SEC MEMORANDUM CIRCULAR NO. 6
Series of 2024

TO	:	**ALL CONCERNED**
SUBJECT	:	**UPDATED FINES AND PENALTIES ON THE LATE AND NON-SUBMISSION OF AUDITED FINANCIAL STATEMENTS (AFS), GENERAL INFORMATION SHEET (GIS), NON-COMPLIANCE WITH SEC MEMORANDUM CIRCULAR NO. 28, SERIES OF 2020 (SEC MC 28)**
DATE	:	27 March 2024

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 158 of the RCC provides that the Commission has the power to impose fines ranging from Five Thousand Pesos (PhP 5,000) to Two Million Pesos (PhP 2,000,000) and a daily fine of no more than One Thousand Pesos (PhP 1,000) for continuing violations, but in no case to exceed Two Million Pesos (PhP 2,000,000);

WHEREAS, the Commission, through SEC Memorandum Circular No. 2, Series of 2023 (SEC MC 2), and subsequent amendments thereto, granted amnesty for late and non-filing of GIS and AFS and non-compliance with SEC MC 28 to provide corporations with ample and cost-effective opportunity to update their compliance with the documentary and reportorial requirements under the RCC, among others;

WHEREAS, the Commission, through its issuances, webinars, social media posts, and press releases, had actively campaigned and encouraged non-compliant, suspended or revoked corporations to apply for amnesty under SEC MC 2 to avoid hefty monetary penalties once the revised scale of fines and penalties is implemented;

WHEREAS, the final deadline for amnesty applications under SEC MC 2, as amended, was 31 December 2023;

WHEREAS, the Commission strives to comply with one of the remaining requirements to remove the Philippines from the gray list of the global anti-money laundering watchdog, Financial Action Task Force, by enhancing and streamlining the access to beneficial ownership information and taking steps to ensure that the information is accurate and up to date through the corporations' regular submission of the GIS;

WHEREAS, it has been observed that there is a need for continuous and rigid monitoring of violations pertaining to reportorial requirements, especially for habitual erring corporations, in order to maintain an accurate database which shall determine and identify active and inactive corporations and those who are already due to be placed under delinquent status;

WHEREAS, upon a thorough review of all active regulated entities, the Commission saw the need to reevaluate its existing scale of fines and penalties to meaningfully deter violations and non-compliance with current regulations;

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WHEREAS, the Commission has not introduced any modification in the schedule of fines and penalties since the issuance of the guidelines on the imposition of fines and penalties for non-compliance with reportorial requirements in July 2002;

WHEREAS, an exposure draft of the *Revised Fines and Penalties on Submission of Reportorial Requirements (AFS & GIS)* was published on the SEC website on 26 April 2023 to solicit comments from the public until 26 May 2023, and to ensure transparency and public awareness;

NOW THEREFORE, the Commission shall impose the following updated fines and penalties to all regulated entities:

I. DEFINITION OF TERMS

A. For One Person, Stock, and Non-Stock Domestic Corporations

a. *Filed/Submission on Time* means the punctual submission of the reportorial requirements, as prescribed by the Commission:

Reportorial Requirements	Period to File / Register
GIS[1]	**Within thirty (30) calendar days** from the date of the actual meeting. For Financing and Lending Companies, the reckoning period for the filing of the GIS is from the **date of actual meeting or within seven (7) calendar days from the date of change,** as the need arises.
AFS	**Within one hundred twenty (120) calendar days** from fiscal year-end or as prescribed by the Commission.
SEC MC 28	**Upon filing of the registration forms or within thirty (30) calendar days** from the issuance of the certificate of registration, license, or authority.

b. *Late Filing/Submission* means the submission of the reportorial requirements which may either be:

i. Filing after the due date but still **within a year of the prescribed deadline for filing**;
ii. Filing **beyond one (1) year from the prescribed period**, in which case the penalty shall be the base fine for *"Non-Filing"* and the computation of the monthly penalty shall not exceed twelve (12) months; or
iii. In case of SEC MC 28, submitting **beyond thirty (30) calendar days** from the issuance of the certificate of registration, license, or authority.

c. *Non-Filing* means non-submission of the reportorial requirements.

B. For Stock and Non-Stock Foreign Corporations

a. *Filed on Time* means the punctual submission/registration of the reportorial requirements, as prescribed by the Commission:

Reportorial Requirements	Period to File / Register
GIS	**Within thirty (30) calendar days** from the anniversary date of the issuance of the SEC license.
AFS	**Within one hundred twenty (120) calendar days** from fiscal year-end or as prescribed by the Commission.

[1] Not applicable to One Person Corporations

SEC MC 28	**Upon filing up of the registration forms or within thirty (30) calendar days** from the issuance of the certificate of registration, license, or authority.

b. *Late Filing* means the submission of the reportorial requirements beyond the applicable period in Part I (2) (a) wherein its basic fine may be reckoned either from:

   i. The filing **after thirty (30) calendar days** from the anniversary date of the issuance of the SEC license for GIS or from the prescribed deadline for AFS;
   ii. The filing **after sixty (60) calendar days** from the anniversary date of the issuance of the SEC license for GIS or from the prescribed deadline for AFS, in which case the penalty shall be the base fine of "Non-Filing" and the computation of the monthly penalty shall not exceed twelve (12) months;[2]or
   iii. In case of SEC MC 28, submitting **beyond thirty (30) calendar days** from the issuance of the certificate of registration, license, or authority.

c. *Non-Filing* means non-submission of the reportorial requirements.

-SCALES OF FINES AND PENALTIES ON THE NEXT PAGE-

[2] SEC Memorandum Circular No.15-2006 - Guidelines on Compliance by Foreign Corporations with Reportorial and Monitoring Requirements. Please refer to the table on pages 8 to 13 for the difference in computation.

II. SCALES OF FINES AND PENALTIES

The basis of computation of fines shall be the latest due submission of the GIS and/or AFS. Should there be non-submission of the GIS and/or AFS for the prior years, such GIS and/or AFS shall be considered as not filed and shall be assessed in accordance with this Circular.

A. Late Filing of Reportorial Requirements for Domestic Stock and One Person Corporation

VIOLATION	BRACKET	IMPOSABLE FINES – PER REPORT				
Late Filing of GIS and/or AFS	**Based on Retained Earnings/ Fund Balance / Equity**	**First Offense[3]**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Stock Corporations and One Person Corporation	Capital Deficiency	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
	Negative Retained Earnings (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱500 per month[4] of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay

[3] Companies shall be formally notified of their corresponding fines and penalties. For purposes of determining the frequency of violation, the number of settled notices with corresponding Confirmation of Payment will be considered, such that the counting of "*First Offense*" shall only set-in after the settlement of the initial notice.

[4] A fraction of a month shall be considered a whole month. Moreover, the monthly penalty shall start from the prescribed due date of the reportorial requirement submission.

B. Late Filing of Reportorial Requirements for Domestic Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Late Filing of GIS and/or AFS	**Based on Retained Earnings/ Fund Balance / Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Non- Stock Corporations	Negative Fund Balance/ Equity (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱7,500	₱9,000	₱10,500	₱12,000	₱13,500
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱12,500	₱15,000	₱17,500	₱20,000	₱22,500
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay

C. Non-Filing of Reportorial Requirements for Domestic Stock Corporation and One Person Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Non-Filing of Reportorial Requirements (GIS and/or AFS)	**Based on Retained Earnings / Fund Balance / Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Stock Corporations and One Person Corporation	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Retained Earnings (Deficit)	₱10,000 Plus ₱500 per month of delay	₱12,000 Plus ₱500 per month of delay	₱14,000 Plus ₱500 per month of delay	₱16,000 Plus ₱500 per month of delay	₱18,000 Plus ₱500 per month of delay
	₱0 to ₱100,000	₱10,000 Plus ₱1,000 per month of delay	₱12,000 Plus ₱1,000 per month of delay	₱14,000 Plus ₱1,000 per month of delay	₱16,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱15,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay	₱21,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱27,000 Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱20,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱28,000 Plus ₱1,000 per month of delay	₱32,000 Plus ₱1,000 per month of delay	₱36,000 Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱25,000 Plus ₱1,000 per month of delay	₱30,000 Plus ₱1,000 per month of delay	₱35,000 Plus ₱1,000 per month of delay	₱40,000 Plus ₱1,000 per month of delay	₱45,000 Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱30,000 Plus ₱1,000 per month of delay	₱36,000 Plus ₱1,000 per month of delay	₱42,000 Plus ₱1,000 per month of delay	₱48,000 Plus ₱1,000 per month of delay	₱54,000 Plus ₱1,000 per month of delay

D. Non-Filing of Reportorial Requirements for Domestic Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Non-Filing of GIS and/or AFS	**Based on Retained Earnings / Fund Balance / Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Non- Stock Corporations	Negative Fund Balance/ Equity (Deficit)	₱10,000 Plus ₱500 per month of delay	₱12,000 Plus ₱500 per month of delay	₱14,000 Plus ₱500 per month of delay	₱16,000 Plus ₱500 per month of delay	₱18,000 Plus ₱500 per month of delay
	₱0 to ₱100,000	₱10,000 Plus ₱1,000 per month of delay	₱12,000 Plus ₱1,000 per month of delay	₱14,000 Plus ₱1,000 per month of delay	₱16,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱12,500 Plus ₱1,000 per month of delay	₱15,000 Plus ₱1,000 per month of delay	₱17,500 Plus ₱1,000 per month of delay	₱20,000 Plus ₱1,000 per month of delay	₱22,500 Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱15,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay	₱21,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱27,000 Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱17,500 Plus ₱1,000 per month of delay	₱21,000 Plus ₱1,000 per month of delay	₱24,500 Plus ₱1,000 per month of delay	₱28,000 Plus ₱1,000 per month of delay	₱31,500 Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱20,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱28,000 Plus ₱1,000 per month of delay	₱32,000 Plus ₱1,000 per month of delay	₱36,000 Plus ₱1,000 per month of delay

E. Late Filing of Reportorial Requirements for Foreign Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Late Filing of Reportorial Requirements (GIS and/or AFS)	**Based on Accumulated Income (AI) / Fund Balance / Members' Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Stock Corporations (Branch, Representative Office, ROHQ)	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**
		**if filed after sixty (60) calendar days				
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				

		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	Above ₱10,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				

F. Late Filing of Reportorial Requirements for Foreign Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Late Filing of Reportorial Requirements (GIS and/or AFS)	**Based on Accumulated Income (AI) / Fund Balance / Members' Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Non-Stock (Branch, Representative Office, RHQ)	Negative Accumulated Income (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**
		**if filed after sixty (60) calendar days				
	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
		₱15,000	₱18,000	₱21,000	₱24,000	₱27,000

	₱500,001 to ₱5,000,000	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱5,000,001 to ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	Above ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				

G. Non-Filing of Reportorial Requirements for Foreign Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Non-Filing of Reportorial Requirements (GIS and/or AFS)	**Based on Accumulated Income (AI) / Fund Balance / Members' Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Stock Corporations (Branch, Representative Office, ROHQ)	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱100,001 to ₱500,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱500,001 to ₱5,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱5,000,001 to ₱10,000,000	₱40,000	₱48,000	₱56,000	₱64,000	₱72,000
		Plus	Plus	Plus	Plus	Plus

		₱12,000 penalty	₱12,000 penalty	₱12,000 penalty	₱12,000 penalty	₱12,000 penalty
	Above ₱10,000,000	₱50,000 Plus ₱12,000 penalty	₱60,000 Plus ₱12,000 penalty	₱70,000 Plus ₱12,000 penalty	₱80,000 Plus ₱12,000 penalty	₱90,000 Plus ₱12,000 penalty

H. Non-Filing of Reportorial Requirements for Foreign Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
Non-Filing of Reportorial Requirements (GIS and/or AFS)	**Based on Accumulated Income (AI) / Fund Balance / Members' Equity**	**First Offense**	**Second Offense**	**Third Offense**	**Fourth Offense**	**Fifth Offense**
Non- Stock Corporations (Branch, Representative Office, RHQ)	Negative Accumulated Income (Deficit)	₱10,000 Plus ₱6,000 penalty	₱12,000 Plus ₱6,000 penalty	₱14,000 Plus ₱6,000 penalty	₱16,000 Plus ₱6,000 penalty	₱18,000 Plus ₱6,000 penalty
	₱0 to ₱100,000	₱10,000 Plus ₱12,000 penalty	₱12,000 Plus ₱12,000 penalty	₱14,000 Plus ₱12,000 penalty	₱16,000 Plus ₱12,000 penalty	₱18,000 Plus ₱12,000 penalty
	₱100,001 to ₱500,000	₱15,000 Plus ₱12,000 penalty	₱18,000 Plus ₱12,000 penalty	₱21,000 Plus ₱12,000 penalty	₱24,000 Plus ₱12,000 penalty	₱27,000 Plus ₱12,000 penalty
	₱500,001 to ₱5,000,000	₱20,000 Plus ₱12,000 penalty	₱24,000 Plus ₱12,000 penalty	₱28,000 Plus ₱12,000 penalty	₱32,000 Plus ₱12,000 penalty	₱36,000 Plus ₱12,000 penalty
	₱5,000,001 to ₱10,000,000	₱25,000 Plus ₱12,000 penalty	₱30,000 Plus ₱12,000 penalty	₱35,000 Plus ₱12,000 penalty	₱40,000 Plus ₱12,000 penalty	₱45,000 Plus ₱12,000 penalty
	Above ₱10,000,000	₱30,000 Plus ₱12,000 penalty	₱36,000 Plus ₱12,000 penalty	₱42,000 Plus ₱12,000 penalty	₱48,000 Plus ₱12,000 penalty	₱54,000 Plus ₱12,000 penalty

I. Late and Non-Compliance with MC 28, s. 2020

VIOLATION	IMPOSABLE FINES
Late Filing and Non-Compliance with MC 28, s. 2020	₱20, 000

III. PENALTY CLAUSE

Pursuant to Section 177 of the RCC, the SEC may declare a corporation under delinquent status in case of failure to submit reportorial requirements for three (3) times, consecutively or intermittently, within five (5) years. **After a corporation is notified of its delinquent status, the commission of a sixth (6th) offense constitutes a ground for revocation of its Certificate of Registration/License to Transact Business in the Philippines or Secondary License[5] and shall warrant the imposition of monetary fines equivalent to the fifth (5th) offense plus one hundred percent (100%) surcharge of the total assessed fine.**

IV. REVERSION OF PENALTY TO FIRST OFFENSE

Upon the effectivity of this Memorandum Circular, corporations charged with higher imposable fines, *i.e.*, second to fifth offense, may be penalized under the scale of penalty for the first offense, provided, they are found to be compliant with the submission of GIS and AFS for three (3) consecutive years immediately after the imposition of higher imposable penalties, *i.e.*, due reports for the periods 2023 to 2025.

The penalty for corporations who successfully availed of and were issued corresponding Confirmation of Payment of Amnesty Fees (COPs) but subsequently committed the same offense shall immediately be reverted to that applicable for the first offense.

IV. REPEALING CLAUSE

Any circular, rule or order earlier issued by the Commission that is inconsistent with any of the foregoing enumeration of violations, fines, and penalties shall be deemed wholly or partly superseded, repealed or amended by this Circular, as the case may be.

V. EFFECTIVITY CLAUSE

This Circular shall cover requests for monitoring received by the Commission on 1 April 2024. All requests for monitoring and inquiries related thereto shall only be done through the following email addresses/forms:

HANDLING DEPARTMENT/OFFICE	SPECIFICS	EMAIL/LINK
Company Registration and Monitoring Department (CRMD) – Compliance Monitoring Division (CMD)	Request for Monitoring: Domestic Stock, Non-Stock, and One Person Corporations	Domestic and One Person Corporations: Monitoring Request Form Link
Company Registration and Monitoring Department (CRMD) – Compliance Monitoring Division (CMD)	Request for Monitoring: Foreign Corporations	Foreign Corporations: Monitoring Request Form Link
Company Registration and Monitoring Department (CRMD) – Compliance Monitoring Division (CMD)	Request for Status of Monitoring Request: Domestic Stock, Non-Stock, and One Person Corporations	crmd_monitoring@sec.gov.ph
Company Registration and Monitoring Department (CRMD) – Compliance Monitoring Division (CMD)	Request for Status of Monitoring Request: Foreign Corporations	cmd_foreign_monitoring@sec.gov.ph

[5] Based on the SEC Rules of Procedure, the department/office who has jurisdiction over its regulated entities has the authority to revoke the secondary licenses of these corporations.

Corporate Governance and Finance Department (CGFD)	General Request: All Supervised and Regulated Corporations of CGFD	cgfd@sec.gov.ph
Corporate Governance and Finance Department (CGFD) – Licensing Division (LD)	Request for Monitoring: Investment Companies (mutual funds), Issuers of Proprietary and Non-Proprietary Securities, Public Companies	cgfd_ld@sec.gov.ph
Corporate Governance and Finance Department (CGFD) - Corporate Governance Division (CGD)	Request for Monitoring: Accredited Institutional Training Providers (ITPs), Publicly Listed Companies (PLCs) on Corporate Governance and Sustainability Reporting Matters	cgfd_cgd@sec.gov.ph
Corporate Governance and Finance Department (CGFD) – Monitoring, Compliance, and Audit Division (MCAD)	Request for Monitoring: Foundations	cgfd_fdn@sec.gov.ph
Corporate Governance and Finance Department (CGFD) – Monitoring, Compliance, and Audit Division (MCAD)	Request for Monitoring: Accredited Microfinance NGOs	mnrc_secretariat@sec.gov.ph
Financing and Lending Division (FinLenD)	Request for Monitoring: Financing and Lending Corporations with Secondary License	Request Slip via Google Forms
Markets and Securities Regulation Department (MSRD)	General Request: All Supervised and Regulated Corporations of MSRD	msrdsubmission@sec.gov.ph msrd_mid@sec.gov.ph
Bacolod Extension Office	Request for Monitoring: Corporations under the jurisdiction of Bacolod Extension Office	sec.bcdextension@gmail.com
Baguio Extension Office	Request for Monitoring: Corporations under the jurisdiction of Baguio Extension Office	BAGEO Monitoring Request Form Link
Cagayan de Oro Extension Office	Request for Monitoring: Corporations under the jurisdiction of Cagayan de Oro Extension Office	reports_cdo@sec.gov.ph
Cebu Extension Office	Request for Monitoring: Corporations under the jurisdiction of Cebu Extension Office	CEBEO Monitoring Request Form Link
Davao Extension Office	Request for Monitoring: Corporations under the jurisdiction of Davao Extension Office	secdavao.records@gmail.com
Iloilo Extension Office	Request for Monitoring: Corporations under the jurisdiction of Iloilo Extension Office	sec_iloilo@sec.gov.ph
Legazpi Extension Office	Request for Monitoring: Corporations under the	LEGEO Monitoring Request Form Link secbicol@sec.gov.ph

	jurisdiction of Legazpi Extension Office	
Tarlac Extension Office	Request for Monitoring: Corporations under the jurisdiction of Tarlac Extension Office	secteo@sec.gov.ph
Tacloban Extension Office	Request for Monitoring: Corporations under the jurisdiction of Tacloban Extension Office	TACEO Monitoring Request Form Link
Zamboanga Extension Office	Request for Monitoring: Corporations under the jurisdiction of Zamboanga Extension Office	reports_zeo@sec.gov.ph

Any requests for monitoring sent to email addresses other than above listed will no longer be entertained and only those coursed through the proper request forms will be processed.

Done this 27 March 2024, Makati City, Philippines.

For the Commission:

EMILIO B. AQUINO
Chairperson