Republic of the Philippines

Securities and Exchange Commission

SEC Bldg. EDSA, Greenhills, Mandaluyong City

SEC MEMORANDUM CIRCULAR NO. 1
Series of 2010

SUBJECT: ADOPTION OF THE BROKER-DEALER CHART OF ACCOUNTS

The Commission, in its meeting dated 17 December 2009, approved the adoption as part of its rules, of the Broker-Dealer Chart of Accounts (BDCA) for implementation by all registered broker-dealers in securities which include both trading and non-trading participants of the Philippine Stock Exchange.

The BDCA, which can be viewed and downloaded at www.sec.gov.ph, shall be applied henceforth to all financial statements of broker-dealers starting 01 January 2011.

Accordingly, failure to comply with the BDCA which was issued pursuant to Section 68 of the Securities Regulation Code shall subject the erring party to sanctions provided under SEC Memorandum Circular No. 8, Series of 2009 or the Scale of Fines for Non-Compliance with the Financial Reporting Requirements of the Commission, as follows:

Annual Financial Statements

Violation		First Offense	Second Offense	Third Offense
Material deficiency in the financial statements or non-compliance with the requirements of the Rules	Deficit	P2,500	P5,000	P10,000
	Retained Earnings:			
	Up to P1,000,000	P5,000	P10,000	P20,000
	P1,000,000 to P10,000,00	6,000	12,000	24,000
	P10,000,001 to P20,000,000	7,000	14,000	28,000
	P20,000,001 to P30,000,000	8,000	16,000	32,000
	Above P30,000,000	9,000	18,000	36,000

Interim Financial Statements

Violation		First Offense	Second Offense	Third Offense
Material deficiency in the financial statements or non-compliance with the requirements of the Rules	Deficit	P500	P1,000	P2,000
	Retained Earnings:			
	Up to P1,000,000	P1,000	P20,000	P4,000
	P1,000,000 to P10,000,00	2,000	22,000	8,000
	P10,000,001 to P20,000,000	3,000	24,000	12,000
	P20,000,001 to P30,000,000	4,000	26,000	16,000
	Above P30,000,000	5,000	28,000	20,000

For purposes of wider dissemination, this Memorandum Circular shall be published in a newspaper of general circulation.

Signed this 18th day of March 2010 at EDSA, Greenhills, Mandaluyong City.

For the Commission En Banc:

FE B. BARIN
Chairperson