SEC Memorandum Circular No. 15
Series of 2025

TO : **ALL CONCERNED CORPORATIONS AND REPORTING PERSONS**

SUBJECT : **REVISED BENEFICIAL OWNERSHIP DISCLOSURE RULES**

WHEREAS, Section 73 of Republic Act 11232 otherwise known as the Revised Corporation Code of the Philippines (RCCP) requires all corporations to keep and carefully preserve all information relating to the corporations, including but not limited to the current ownership structure and voting rights of the corporation, lists of stockholders or members, group structures, intra-group relations, ownership data, and beneficial ownership;

WHEREAS, it is well-settled in jurisprudence that corporations are to be organized and used only for legal purposes and should not be used to defeat public convenience, justify wrong, protect fraud, or defend crime, or confuse legitimate issues;

WHEREAS, the risk of misuse of corporate vehicles for purposes contrary to law, such as corruption, money laundering, and terrorist financing, arises from the lack of transparency of beneficial ownership of such corporate vehicles;

WHEREAS, the Commission adheres to Republic Act No. 11032 or "The Anti-Red Tape Act of 2007" which declares the policy of the State to establish effective practices, aimed at efficient turnaround of the delivery of government services and prevention of graft and corruption in the government;

WHEREAS, to effectively prevent the misuse of such corporate vehicles, the Commission needs to establish rules and regulations related to the identification, declaration, and submission of accurate beneficial ownership information by all corporations. This will help streamline procedures and ensure that stakeholders, such as covered persons, law enforcement agencies, competent authorities, and other authorized government agencies, have reliable and current data necessary for the efficient performance of their respective mandates;

WHEREAS, it is a declared policy of the State to ensure that the Philippines shall not be used as a money-laundering site for unlawful activities;

WHEREFORE, by the authority vested in the Commission as Supervising Authority by the Anti-Money Laundering Act (AMLA), as amended, and its Implementing Rules and Regulations (IRR), the

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Securities Regulation Code (SRC), and the Revised Corporation Code of the Philippines (RCCP), and as approved by the Commission *En Banc*, the following rules are hereby promulgated:

Rule I
GENERAL PROVISIONS

Section 1. *Title*. These Rules shall be known and cited as the ***"Beneficial Ownership Disclosure Rules of 2026"***

Section 2. *Purpose*. These Rules are promulgated to establish a comprehensive regulatory framework for reporting entities under the Commission's jurisdiction to provide accurate beneficial ownership information to the Commission in a timely manner.

Section 3. *Declaration of Policy.* It is hereby declared the policy of the Commission to:

a. Strengthen integrity and accountability by preventing the misuse of corporate vehicles for illicit purposes, combating financial crimes, and enhancing transparency in all beneficial ownership structures, including public procurement processes, to promote trust, prevent corruption, and ensure transparency in the use of public funds through effective and efficient beneficial ownership practices disclosure;

b. Ensure that law enforcement, competent authorities, and other authorized agencies have timely access to adequate, accurate, and up-to-date beneficial ownership information for the fulfillment of their statutory mandates;

c. Adhere to international standards on beneficial ownership transparency as established by the Financial Action Task Force and other international standard-setting bodies;

d. Promote sound corporate governance, safeguard the integrity of the Philippine financial system, strengthen public confidence in the corporate and finance sector, and ensure that beneficial ownership information is made appropriately accessible to authorized users and, where permitted by law, to the public.

Section 4. *Scope of Application.* These Rules shall apply to all persons, natural and juridical, under the jurisdiction of the Commission, including but not limited to:

a. All domestic stock and non-stock corporations;

b. Partnerships;

c. Foreign corporations such as:

   i) Regional Operating Headquarters;
   ii) Regional Headquarters of Multinational Companies;
   iii) Representative Offices;
   iv) Branch offices; and
   v) All other foreign corporations licensed to do business in the Philippines;

d. One-Person Corporation, whether owned by natural persons, trusts, or estates;

e. Incorporators, directors, trustees, officers, shareholders or members, and beneficial owners of corporations covered by these Rules;

f. Persons filing applications for incorporation or registration of corporations with the Commission; and

g. All other corporations and legal entities or arrangements subject to the regulation of the Commission pursuant to law, policies, or established rules.

Section 5. *Definition of Terms*. For purposes of these Rules, the following terms shall be defined as follows:

a. **Authorized Filer** refers to a person duly designated as such by the reporting entity under relevant SEC rules.

b. **Bearer Shares** shall refer to equity securities owned by the person that holds the physical certificate which enables the transfer of ownership of shares of stock by mere delivery of such certificate. It shall likewise refer to instruments that accord ownership in a legal entity to the person who possesses or is the holder of the bearer share certificate and any other similar instruments without traceability.

c. **Bearer Share Warrants** shall refer to a document that accords entitlement to ownership in a legal person to anyone who possesses the physical bearer share warrant certificate, or any other similar warrants or instruments without traceability.

d. **Beneficial Owner** refers to any natural person who ultimately owns or controls or exercises ultimate effective control over a corporation or legal entity.

e. **Beneficial Ownership Registry** refers to the Commission's designated registry for submitting, maintaining, and accessing beneficial ownership information.

f. **Commission** refers to the Securities and Exchange Commission.

g. **Competent Authority** refers to all public authorities with designated responsibilities for combating money laundering and/or terrorist financing. This includes financial intelligence units; law enforcement agencies that have the function of investigating and/or prosecuting money laundering, associated predicate offences and terrorist financing and seizing/freezing and confiscating criminal assets; authorities that have AML/CFT supervisory or monitoring responsibilities aimed at ensuring compliance by financial institutions and DNFBPs with AML/CFT requirements; and financial supervisors established as independent non-governmental authorities with statutory powers.

h. **Data Sharing Agreement** refers to a formal agreement between the Commission and a Law Enforcement Agency, Competent Authority or other government body or agency, or financial institutions or designated non-financial businesses and professions (DNFBP) considered as covered persons under the IRR of the AMLA which sets forth the terms and conditions for the sharing and use of beneficial ownership information.

i. **Estate** refers to the property, rights, and obligations of a person which are not extinguished by death, considered for purposes of these Rules as a distinct legal entity capable of holding shares in a corporation, including in a One Person Corporation, through its executor or administrator.

j. **General Information Sheet (GIS)** refers to the report required to be submitted by corporations to the Commission containing, among others, basic corporate information and the list of directors, officers, and stockholders or members.

k. **Intermediate Entity** refers to any juridical person or legal arrangement positioned between the reporting corporation and the natural person beneficial owner in a chain of ownership or control.

l. **Legal Arrangements** refer to express trust and other similar arrangements.

m. **Legal Owner** refers to a natural or juridical person or entity that holds legal title to shares or membership in a corporation as reflected in corporate records who may or may not be the beneficial owner.

n. **Nominator** shall refer to any person or entity for and on whose behalf another person acts as incorporator/director/trustee or shareholder.

o. **Nominee** is any natural person who acts for or on behalf of another person as incorporator/director/trustee or shareholder.

p. **One-Person Corporation (OPC)** refers to a corporation with a single stockholder who may be a natural person, trust, or estate, as provided under Title XIII of the Revised Corporation Code.

q. **Politically Exposed Persons (PEP)** refers to an individual who is or has been entrusted with prominent public position with substantial authority over policy, operations or the use or allocation of government-owned resources, a foreign state or an international organization.

r. **Reporting Entity** refers to any entity described in Section 4 of these Rules that is required to disclose beneficial ownership information.

s. **Trust** refers to the fiduciary relationship created by a person, the trustor, when the assets have been placed under the control of a trustee for the benefit of a beneficiary or for a specified purpose.

Rule II
BENEFICIAL OWNERSHIP IDENTIFICATION AND VERIFICATION

Section 6. *Beneficial Ownership Identification Principles.* Only natural persons shall be recognized as beneficial owners.

6.1. All beneficial owners falling under any of the following categories shall be disclosed and all applicable categories shall be reported. An individual shall be considered a beneficial owner from the time they qualify under any of the following categories below:

a. **Category A (Ownership)** – Natural person(s) owning, directly or indirectly through a chain of ownership, at least twenty percent (20%) of the voting rights, voting shares, or capital of the reporting entity.
b. **Category B (Contractual Control)** – Natural person(s) who exercise control over the reporting entity through any contract, understanding, relationship, intermediary, or tiered entity.

c. **Category C (Board Election Power) -** Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the reporting entity.

d. **Category D (Dominant Influence) -** Natural person(s) having the ability to exert a dominant influence over the management or policies of the reporting entity.

e. **Category E (Direction of Board) -** Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the reporting entity are carried out by a majority of the board members.

f. **Category F (Property Stewardship) -** Natural person(s) acting as stewards of properties of the reporting entity, where such properties are under the care or administration of said natural person(s).

g. **Category G (Nominee Arrangements) -** Natural person(s) who actually own or control the reporting entity through nominee shareholders or nominee directors acting for or on behalf of such natural persons.

h. **Category H (Other Control Mechanisms) -** Natural person(s) ultimately owning or controlling or exercising ultimate effective control through other means not falling under any of the foregoing categories including substantial benefits such as exclusive use of the reporting entity's assets, receipt of profits and liquidating dividends, among others.

i. **Category I (Senior Management): -** Natural person(s) exercising control through senior management positions within the reporting entity. This category is applicable only when no natural person is identifiable under Categories A through H after exhausting reasonable means of identification. If there are multiple persons in the same level of seniority, all such persons shall be identified as beneficial owners.

6.2. A notice may be issued by the Commission to adjust or modify the reporting threshold for beneficial ownership under Category A, subject to the observance of legally required processes. Any such notice shall likewise follow the SEC's internal procedures for issuances affecting public compliance.

6.3. *Who May Not Be Beneficial Owners.* The following shall not qualify as beneficial owners:

a. Persons acting solely as agents, nominees, trustees, or in similar capacities on behalf of another person who qualifies as a beneficial owner;

b. Persons who hold positions in or exercise control over a corporation solely in their capacity as employees, without any ownership stake and without exercising effective control except when the beneficial owner falls under the ambit of category I in the preceding section;

c. Persons authorized to act on behalf of a group of natural persons, such as executors, administrators, or similar legal representatives not falling under Category F; and

d. Persons holding shares or exercising control solely in their professional capacity as regulated service providers; provided that they do not fall under the ambit of category B in the preceding section.

6.4. A corporation may declare as many beneficial owners as it may have, which may fall under any of the categories in Section 6.1 of these Rules.

6.5. A single natural person may simultaneously qualify as a beneficial owner under any or all of the categories as defined in Section 6.1 of these Rules.

Section 7. *Special Cases.*

7.1. **One-Person Corporation with Trust or Estate as Single Stockholder.**

a. The single stockholder in an OPC shall, in all cases, be considered as a beneficial owner.

b. The following shall be considered as the beneficial owners in an OPC with trusts as their single stockholder:

i)	All beneficiaries with defined beneficial interests in the trust	Category A
ii)	All trustors/settlors/grantors who established the trust	Category B / Category E
iii)	Any other natural persons who exercise effective control over the trust	Category B
iv)	All trustees or administrators exercising control over the trust asset	Category F

c. The following shall be considered as the beneficial owners in an OPC with estates as their single stockholder:

i)	All heirs and legatees with beneficial interests in the estate	Category A
ii)	Any other natural persons who exercise effective control over the estate	Category B
iii)	The executor or administrator of the estate	Category F

d. Supporting documentation pertaining to the above declaration by a corporation shall be kept and maintained and made available to the Commission upon request for examination.

7.2. **Partnerships**

a. A beneficial owner of a partnership shall be a natural person who meets any of the conditions under Categories 6.1, as may be applicable;

b. Where a partnership includes corporate partners, each corporate partner shall be required to submit its respective beneficial ownership information in accordance with the categories as set out in Section 6 of this Circular;

c. In cases of unregistered joint ventures involving partnerships and corporations, the corporate partners are still required to disclose their beneficial ownership information, even if the joint venture is not required to disclose its own beneficial owners;

d. For joint ventures registered with the SEC pursuant to Article 1772 of the Civil Code, the provisions of this Circular shall be applicable.

7.3 **Corporation with Tiered Structures**. *Computation for Beneficial Owners of Corporations with Complex Structure.* Where a corporation has a tiered ownership structure involving one or more intermediate entities between the corporation and the ultimate beneficial owners:

a. Indirect beneficial ownership can be computed by multiplying ownership percentages at each tier of the corporate structure;

b. This rule shall apply without limit to the number of corporate layers and shall be used to trace ownership through all types of legal entities and arrangements;

c. A natural person shall be identified as a beneficial owner when they exercise effective control at any level of the ownership chain, even if mathematical multiplication of ownership percentages results in less than 20%.

7.4. **Cross-Border Ownership Structures.** For corporations with ownership structures spanning multiple jurisdictions, the following must be observed:

a. Corporations shall trace ownership through all jurisdictions;

b. The Commission may accept certifications from foreign registries or regulators as supporting evidence;

c. The Commission may enter into information-sharing arrangements with foreign counterparts to request or verify beneficial ownership information.

Section 8. *Duty to Maintain Beneficial Ownership Information as Part of Reporting Entity's Records.* Every reporting entity shall keep and preserve adequate, accurate and up-to-date Beneficial Ownership Information as provided in these Rules and shall identify its beneficial owners and notify them accordingly. This duty is continuing and shall form part of the internal record-keeping of the reporting entity.

For purposes of these rules, the information on Beneficial Ownership is adequate when the reporting entity has the complete names, specific residential addresses, dates of birth, sex, nationalities, mobile number and/or landline, email addresses, tax identification numbers, if any, civil status, PEP, date the individual became a beneficial owner and percentage of ownership, if applicable, of all its Beneficial Owners.

Any change and/or updates to beneficial ownership information should be promptly reflected on record and reported to the Commission within the timeline set forth under Section 21 of this Memorandum Circular. Further, the reporting entity should ensure that the beneficial owner details and information reflected therein have been verified using reliable, independently sourced/obtained documents, data, or information.

Section 9. *Duty to Provide Access.* A reporting entity shall, upon request by the Commission, provide access to records and documentation supporting beneficial ownership declarations within the period specified in such request.

Section 10. *Record Keeping Requirements*. A reporting entity shall preserve:

a. Beneficial ownership information for at least five (5) years after dissolution or termination of the entity;

b. Records of all changes in beneficial ownership information for at least five (5) years from the date of each change; and

c. Supporting documentation for the same period.

Records shall be maintained in a manner that preserves their integrity and accuracy, allows for prompt retrieval upon request by the Commission, and ensures appropriate confidentiality and security.

Rule III
PROHIBITION AGAINST BEARER SHARES AND MANDATORY DISCLOSURE OF NOMINEE ARRANGEMENTS

Section 11. *Prohibition Against the Issuance/Sale/Public Offering of Bearer Shares/Bearer Share Warrants.* No person shall issue, sell, or offer for sale or distribution bearer shares and bearer share warrants.

Section 12. *Disclosure and Recording of the Alienation, Sale, or Transfer of Shares*. Except as provided for under any of the rules of the Commission, the alienation, sale or transfer of shares of stock, the date thereof, by whom and to whom made, shall be disclosed and recorded in the Stock and Transfer Book of the issuing corporation within Thirty (30) days from date of such alienation, sale, or transfer, subject to compliance with the requirements for the recording or registration of transfers under applicable regulations. Unless thus disclosed and recorded, the same shall not be binding on the issuer. No transfer or assignment of ownership or rights over shares of stock shall be effective unless the name of the transferee/purchaser/assignee is properly identified and the transaction is recorded in the Stock and Transfer Book or the appropriate registry book of the issuing corporation in accordance with these Guidelines.

Sales or transfers of shares of publicly listed companies through the facilities of the Philippine Stock Exchange are not covered by this Section, without prejudice to the requirement to disclose beneficial ownership information in the Commission's Beneficial Ownership Registry which shall remain applicable to all registered corporations as well as disclosure of beneficial ownership of shares in accordance with pertinent provisions of the IRR of the Securities Regulation Code.

Section 13. *Mandatory Disclosure of Nominee Arrangements.* – Any nominee incorporator/director/trustee or shareholder must disclose their status as such and the identity of their nominator/s to the Commission. Such disclosure shall include the full names, country of residence, nationality/ies, tax identification number (TIN) or passport number (if without TIN) of the nominator. If the nominator is a corporation, its beneficial owner must be disclosed, if not yet disclosed to the

Commission under these rules. If the nominator is a trust, the identities of the trustor/s, trustee/s, and beneficiaries of the trust shall in like manner be disclosed.

Except as otherwise provided by existing laws, rules, and regulations, the incorporators of a corporation shall disclose to the Commission, through the online company registration platform, the person or persons on whose behalf the registration of the corporation was applied for. Nominee incorporators or applicants for registration, as well as the nominee directors/trustees and nominee shareholders of the applicant corporation shall in the same manner disclose to the Commission their residence, nationality, and tax identification numbers (TIN), or in the absence of such TIN, the passport numbers of their nominators or principals and the person on whose behalf the corporation was registered. Otherwise, they shall submit to the Commission a declaration that they are not nominee incorporators/nominee applicants/nominee directors/nominee subscribers, if such be the fact, and that they are not acting as such for and on behalf of another person.

Section 14. *Mandatory Disclosure of Nominators/Principals/Persons on Whose Behalf One Acts as Director/Trustee/Shareholder of Existing Corporations.* – Except as otherwise provided by law, rules, and regulations, nominee shareholders as well as nominee directors/trustees of registered corporations shall disclose to the Commission, online through a platform provided therefor, their nominators and principals or persons on whose behalf they act as such shareholders/directors/trustees. Such information shall likewise be disclosed to the corporation in which they are or act as nominee shareholders or directors/trustees. The disclosure shall include the full names, country of residence, nationality, and tax identification numbers, or in the absence of such TIN, the passport numbers of their nominators or principals. If the nominator or principal is a corporation, the registered name of the corporation, its country or registration, names of its incorporators and directors, its beneficial owners, its TIN, if any, shall in the same manner be disclosed. If the nominator or principal is a trust, the names, nationality and country of residence, and TIN or passport number of the trustor/s, trustees/s and beneficiary/ies of the trust shall in like manner be disclosed.

Section 15. *Payment of Dividends*. – Except for dividend payments made by publicly listed companies to the PCD Nominee or any similar entity authorized to act as depository and custodian of shares for purposes of trading in the stock exchange and operating under the same rules, no dividends shall be paid to any natural or juridical person who is not the recorded owner in the stock and transfer book of the issuing company for which dividends are being paid.

Section 16. Exemption from Disclosure Requirements – As a general rule, the disclosure requirement prescribed in Section 14 of these guidelines shall not apply to all covered institutions/persons as enumerated under Section 3(a) of the AMLA, as amended and SEC Memorandum Circular No. 16, Series of 2018 or any amendments thereof. Provided, that the exemption from said disclosure requirement only applies to nominee/trustee arrangements related to products and services offered by Covered Institutions/Persons that are already subject to Customer Identification Requirements and Record Keeping by Supervising Authorities under the AMLA and its applicable Rules and Regulations.

SEC Covered Persons having an overall rating of 1 in the Commission's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Risk Rating System (ARRS) may nonetheless be directed to comply with the disclosure requirements in Section 14 of these Guidelines as part of its close monitoring measures pursuant to SEC Memorandum Circular No. 26, Series of 2020 or any amendments thereof.

Section 17. *Compliance* – The submission to the Commission of the required information under Rule III of this Circular shall be done online in such form and manner as the Commission deems practicable.

Rule IV
INFORMATION AND FILING REQUIREMENTS

Section 18. *Required Information.*

18.1. A reporting entity shall disclose the following information for each beneficial owner:

a. Complete name/s (original and transliterated name);

b. Specific residential address;

c. Date of birth;

d. Sex;

e. Nationalities;

f. Mobile number and/or landline;

g. Email address;

h. Tax identification number or, for foreign individuals without a tax identification number, passport number with issuing country;

i. Civil Status;

j. PEP; and

k. Date the individual became a beneficial owner.

18.2. A reporting entity shall disclose the following information regarding the beneficial owner's ownership or control:

a. The specific category or categories of beneficial ownership under which the individual qualifies pursuant to Section 6.1;

b. The percentage of ownership or voting rights, where applicable;

c. The specific nature and means of control exercised by the beneficial owner; and

d. The date when beneficial ownership was acquired or established.

Section 19. *Commission's Authority to Request Additional Information.* Pursuant to the power of the Commission under Section 178 of Republic Act 11232, otherwise known as the Revised Corporation Code (RCC), in the exercise of its visitorial powers, and authority to inspect records of corporations, the Commission may require reporting entities to produce any documents related to their beneficial ownership declaration as well as the processes on their identification of their beneficial owners. A reporting entity shall comply with any request issued by the Commission within the timeframe specified in such request.

Section 20. *Responsible Parties.*

The following persons shall be primarily responsible for ensuring accurate and timely disclosure of beneficial ownership information:

a. For domestic stock and non-stock corporations, the Corporate Secretary or any duly authorized representative;

b. For foreign corporations licensed to do business in the Philippines, the Resident Agent;

c. For one-person corporations: (1) The single stockholder, if a natural person; (2) The trustee, if the single stockholder is a trust; or (3) The administrator or executor, if the single stockholder is an estate;

d. For other entities under the Commission's jurisdiction, their designated legal representatives.

Section 21. Filing Timeline.

21.1. Initial Disclosure

a. For newly registered entities, Beneficial ownership information shall be submitted at the time of incorporation or registration. No certificate of incorporation or license to do business shall be issued until such information is provided; and

b. For existing entities, Beneficial ownership information shall be provided with the next General Information Sheet following the effectivity of these Rules.

21.2. Change in Beneficial Ownership. – Any change in beneficial ownership shall be reported within seven (7) calendar days from the date of the event.

Section 22. Beneficial Ownership Registry Submission.

22.1. All beneficial ownership information shall be submitted through the Commission's designated beneficial ownership registry.

22.2. The Commission may authorize physical submission or alternative filing methods of beneficial ownership information, in exceptional circumstances, through official correspondence or advisory.

Rule V
AUTHORITY OF THE COMMISSION

Section 23. *Compliance and Verification*

23.1. The Commission, through its Anti-Money Laundering Division of the Enforcement and Investor Protection Department (AMLD-EIPD), shall ensure compliance with this Circular and verify the accuracy, completeness, and timeliness of beneficial ownership information submitted by reporting entities.

23.2. The Commission may:

a. Examine the consistency of beneficial ownership information with other corporate records;

b. Require additional documentation to substantiate beneficial ownership claims;

c. Conduct targeted reviews based on risk assessment;
d. Perform audits to assess compliance with these Rules;

e. Request additional information from other jurisdictions to verify submissions or supporting documents; and

f. Pursuant to the provisions of Sections 73 of the RCC and 53 of the SRC, to enlist the aid of government agencies and the private sector in the verification of beneficial ownership information and issue such orders and directives necessary in pursuit thereof.

23.3. The Commission may establish a mechanism to receive reports regarding any discrepancy in the reported beneficial owner in the beneficial ownership registry.

Section 24. Access to Beneficial Ownership Information.

24.1 The Commission, while adhering to applicable provisions of the Data Privacy Act and its Implementing Rules and Regulations, shall endeavor to provide timely access to beneficial ownership information to the following:

a. Authorized personnel within the Commission; and

b. Law enforcement agencies, competent authorities, and other government agencies or bodies.

This may involve granting direct access via APIs (Application Programming Interfaces).

24.2 Pursuant to its policy aims under Section 3 of these Rules, the Commission may also grant access to the following:

a. "Covered persons" as defined under the Anti-Money Laundering Act and its Implementing Rules and Regulations;

b. Media organizations whose members and/or employees may held accountable for any wrongdoing, adhering to a journalistic code of conduct or code of ethics; and

c. General public, to the extent allowed by law.

24.3 In line with the existing Data Privacy laws and its implementing rules and regulations, the Commission shall issue appropriate guidelines to ensure that:

a. The access regime is balanced and proportionate; and

b. The information will only be used for lawful purposes.

Whenever permitted by law, such guidelines may provide for exemptions in exceptional circumstances where such information would expose the beneficial owner to disproportionate risks.

24.4. Discrepancy reporting. – The Commission may establish a mechanism to receive information and/or reports regarding any discrepancy in the disclosed beneficial owners in the beneficial ownership registry.

Rule VI
PENALTIES AND ENFORCEMENT

SECTION 25. *Penalties.*

25.1 Failure to Disclose. If, after due notice and hearing, the Commission finds that the reporting corporation has committed a violation of these Guidelines by failing to disclose, without any lawful cause, its beneficial ownership in accordance to the provisions thereof, the reporting corporation shall be penalized based on retained earnings (whether appropriated or unappropriated) or fund balance, as follows:

a. For Stock Corporation with retained earnings of less than Php500,000.00:

1st Violation	Php50,000.00
2nd Violation	Php100,000.00
3rd Violation	Php250,000.00
4th Violation onwards	Php 500,000.00

b. For Non-Stock Corporations with fund balance of less than Php500,000.00:

1st Violation	Php25,000.00
2nd Violation	Php50,000.00
3rd Violation	Php100,000.00
4th Violation onwards	Php 250,000.00

c. For Stock Corporations with retained earnings or Non-Stock Corporations with fund balance of Php500,000.00 or more but less than Php5,000,000.00, the penalties shall be twice the amount of the penalties imposed for those with retained earnings or fund balance of less than Php500,000.00.

d. For Stock Corporations with retained earnings or Non-Stock Corporations with fund balance of Php 5,000,000.00 or more but less than Php10,000,000.00, the penalties shall be thrice the amount imposed for those with retained earnings or fund balance of less than Php500,000.00.

e. For Stock Corporations with retained earnings or Non-Stock Corporations with fund balance of Php10,000,000.00 or more, the penalties shall be four times the amount imposed for those with retained earnings or fund balance of less than Php500,000.00.

f. The reporting corporation shall also be imposed an additional fine of Php1,000.00 for each day of delay in the submission of beneficial ownership information as a continuing violation, but the additional fine for the continuing violation shall in no case exceed Php2,000,000.00.

25.2 **False Declaration.** The Commission, upon its finding motu proprio or upon referral by a competent authority that a corporation submitted false beneficial ownership information, shall send a Notice and Order to the reporting corporation stating:

a. The fact of false disclosure of beneficial ownership information; and

b. Giving the corporation fifteen (15) calendar days to comply and submit complete and accurate beneficial ownership information and a written explanation for the false disclosure.

If after fifteen (15) days from receipt by the Corporation of the Notice and Order from the Commission has lapsed without compliance with the abovementioned, or after a finding by the Commission through its Resolution that the corporation indeed submitted false Beneficial Ownership Information, the reporting corporation shall be penalized with a fine of up to Two Million Pesos (Php2,000,000.00), and may subsequently be dissolved.

25.3 **Liability of Directors/Trustees and Officers of the Corporation**. If the Commission, after due notice and hearing, finds that the directors/trustees and/or officers of the reporting corporation, without any lawful cause, failed to exercise the due diligence required in ensuring compliance with the requirement to disclose beneficial ownership information in accordance with Section 8 hereof resulting in no beneficial owner(s) as defined herein being timely disclosed in the beneficial ownership registry or in the non-submission of the beneficial ownership information within the prescribed period, the following penalties shall be imposed upon such directors, trustees and/or officers:

1st Violation	Php50,000.00
2nd Violation	Php100,000.00
3rd Violation	Php500,000.00
4th Violation onwards	Php 1,000,000.00

Provided, that if the violation pertains to False Declaration under Section 25.2 of this Circular, the directors, trustees, and officers, found responsible in the commission thereof or in the non-compliance of the related Notice and Order issued therefor shall after due notice and hearing, each be penalized with a fine of up to One Million Pesos and shall be disqualified to be directors, trustees, and officers of any corporations for a period of five (5) years.

The absence of written procedures and policies for obtaining, updating and recording beneficial ownership information and for the timely disclosure thereof to the Commission, as provided in Section 8 hereof, or the lack of Board or Senior Management Oversight to ensure compliance with such policies and procedures, shall be prima facie proof of failure to exercise the due diligence required. Any submission without the required beneficial ownership information or every instance of non-submission or late submission, arising from the failure to exercise the due diligence required, shall be considered as a prima facie violation of the duty to exercise the due diligence required by said directors/trustees and/or officers.

25.4 **Other imposable penalties**. If, after due notice and hearing, the Commission finds that there is a willful violation of this Circular or related orders of the Commission, or that any person has refused to permit any lawful examination into its affairs, the Commission may, in its discretion, and subject to existing laws and regulations, impose the penalty of suspension or revocation of the certificate of incorporation of the reporting corporation along with other penalties that is within the power of the Commission to impose.

In imposing the foregoing penalties, the Commission shall be guided by the principles of effectiveness, dissuasiveness, and proportionality.

The foregoing penalties are without prejudice to the imposition of other applicable penalties as provided under the Revised Corporation Code of the Philippines, the Securities regulation Code, and other rules and regulations of the Commission.

Section 26. Administrative Due Process.

26.1. Imposition of penalties shall be subject to administrative due process.

26.2. The Commission shall:

a. Issue a Notice of Violation specifying the provision allegedly violated;

b. Inform the reporting entity of its right to file a explanation;

c. Provide the reporting entity fifteen (15) calendar days from receipt to respond to the Notice of Violation;

d. Evaluate all evidence and explanations before rendering a decision; and

e. State the factual and legal bases for any order imposing penalties.

Notices, Orders, Decisions, and/or Resolutions may be issued by the Commission through electronic means and in accordance with SEC Memorandum Circular No. 28, Series of 2020, or any amendment or revision related thereto.

Section 27. Enforcement Measures.

27.1. Compliance Orders

The Commission may issue Compliance Orders requiring:

a. Immediate correction of deficiencies in beneficial ownership disclosure;

b. Implementation of specific remedial measures; and

c. Enhanced compliance monitoring.

27.2. Settlement of Violations

a. The Commission may allow settlement of violations of these Rules under terms and conditions that ensure future compliance.

b. Settlement shall not be available for:

i.) Repeated violations; or after the fourth violation;
ii.) Deliberate submission of false information.

27.3. Publication of Non-Compliant Entities

The Commission may publish a list of entities that fail to comply with beneficial ownership disclosure requirements after the completion of due process procedures.

27.4. Whistleblower Referrals

a. The Commission recognizes the importance of whistleblowers in identifying non-compliance with beneficial ownership disclosure requirements. Such whistleblowers shall be compensated in the manner determined by the Commission, as permitted under Applicable Government Auditing Rules and Regulations.

b. Persons with knowledge of violations of these Rules may report such breaches to the Commission.

c. Information received from whistleblowers shall be evaluated and, where appropriate, used to initiate investigations into potential violations of these Rules.

d. Protections afforded to whistleblowers under the Commission's Whistleblower Policy shall apply to persons reporting violations of these Rules.

Section 28. *Compliance and Enforcement.* The Commission, through the AMLD-EIPD, shall enforce and monitor compliance with this Circular in coordination with the other Departments of the Commission.

Rule VII
FINAL PROVISIONS

Section 29. Clarificatory Notices. Any clarification regarding the implementation of this memorandum circular shall be communicated to the public through notices issued by the Commission.

Section 30. Repealing Clause.

The following issuances are hereby amended or repealed:

a. SEC Memorandum Circular No. 15, series of 2019, as amended by SEC Memorandum Circular No. 10, series of 2022;

b. SEC Memorandum Circular No. 30, series of 2020; and

c. SEC Memorandum Circular 10, series of 2022.

All rules, regulations, orders, circulars, and issuances of the Commission that are inconsistent with this MC, unless otherwise herein indicated, are hereby amended and/or repealed accordingly.

Section 31. Transitory Provisions.

31.1. Beneficial ownership information previously submitted to the Commission pursuant to issuances that have since been amended or repealed shall continue to be recognized for the specific filing period to which they pertain, without prejudice to the Commission's authority to require corrections, updates, or to take appropriate action in case such submissions are subsequently found to be inaccurate, incomplete, or false.

31.2. Pending the full implementation and online availability of the Beneficial Ownership Registry, all reporting entities shall continue to submit their beneficial ownership information through the General Information Sheet (GIS) filed via the eFAST system.

Upon issuance of a Notice by the Commission declaring the Beneficial Ownership Registry operational, all beneficial ownership disclosures shall thereafter be submitted exclusively through the web-based Registry in the manner prescribed by the Commission. Correspondingly, the GIS section requiring beneficial ownership information shall be removed.

Section 32. Separability Clause.

If any provision of these Rules, or the application thereof to any person or circumstance, is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 33. Effectivity.

These Rules shall take effect on January 01, 2026 after its publication in two (2) newspapers of general circulation in the Philippines.

Makati City, Philippines, 22 December 2025

For the Commission:

FRANCISCO ED. LIM
Chairperson