest and prior years;
- b. Late filing of GIS for the latest and prior years;
- c. Non-filing of AFS, including fines for its attachments (i.e., Certificate of Existence of Program/Activity, Non-Stock, Non-Profit Organization Forms), for the latest and prior years; and
- d. Late filing of AFS, including fines for its attachments (i.e., Certificate of Existence of Program/Activity, Non-Stock, Non-Profit Organization Forms), for the latest and prior years.

² SEC MC No. 28, s. 2020, or the "Requirement for Corporations, Partnerships, Associations, and Individuals to Create and/or Designate Email Account Address and Cellphone Number for Transactions with the Commission" dated 27 August 2020.

In addition to corporations, this shall also cover associations, partnerships, and persons under the jurisdiction and supervision of the Commission, that failed to comply with MC No. 28.³

SECTION 2. Amnesty Rates. The applicable rates under this Circular will be as follows:

A. Non-Filing and Late Filing of GIS and/or AFS, and MC No. 28 violation:

Violation	Fine
Non-Filing of GIS	Php 5,000 (encompassing <u>all violations</u> on non-filing and late filing of GIS, and AFS and its attachments)
Late Filing of GIS	
Non-Filing of AFS	
Late Filing of AFS	
MC No. 28, s. 2020	Waived (Php 10,000)

The foregoing rate will apply, **provided** that, the applicant corporation or entity will (i) submit the latest reportorial requirement due at the time of application; AND (ii) comply with MC No. 28, s. 2020 through the [MC28 Submission Portal](#).

B. Suspended and Revoked Corporations:

The amnesty rate for Suspended and Revoked Corporations, including those which have filed for the lifting of suspension/revocation, are as follows:

Violation	Fines
Non-Filing of GIS	50% of the assessed fines (encompassing <u>all violations</u> on non-filing and late filing of GIS, and AFS and its attachments)
Late of GIS	
Non-Filing of AFS	
Late Filing of AFS	
MC No. 28, s. 2020	Waived (Php 10,000)

The foregoing rate will apply, subject to the payment of filing/petition fee and the appropriate proceedings⁴ to be filed with the Company Registration and Monitoring Department (CRMD) and Extension Offices (EOs) and compliance with the requirements under Section 3 of this Circular.

³ It may be recalled that the Commission extended the deadline for compliance with MC No. 28 to 11 November 2021, as stated in the Notice dated 8 September 2021 or the "Extension of Submission of Forms/Notices pursuant to Memorandum Circular No. 28, series of 2020."

⁴ The grant of amnesty and payment of the prescribed rate herein does not automatically lift the suspension and revocation. Hence, suspended and revoked corporations are still required to file a Petition to Lift Order of Suspension/Revocation of Certificate of Registration.

SECTION 3. Filing of Application and Supporting Documents. On or before 30 April 2023, the duly authorized representative or resident agent of the corporation (“Applicant”) shall file an Online Expression of Interest Form (“EOI”) (*see Annex A*) via the Electronic Filing and Submission Tool (eFAST).

The Applicant must present proof of his or her authority (*e.g.*, Notarized Secretary’s Certificate or Board Resolution, or written Power of Attorney of the resident agent duly filed with the Commission in compliance with Section 128 of Batas Pambansa Blg. 68,⁵ or Section 145 of the RCC) with the following requirements:

- a. For Domestic Corporations (Ordinary Stock and Non-Stock):
 - i. Latest due FS or undertaking to submit FS within forty-five (45) calendar days from the issuance of confirmation of payment;
 - ii. Latest due Amended FS, if any;
 - iii. Latest due GIS;
 - iv. Latest due Amended GIS, if any; and
 - v. Proof of compliance with MC No. 28.
- b. For Foreign Corporations (Branch Offices, Representative Offices, Regional Area Headquarters, and Regional Operating Headquarters):
 - i. Latest due FS or undertaking to submit FS within forty-five (45) calendar days from the issuance of confirmation of payment;
 - ii. Latest due Amended FS, if any;
 - iii. Latest due GIS;
 - iv. Latest due Amended GIS, if any; and
 - v. Proof of compliance with MC No. 28.

3.1. Application and Payment Procedures for Non-Compliant Corporations. Non-Compliant corporations include corporations who have neither complied with the prescribed submission of GIS and AFS intermittently or consecutively in the previous years, nor complied with MC No. 28, or both. Corporations that fall under this type of category will primarily file an online EOI Form through the eFAST. After uploading of EOI and proof of MC No. 28 compliance, the eFAST will automatically generate a Payment Assessment Form (“PAF”) with an amount of Five Thousand Pesos (Php 5,000.00) reflecting the fixed amnesty amount. The Applicant must settle this fee through the Electronic System for Payment to SEC ([eSPAYSEC](#)) only, where the electronic Official Receipt (eOR) is generated. Once the payment is settled, the Applicant shall upload the Notarized Application for Amnesty Form (*see Annex B-1*) and all other requirements cited in Section 3 of this Circular. Subsequently, once the submitted documents have been evaluated and deemed compliant, a Confirmation of Payment of Amnesty Fees will be issued to their registered email address.

3.2. Application and Payment Procedures for Revoked and Suspended Corporations. Similar to the non-compliant corporations under Section 3.1, Revoked and Suspended corporations eligible for amnesty under this Circular are those non-compliant with the prescribed submission of AFS and GIS, intermittently or consecutively, in the previous years, non-compliant with MC No. 28, or both. Corporations that fall under this type of category will primarily file an online EOI

⁵ Otherwise known as the “Corporation Code of the Philippines.”

Form and upload the Petition to Lift Order of Suspension/Revocation, and proof of MC No. 28 compliance through the eFAST. If the Applicant lacks compliance with MC No. 28, then enrollment through the [MC28 Submission Portal](#) shall be a prerequisite. Further, the applicant is directed to pay its corresponding petition fees via [eSPAYSEC](#) only, through a PAF that will be generated by the system.

After the petition fee has been settled, the Applicant shall upload the Notarized Application for Amnesty Form (*see Annex B-2*) and all other requirements cited in Section 3 of this Circular through the eFAST. After submission of the documents, the Applicant is advised to wait for the verification of its corporate status. Once the conduct of assessment and monitoring process is completed to determine the total amount of fines and penalties, the Applicant will receive an email notification from the CMD, appropriate Operating Department or EO, with the PAF that contains the amount reflecting the 50% of the total assessed fines. The Applicant must settle this fee through [eSPAYSEC](#) or LBP's On-Coll Facility and secure a copy of an electronic Official Receipt (eOR) from [espaysec.sec.gov.ph/eor](#). After payment has been settled, and submitted documents have undergone monitoring and evaluation, the Applicant shall receive a Confirmation of Payment for Amnesty on Fines and Penalties through their registered email address. A corporation's status will be updated, subject to the processing and issuance of the Lifting of Revocation and/or Order of Revival.

SECTION 4. Issuance of Confirmation of Payment. Corporations, which have fully complied with all the conditions set forth in these rules, including the payment of the relevant fines and penalties, shall be issued with a Confirmation of Payment for Amnesty on Fines and Penalties arising from the non-filing or late filing of the GIS and/or AFS, and non-compliance with MC No. 28. The amnesty granted under this Circular is final and irrevocable, covering the period/s indicated in the said Confirmation.

The issuance, however, of the Confirmation of Payment for Amnesty on Fines and Penalties shall not exempt the corporation from filing its subsequent mandatory reportorial requirements in a timely manner and, in the case of Revoked/Suspended Corporations, shall not automatically lift its Suspended/Revoked status which shall be a separate proceeding before the CRMD.

SECTION 5. Exceptions. The following entities are excluded from the coverage of the amnesty under this Circular:

- a. Corporations whose securities are listed on the Philippine Stock Exchange ("PSE");
- b. Corporations whose securities are registered but not listed on the PSE;
- c. Corporations considered as Public Companies;
- d. Corporations with intra-corporate dispute;
- e. Corporations with disputed GIS; and
- f. Other corporations covered under Sec. 17.2 of RA No. 8799 or the "Securities Regulation Code."

SECTION 6. Validity of Amnesty. Only those which have filed an amnesty application and secured a PAF through the eFAST, and paid through the eSPAYSEC⁶ or LBP On-Coll Facility⁷ until

⁶ Payment of amnesty for non-compliant corporations and Petition Fees for Lifting of Order of Revocation/Suspension will only be accepted through eSPAYSEC.

⁷ This payment option is only available for settlement of amnesty fees for suspended/revoked Corporations.

30 April 2023 shall be eligible for an amnesty under this Circular. Thereafter, the existing scale of fines and penalties issued by the Commission shall be observed.

SECTION 7. Effectivity. This Circular shall take effect immediately upon completion of its publication in a newspaper of general circulation.

Done this 15 March 2023, Makati City, Philippines.

For the Commission:


EMILIO B. AQUINO
Chairperson



EXPRESSION OF INTEREST TO AVAIL AMNESTY OF FINES AND PENALTIES

Under SEC Memorandum Circular No. ___ Series of 2023

(Date)

Emilio B. Aquino

Chairman

Securities and Exchange Commission

7907 Makati Avenue, Brgy. Bel-Air

Makati City

Attention: **Gerardo F. Del Rosario**

Director, Company Registration and Monitoring Department

Sir:

I, _____, of legal age, Filipino and with address at _____, on oath state that:

1. I am the Corporate Secretary of _____, a corporation duly organized and existing under Philippines laws, with office address at _____.
2. At the regular/special meeting of the board of directors, after due notice, held on _____ in _____, at which meeting a quorum was present, the resolution to avail of the Amnesty of Fines and Penalties under SEC Memorandum Circular No. ___ Series of 2023 was duly approved.
3. _____ (Name of Corporation), a Domestic/Foreign, Stock/Non-Stock Corporation with SEC Registration No. _____ hereby expresses its interest to avail of the amnesty of fines and penalties under SEC Memorandum Circular No. ___, series of 2023.
4. The Corporation undertakes to comply with the documentary requirements and pay the corresponding amnesty fee, as may be assessed by the Securities and Exchange Commission, within the period provided therefor.
5. In case it is determined that the corporate status is suspended/revoked, the Corporation further undertakes to submit within ninety (90) calendar days from date of payment of petition fees the following supporting documents to the Petition to set aside Order of Suspension/Revocation, otherwise, the petition fees paid shall be forfeited in favor of the Commission.
 - i. Directors' or Trustees' Certificate;
 - ii. Latest due Audited Financial Statements;
 - iii. Latest due General Information Sheet;
 - iv. Copies of Certificate of Incorporation and Latest Certificate of Filing Amended Articles or By-laws (if any) together with latest Articles of Incorporation and By-laws;
 - v. Copy of registration of stock and transfer book or membership book;
 - vi. BIR Certificate of Registration;
 - vii. Latest business/mayor's permit;
 - viii. Secretary's Certificate of No Intra Corporate Controversy;
 - ix. Secretary's Certificate (certifying that the latest FS and ITR were received by SEC and BIR);



- x. Sworn Certification by the external auditor; and
- xi. Any of the following proof of operation:
 - a) Audited Financial Statements;
 - b) Income Tax Returns;
 - c) Mayor's or Business Permits;
 - d) Contracts;
 - e) Receipts showing payment of real estate tax;
 - f) Certifications/Recognitions/Annual Conventions; or
 - g) Any similar/related documents

I declare under the penalties of perjury, that the information mentioned above have been made in good faith, verified by me and I attest to the correctness and completeness of the declaration therein.

Corporate Secretary

Subscribed and sworn to before me this ___ day of _____ 2023 in _____ affiant exhibiting to me _____.

Notary Public

Doc No.
Page No.
Book No.
Series 2023.



APPLICATION FOR AMNESTY OF FINES AND PENALTIES

Under SEC Memorandum Circular No. ___ Series of 2023

I, _____, of legal age, Filipino and with address at _____, on oath state that:

1. I am the Corporate Secretary of _____, a corporation duly organized and existing under Philippines laws, with office address at _____.
2. At the regular/special meeting of the board of directors, after due notice, held on _____ in _____, at which meeting a quorum was present, the following resolution was duly approved:

XXX

Resolved, as it is hereby resolved, that an Application for Amnesty of Fines and Penalties be filed with the Securities and Exchange Commission;

Resolved further that the Corporate Secretary, _____, is hereby authorized to execute the Application for Amnesty of Fines and Penalties and to file the same with the Securities and Exchange Commission.

3. The foregoing resolution is in accordance with the records of the Corporation and has not been amended and/or revised and continues to be in full force and effect as of date hereof.
4. To the best of my knowledge, no action of proceeding has been filed or is pending before any court involving intra-corporate dispute and/or claim by any person or group against the board of directors, individual directors, and/or officers or vice-versa.

(Name of Corporation)

5. I, hereby notify the Honorable Commission that _____, a Domestic/Foreign, Stock/Non-Stock Corporation with SEC Registration No. _____ and principal office address at _____ would like to avail of the amnesty of fines and penalties under SEC Memorandum Circular No. ___, series of 2023.

6. Attached are the required documents:

- For Domestic Corporations (Ordinary Stock and Non-Stock):
 - Latest due financial statements or undertaking submit financial statements within forty-five (45) calendar days from issuance of confirmation of payment;
 - Latest due Amended financial statements, if any;
 - Latest due General Information Sheet;
 - Latest due Amended General Information Sheet, if any; and
 - Proof of compliance with SEC MC 28, s.2020.
- For Foreign Corporations (Branch Offices, Representative Offices, Regional Area Headquarters, and Regional Operating Headquarters):
 - Latest due financial statements or undertaking submit financial statements within forty-five (45) calendar days from issuance of confirmation of payment;
 - Latest due Amended financial statements, if any;



Annex B-1

- Latest due General Information Sheet;
- Latest due Amended General Information Sheet, if any; and
- Proof of compliance with SEC MC 28, s. 2020.

7. I understand that the issuance of Certificate of Availment of Amnesty on Fines and Penalties, if granted, shall not preclude the Commission to review the reportorial requirements submitted by the applicant, and if warranted, impose the appropriate penalty for violation of laws, rules and regulation implemented by the Commission.

I declare under the penalties of perjury, that this statement and the attached documents mentioned above have been made in good faith, verified by me and I attest to the correctness and completeness of the declaration therein.

Corporate Secretary

Subscribed and sworn to before me this ___ day of _____ 2023 in _____ affiant exhibiting to me _____.

Notary Public

Doc No.
Page No.
Book No.
Series 2023



APPLICATION FOR AMNESTY OF FINES AND PENALTIES OF SUSPENDED/REVOKED CORPORATIONS

Under SEC Memorandum Circular No. ___ Series of 2023

I, _____, of legal age, Filipino and with address at _____, on oath state that:

1. I am the Corporate Secretary of _____, a corporation duly organized and existing under Philippines laws, with office address at _____.
2. The Corporation's Certificate of Registration was suspended/revoked by virtue of SEC Order dated _____.
3. That the revocation was due to non-filing of reports and not for any other violation.
4. The Corporation has not re-registered the same corporate name nor aware that the said corporate name, similar or confusingly similar, has been validly reused and/or used by another existing corporation nor.
5. At the regular/special meeting of the board of directors, after due notice, held on _____ in _____, at which meeting a quorum was present, the following resolution was duly approved:

XXX

Resolved, as it is hereby resolved, that a Petition to Lift Order of Suspension/Revocation of the Certificate of Registration be filed with the Securities and Exchange Commission;

Resolved further that an Application for Amnesty of Fines and Penalties be also filed with the Securities and Exchange Commission;

Resolved finally that the Corporate Secretary, _____, is hereby authorized to execute the Application for Amnesty of Fines and Penalties and to file the same with the Securities and Exchange Commission.

6. The foregoing resolution is in accordance with the records of the Corporation and has not been amended and/or revised and continues to be in full force and effect as of date hereof.
7. To the best of my knowledge, no action of proceeding has been filed or is pending before any court involving intra-corporate dispute and/or claim by any person or group against the board of directors, individual directors, and/or officers or vice-versa.

(Name of Corporation)

8. I, hereby notify the Honorable Commission that _____, a Domestic/Foreign, Stock/Non-Stock Corporation with SEC Registration No. _____ and principal office address at _____ would like to avail of the amnesty of fines and penalties under SEC Memorandum Circular No. ___, series of 2023.
9. Attached are the required documents:



Annex B-2

- For Domestic Corporations (Ordinary Stock and Non-Stock):
 - Latest due financial statements or undertaking submit financial statements within forty-five (45) calendar days from issuance of confirmation of payment;
 - Latest due Amended financial statements, if any;
 - Latest due General Information Sheet;
 - Latest due Amended General Information Sheet, if any; and
 - Proof of compliance with SEC MC 28, s.2020.

- For Foreign Corporations (Branch Offices, Representative Offices, Regional Area Headquarters, and Regional Operating Headquarters):
 - Latest due financial statements or undertaking submit financial statements within forty-five (45) calendar days from issuance of confirmation of payment;
 - Latest due Amended financial statements, if any;
 - Latest due General Information Sheet;
 - Latest due Amended General Information Sheet, if any; and
 - Proof of compliance with SEC MC 28, s. 2020.

10. I understand that the issuance of Certificate of Availment of Amnesty on Fines and Penalties, if granted, shall not preclude the Commission to review the reportorial requirements submitted by the applicant, and if warranted, impose the appropriate penalty for violation of laws, rules and regulation implemented by the Commission, and shall not automatically lift its Suspended/Revoked status which we shall file as a separate proceeding before the CRMD.

I declare under the penalties of perjury, that this statement and the attached documents mentioned above have been made in good faith, verified by me and I attest to the correctness and completeness of the declaration therein.

Corporate Secretary

Subscribed and sworn to before me this ___ day of _____ 2023 in _____ affiant exhibiting to me _____.

Notary Public

Doc No.
Page No.
Book No.
Series 2023