SEC MEMORANDUM CIRCULAR NO. 3
SERIES OF 2021

TO: **ALL CONCERNED CORPORATIONS**

SUBJECT: **SCHEDULE AND PROCEDURE FOR THE FILING OF ANNUAL FINANCIAL STATEMENTS, GENERAL INFORMATION SHEET AND OTHER COVERED REPORTS**

WHEREAS, Section 180 of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, mandates that the Commission shall develop and implement an electronic filing and monitoring system and shall promulgate rules to facilitate and expedite, among others, corporate name reservation and registration, incorporation, submission of reports, notices, and documents required under this Code, and sharing of pertinent information with other government agencies.

WHEREAS, Section 7 of Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, provides that all government agencies including LGUs shall adopt a zero-contact policy.

WHEREAS, Section 17 of Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, requires that government agencies shall automate business-related transactions by developing the necessary software and technology-neutral platforms.

WHEREAS, the Commission adheres to sustainable practices such as using less paper and reducing energy consumption through streamlined processes and technology, as well as promotes the role of corporations in achieving the United Nations Sustainable Development Goals and AmBisyon Natin 2040 through the issuance of the Sustainability Reporting Guidelines for Publicly Listed Companies under SEC Memorandum Circular No. 4, Series of 2019, on 15 February 2019, among others.

WHEREAS, the Inter-Agency Task Force for the Management of Emerging Infectious Diseases orders all government agencies to adopt and enforce minimum health standards to prevent and/or minimize the local spread of emerging infectious diseases such as COVID-19.

WHEREAS, it is imperative to maintain an organized and orderly filing in 2021 of the Annual Financial Statements (AFS), General Information Sheet (GIS), General Form for Financial Statements (GFFS), industry-specific Special Form for Financial Statements (SFFS), and other covered reports in compliance with the foregoing laws, relevant regulations, sustainable practices and health protocols.

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NOW, THEREFORE, the Commission, pursuant to its authority under the Revised Corporation Code of the Philippines (RCC) and the Securities Regulation Code (SRC), hereby issues and promulgates the following guidelines on the 2021 filing of AFS, GIS, SSF, GFFS, and SFFS, and the use of the Online Submission Tool (OST) in filing the said reports with the Commission:

SECTION 1. *Mode of Submission of Reports.* The submission of annual reports to the Commission, as enumerated in Section 2 hereof, shall be done online using the Commission's Online Submission Tool (OST).

Except as otherwise provided in this Memorandum Circular and other issuances, the Commission shall no longer accept hard copies of reports. No submission through email, mail, courier and chutebox shall be allowed and/or accepted.

The submission of GFFS and SFFS in diskette or compact disc as mandated in SEC Memorandum Circular No. 6, Series of 2006[1] is no longer required.

Section 2. *Reports Accepted through the OST.* For the initial implementation of the OST, the following reports shall be accepted:

(a) Audited Financial Statements
  (1) Duly stamped received by the Bureau of Internal Revenue (BIR) or proof of filing with the BIR should be attached to the Audited Financial Statements
  (2) Duly signed Auditor's Report
  (3) Statement of Management's Responsibility duly signed by authorized signatories
  (4) Compliant with all the Audited Financial Statements requirements as stated in the checklist available on the SEC website, and in accordance with the Revised SRC Rule 68, if applicable
(b) General Information Sheet (GIS)
(c) Sworn Statement for Foundation (SSF)[2]
(d) General Form for Financial Statements (GFFS)
(e) Special Form for Financial Statements (SFFS), including IHFS[3], PHFS[4], BDFS[5], LCFS[6], FCFS[7], LCIF[8], and FCIF[9]

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[1] SEC Memorandum Circular No. 6, Series of 2006 or the "Submission of General Information Sheet and the General and Special Form for Financial Statements in Electronic Format", issued on April 7, 2006.

[2] Prior to 2006: Refer to the Guidelines on Foundations under SEC Memorandum Circular No. 1, Series of 2004
2006 to 2012: Refer to the Revised Guidelines on Foundations under SEC Memorandum Circular No. 8, Series of 2006.
2013 to 2018: Refer to the SEC Notice dated 18 April 2013.
2019 onwards: Refer to the 2019 Revised SRC Rule 68

[3] IHFS, SFSS for Investment Companies

[4] PHFS, SFFS for Investment Companies and Publicly-Held Companies enumerated in Section 17.2 of the SRC

[5] BDFS, SFSS for Broker Dealer

[6] LCFS, SFSS for Lending Companies

[7] FCFS, SFSS for Financing Companies

[8] Special Form of Interim Financial Statements for Lending Companies

[9] Special Form of Interim Financial Statements for Financing Companies

(f) Affidavit of Non-Operation (ANO), to be filed together with the GIS/AFS. Filer may submit a GIS/AFS without any movement/change

(g) Affidavit of Non-Holding of Annual Meeting (ANHAM), to be filed together with the GIS. Also, the filer may submit a GIS, without any movement/change (No Meeting Held).

The optional filing of ANO and ANHAM, when warranted, is subject to existing applicable SEC Memorandum Circulars, rules and regulations, including but not limited to SEC Memorandum Circular No. 3, Series of 2007[10], as superseded by Section 25 of the RCC[11]. The ANO and ANHAM are deemed not filed if not attached to the FS and GIS, respectively.

Section 3. *Mandatory Enrollment to OST.* All corporations registered with SEC must enroll in the OST in order to access and submit reports through the OST, except as otherwise provided in this Memorandum Circular and other issuances of the Commission.

The enrollment process of all registered corporations will start on 15 March 2021.

Section 4. *SEC Offices in Charge.* For the initial implementation, the Systems Operations Division, Information and Communications Technology Department (SOD-ICTD) shall initially handle the provision of access to the OST through a validation process. Subsequently, for validation on the registration of a corporation, this will be handled by the Company Registration and Monitoring Department (CRMD), in order to verify the authenticity of registration documents submitted by the corporation, and subsequently, all SEC departments requiring the relevant reports.

PROCEDURES FOR THE USE OF OST

Section 5. *Enrollment Procedure and Requirements*

(a) Fill out the application form online through https://cifss-ost.sec.gov.ph/

(b) Attach the following documents:

(1) Board Resolution, as embodied in a Secretary's Certificate, from the corporation authorizing the Company's representative to file reports on behalf of the corporation.

Corporations shall follow the prescribed format of the above Board Resolution, which may be downloaded from the OST.

(2) MC28 Report, as stated in Annexes D to G required under SEC Memorandum Circular No. 28, s. of 2020 or the Requirement for Corporations, Associations, and Individuals to Create and/or Designate E-mail Account Address and Cellphone Number for Transactions with the Commission and/or General Information Sheet (GIS) version 2020 or

[10] Sections 11, 12, Part D (Company Registration and Monitoring Department) SEC Memorandum Circular No. 3, Series of 2007 or the "Amendment of Reportorial Requirements", issued on September 5, 2007.

[11] Section 25, RCC – Report of Election of Directors, Trustees and Officers, Non-holding of Election and Cessation from Office

Notification Update Form (NUF) for Foreign Corporations submitted to the SEC.

The online enrollment shall be open for both corporations and firms providing related services to corporations including, but not limited to law firms and consultancy firms (the "Firms"), provided that there is a Board Resolution to that effect, as abovementioned.

The role of the authorized filer is to submit and upload documents on the company's behalf, as authorized by the company in the Board Resolution. The company may function as its own authorized filer or nominate a different email address as its authorized filer, in a case where a company either outsources the filing of its documents through an external party or uses a different email address within its own company for submission. If a company chooses to function as its own filer, then no additional steps for enrollment are required.

As to subsequent enrollments, the Firms need not enroll again as an authorized filer provided that an email address already existing under its account will be allowed by the enrolled corporation as an authorized filer. Also, its account should be activated first before it can file documents for the corporation even without enrollment.

The enrolled company may activate its authorized filer using the email address authorized by the corporation.

But if the corporation provides another email address to the authorized filer different from the existing email address, as enrolled in the OST, the authorized filer needs to enroll again for the new corporation. The email address provided by the enrolled corporation will serve as the access key for the authorized filer to be accepted in the OST.

The enrollment is a one-time process for the reporting corporation. In the event the corporation decides to change its/their authorized filer, the reporting company shall enroll a new filer and replace the old one, revising and updating in the same enrollment form submitted by the reporting entity when it originally enrolled in provided for the company under the OST.

(3) Upload the application form, together with the aforementioned attachments.

(4) Wait for the approval of the application through email and the access key (User ID and Password) to file reports through the OST. The access key must be treated as confidential at all times for the security of the company filing the reports.

(5) If the application is pending approval, wait for a notification through registered email for compliance with additional requirements, if any. If

all the requirements have been complied with, an access key will be issued to the applicant.

(6) The issued access key (User ID and Password) shall be used by the filer to access the OST and file the reports.

Section 6. *Required Format of Submission.* The OST will prompt the filer whether the report to be filed should be in Portable Document Format (PDF), Microsoft Excel and other formats.

The GIS must be submitted in two (2) formats:

(a) Multi-Page PDF with Text Layer of the accomplished but unsigned form; and
(b) Multi-Page PDF High Resolution Scan (at least 100x100 dpi) of the document with the Signatories Page and the Notarization Page.

The following reports must be submitted in the format stated below:

(c) Annual Financial Statements (AFS) - PDF
    (1) The AFS, and its applicable accompanying attachments pursuant to Revised SRC Rule 68, must be submitted in the following format:
        i. Multi-Page PDF High Resolution Scan (at least 100x100 dpi) of the document with the Signatories Page and the Notarization Page
(d) Sworn Statement for Foundation (SSF) – PDF
    (1) The SSF must be submitted in the following format:
        i. Multi-Page PDF High Resolution Scan (at least 100x100 dpi) of the document with the Signatories Page and the Notarization Page
(e) General Form for Financial Statements (GFFS) – Excel
(f) Special Form for Financial Statements (SFFS), including IHFS, PHFS, BDFS, LCFS, FCFS, LCIF, and FCIF – Excel
(g) Affidavit of Non-Operation (ANO) attached to AFS/GIS – PDF
(h) Affidavit of Non-Holding of Annual Meeting (ANHAM) attached to GIS - PDF

However, the responsibility for ensuring the accuracy and completeness of the abovementioned applicable reports lies with the filers or the authorized signatories.

The SEC will post on the OST website and its official website step-by-step guides on the conversion of the documents to be filed in the OST.

Section 7. *Review of the Quality of the Image of the Report; Final Acceptance of the Report.* Filers will receive an automatic reply for the initial acceptance of the reports for review by the SEC-Electronic Records Management Division (SEC-ERMD) with regard to the quality of the image. Once the reports have passed the quality assurance, a Quick Response (QR) Code will be issued to filers online.

In the case of filers who complied with the prescribed format but failed to indicate the prescribed content required in the report, the Department requiring such report will address the issue during the monitoring process through proper review and assess

penalties, if applicable, subject to the existing laws, rules and regulations and memorandum circulars issued by the Commission.

Section 8. *Sorting of Reports for Public Access.* The SEC-ERMD Receiving Officer will sort and classify the pages of the report for public access and/or for department requirement particularly those to be treated as confidential.

The submitted report will be transmitted to the department requiring the report online through the Company Investments and Financial Statistical System (CiFSS) and the PDF file with signature and notary will be ingested to the Online Submission Portal (OSP) for public use.

Section 9. *Other Requirements for Audited Financial Statements.*

(a) The Audited Financial Statements, other than the consolidated financial statements, shall be stamped "received" by the Bureau of Internal Revenue (BIR) or its authorized banks, unless the BIR allows an alternative proof of submission for its authorized banks (e.g. bank slips); and/or other proof of receipt, as approved by the BIR for its mode of submission.

(b) The basic components of the Audited Financial Statements, as prescribed under Revised SRC Rule 68, as amended, shall be submitted by the filers. Failure to comply with any of the formal requirements under the said Rule, and/or any material deficiency or misstatement that may be found upon evaluation of the specific contents thereof, shall be considered a sufficient ground for the imposition of penalties by SEC. The acceptance and receipt by the Commission of the financial statements shall be without prejudice to such penalties.

(c) The General Financial Reporting Requirements, as stated in the Revised SRC Rule 68, dated 19 August 2019, states the threshold for an Audited Financial Statements as follows:

(1) Stock corporations with total assets or total liabilities of Six Hundred Thousand Pesos (Php600,000) or more as prescribed under the Revised Corporation Code of the Philippines (RCC) and any of its subsequent revisions or such amount as may be subsequently prescribed;
(2) Non-stock corporations with total assets or total liabilities of Six Hundred Thousand Pesos (Php600,000) or more as prescribed under the RCC and any of its subsequent revisions or such amount as may be subsequently prescribed;
(3) Branch offices/representative offices of stock foreign corporations with assigned capital in the equivalent amount of One Million Pesos (Php1,000,000) or more;
(4) Branch offices/representative offices of non-stock foreign corporation with total assets in the equivalent amount of One Million Pesos (Php1,000,000) or more;
(5) Regional operating headquarters of foreign corporations with total revenues in the equivalent amount of One Million Pesos (Php1,000,000) or more;

(6) Financial statements of branch offices of foreign corporations licensed to do business in the Philippines by the Commission shall comply with the requirements of this Rule, unless otherwise determined by the Commission as not applicable.

(d) Corporations which do not meet the threshold stated in Section 9, no. 3, items a and b, may submit their Annual Financial Statements accompanied by a duly notarized Treasurer's or Chief Financial Officer Certification only (rather than an Auditor's Report).[12]

(e) The One Person Corporation shall submit Annual Financial Statements audited by an Independent certified public accountant: Provided, That if the total assets or total liabilities of the corporation are less than six hundred thousand pesos (P600,000.00), the financial statements shall be certified under oath by the corporation's treasurer and president.[13]

(f) Regulated entities must comply with all the required documents on Audited Financial Statements submission, including but not limited to, other documents to be filed together with the Audited Financial Statements, Schedules and other requirements, pursuant to the Revised SRC Rule 68, dated 19 August 2019.[14]

OTHER OPTIONS FOR THE SUBMISSION OF REPORTS

Section 10. *OST Kiosks.* All corporations, except as otherwise provided in this Memorandum Circular, are required to enroll and submit their reports (AFS, GIS, SSF, GFFS, SFFS like IHFS, PHFS and BDFS, LCFS, FCFS, LCIF, and FCIF, ANO and ANHAM) through OST.

However, in case filers cannot enroll and submit reports through the OST, kiosks shall be provided in SEC offices and other areas, as may be designated by the Commission for technical assistance on the use of the OST.

The OST Kiosks will be available for nine (9) months, from 15 March 2021 to 15 December 2021. Subsequent submissions shall be done remotely.

In the broader interest of justice and in order to best serve public interest, the Commission may, as needed, and subject to existing rules and regulations, extend the availability of the OST Kiosks, and apply such suitable, fair, and reasonable procedure to ensure delivery of public service.

The ICTD will also designate point person/s who will specially handle OST related complaints, within the OST Kiosks premises, should the circumstances arise.

Section 11. *Over-the-Counter Submission of Reports due to OST Problems.* Filers who successfully created an account in the OST shall submit their reports online.

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[12] Revised Corporation Code Republic Act No. 11232 Section 177A

[13] Revised Corporation Code Republic Act No. 11232 Section 129A

[14] https://www.sec.gov.ph/wp-content/uploads/2019/12/2019Rule_RSRCRule68.pdf

The SEC Main Office, all SEC Extension Offices (EOs), and Satellite Offices may accept reports over the counter provided that filers present the Notice from OST that problems have been encountered during the process of enrollment and/or submission. In such event, all EOs shall follow the existing procedures in the filing of reports over the counter, including transmittal to the Head Office after encoding.

Section 12. *Reports to be Submitted Through Email.* Scanned copies of the printed or hard copies of the Reports with wet signature and proper notarization other than AFS, GIS, SSF, GFFS, SFFS like IHFS, PHFS, BDFS, LCFS, FCFS, LCIF, and FCIF, ANO and ANHAM, shall be filed in Portable Document Format (PDF) through email at:

ictdsubmission@sec.gov.ph

For those Reports that require the payment of filing fees, these still need to be filed and sent via email with the SEC's respective Operating Departments.

DEADLINES

Section 13. *Deadlines for Submission of Reports.*

(a) For the initial implementation of the OST, all stock corporations are required to enroll with the system starting March 15, 2021 to December 15, 2021.

Non-stock corporations are given the option whether they will enroll and submit their reports through OST or proceed to the SEC Kiosk for assistance in the enrollment process or submit their reports over the counter.

Nonetheless, by 2022, all corporations, whether stock or non-stock, shall be required to enroll and submit their reports through the OST.

(b) All corporations shall submit their GIS within thirty (30) calendar days after, counted from their date of Annual Meeting or Actual Meeting.

(c) All stock corporations with fiscal year ending December 31, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations, shall enroll and file their AFS through OST depending on the last numerical digit of their SEC registration or license number in accordance with the following schedule:

June 1-30	:	1
July 1-31	:	2
August 1-31	:	3 & 4
September 1-30	:	5 & 6
October 1-31	:	7 & 8

November 1-30 : 9 & 0

All stock corporations may enroll and submit their reports through OST even prior to their respective coding schedule.

For stock corporations unable to enroll and file their AFS through OST based on the above coding schedule, the filing of reports done over-the-counter shall not be accepted. Such corporations are mandated to still enroll and file through OST.

For all corporations that have complied with the OST enrollment, all submissions of its reports shall be done online.

(d) GFFS and SFFS must be filed within 30 days from the deadline of AFS submission. The Certification under oath and submission of the reports in diskettes required under SEC Memorandum Circular No. 6, Series of 2006 is no longer required. However, the accuracy and completeness of the reports are still expected from the Reports submitted by the companies.

Section 14. *SEC Satellite Offices and Extension Offices.* All SEC Satellite Offices (if open) and all Extension Offices shall be governed also by the above coding schedules. However, any corporation may file ahead of the prescribed filing dates through the OST.

Section 15. *Corporations with Different Filing Schedule.* The above filing schedule shall not apply to the following corporations:

(a) Those corporations whose fiscal year ends on a date other than December 31. These entities shall file their AFS within 120 calendar days from the end of their fiscal year;

However, for Broker Dealer whose fiscal year ends on December 31, SEC Form 52-AR shall be filed with the Commission depending on the last numerical digit of its registration number as prescribed by the Commission. Broker Dealers whose fiscal year ends on a date other than December 31 shall file SEC Form 52-AR, 110 calendar days after the close of such fiscal year.[15]

(b) Those whose securities are listed in the Philippine Stock Exchange (PSE) and those whose securities are registered but not listed in PSE except those companies which filed SEC Form 17-EX, and those Public Companies covered under Sec. 17.2 of the SRC. These entities shall continue to observe the due date of filing of their respective AFS (within 105 calendar days after the end of the fiscal year), as an attachment to their Annual Reports (SEC Form 17-A), in accordance with the Implementing Rules and Regulations of the SRC and the Revised SRC Rule 68.

(c) Corporations whose AFS are being audited by the Commission on Audit (COA); Provided, that the following documents are attached to their AFS:

[15] Rule 52.1.5.2 of the 2015 SRC IRR

(1) An Affidavit signed by the President and Treasurer (or Chief Finance Officer, where applicable), attesting to the fact that the company has timely provided COA with the financial statements and supporting documents and that the audit of COA has just been concluded; and

(2) A letter from COA confirming the information provided in the above Affidavit.

Section 16. *Applications for Validation of the CRMD.* All corporations that will file their reports through the OST but whose applications for enrollment are still for validation by the CRMD, shall receive a notification during their registration and through their registered email on how to proceed with their application.

Section 17. *OST Operating Hours.* The OST shall be open twenty-four (24) hours. However, all submissions shall only be accepted from Mondays to Fridays.

Submissions made outside of the OST's operating hours shall be considered filed on the next working day.

Section 18. *Date of Receipt of the Report.* The reckoning date of receipt of reports is the date the report was initially submitted to the OST, if the filed report is compliant with the existing requirements.

A report which was reverted or rejected is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

Section 19. *Fees and Charges.* For the initial implementation (3 months) of the OST and the OSP, the SEC will not impose fees and charges for public access.

Section 20. *Inquiries.* For inquiries/concerns/clarifications on the OST please dial/email the following:

(a) Enrollment Process in OST:

0975-223-3958
0926-628-9813

(b) Submission process in OST:

0906-620-2298
0906-404-2252

(c) Emails for OST inquiry:

inquiry_ost1@sec.gov.ph
inquiry_ost2@sec.gov.ph

Section 21. *Modification/Amendment.* All other circulars, memoranda, notices and implementing rules and regulations that may be inconsistent with the foregoing provisions shall be deemed modified or amended accordingly.

Section 22. *Effectivity.* This Memorandum Circular shall take effect immediately after its publication in two newspapers of general circulation.

Pasay City, Philippines. 9 March 2021.

For the Commission:

EMILIO B. AQUINO
Chairperson