Securities and Exchange Commission
PHILIPPINES

OFFICE OF THE CHAIRPERSON

SEC MEMORANDUM CIRCULAR NO. 18
SERIES OF 2020

TO: **ALL CONCERNED CORPORATIONS**

SUBJECT: **PROCEDURES IN THE FILING OF AUDITED FINANCIAL STATEMENTS AND GENERAL INFORMATION SHEET TO SEC AFTER THE COMMUNITY QUARANTINE**

To enable the Securities and Exchange Commission to provide adequate protection to the frontline service personnel of the Electronic Records Management Division, ICTD from undue exposure to the risk of Covid 19, the Securities and Exchange Commission (SEC) is hereby adopting the following procedures for the receiving of reports (Audited Financial Statements and General Information Sheet) during the period of filing after the Community Quarantine (CQ):

I. AUDITED FINANCIAL STATEMENTS (AFS) AND GENERAL INFORMATION SHEET (GIS):

1. All corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations, shall file their Annual Financial Statements and General Information Sheet thru the SEC Express Nationwide Submission (SENS) to any courier of their choice and/or Philippine Postal Office. All corporations with principal office under the jurisdiction of any of our Extension Offices, shall file their reports to the nearest EO.

2. All SEC Satellite Offices shall be temporarily closed for receiving of reports. All filings shall be delivered to the SEC Head Office, Ground Floor, Secretariat Building, PICC Complex, Pasay City by the Philpost and/or Courier.

3. This Circular covers and allows the filing of the following documents through electronic mail (email):

    1. General Information Sheet
    2. Audited Financial Statements

    prior to the submission of the hard copy through the SEC Express Nationwide Submission (SENS). However, upon lifting of the Community Quarantine, the corporation may directly file the hard copy of the reports through SENS (courier/Philpost).

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4. The AFS, other than the consolidated financial statements, shall have the 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);

5. This Memorandum Circular shall cover the filing of Audited Financial Statements of corporations whose fiscal year ends November 30, 2019 and December 31, 2019. Those who are required to file Annual Reports with fiscal year end 31 December 2019 or on dates other than December 31, 2019, shall file their AFS/Annual Report, subject to the filing deadlines as stated in Memorandum Circular Nos. 5 and 17, series of 2020.

6. This Memorandum Circular likewise excludes the following from the number coding schedule as stated in Memorandum Circular Nos. 5 and 17, series of 2020, in which the filing deadline for filing the AFS/Annual Report remains until June 30, 2020:

    a) Publicly-Listed Companies;
    b) Issuers of registered securities under the supervision of the Market and Securities Regulation Department; and
    c) Investment Companies, Issuers of Proprietary and Non-proprietary Shares/ Timeshares, and Public Companies.

7. To maintain an organized and orderly filing of AUDITED FINANCIAL STATEMENTS, all corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations shall file their AFS through SEC Express Nationwide Submission (SENS) using Courier or Philippine Postal Corp., depending on the last numerical digit of their SEC registration or license number in accordance with the following schedule[1]:

June 29,30, July 1, 2, 3, 6, 7,8, 9, 10	:	1 and 2
July 13, 14, 15, 16, 17	:	3 and 4
July 20, 21, 22, 23, 24	:	5 and 6
July 27, 28, 29, 30	:	7 and 8
August 3, 4, 5, 6, 7	:	9 and 0

8. All corporations may file their AFS thru SENS regardless of the last numerical digit of their registration or license number on or before the first day stated in the above coding schedule in paragraph 6 pertaining to the said digit.

9. Late filings or filing after respective due dates shall be accepted starting August 10, 2020 thru SENS (Courier or Philpost) and shall be subject to the prescribed penalties which shall be computed from the date of the last day of filing schedule stated in paragraph 6.

[1] Subject to change and future Advisory to the public in case the CQ is extended.

10. The basic components of the Audited Financial Statements (AFS) as prescribed under SRC Rule 68, as amended, shall be submitted by filers. Failure to comply with any of the formal requirements under said Rule including the prescribed qualifications for independent auditors 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.

11. The General Financial Reporting Requirements as stated in the Revised Securities Regulation Code (SRC) Rule 68 which was approved by the Commission En Banc on August 19, 2019, state the threshold for an Audited Financial Statements as follows:

    a) Stock corporation with total assets or total liabilities of Six Hundred Thousand Pesos (P600,000) or more as prescribed under the Revised Corporation Code of the Philippines (Revised Corporation Code) and any of its subsequent revisions or such amount as may be subsequently prescribed;
    b) Non-stock corporations with total assets or total liabilities of Six Hundred Thousand Pesos (P600,000) or more as prescribed under the Revised Corporation Code and any of its subsequent revisions or such amount as may be subsequently prescribed;
    c) Branch offices/representative offices of stock foreign corporations with assigned capital in the equivalent amount of One Million Pesos (P1 Million) or more;
    d) Branch offices/representative offices of non-stock foreign corporations with total assets in the equivalent amount of One Million Pesos (P1 Million) or more.
    e) Regional operating headquarters of foreign corporations with total revenues in the equivalent amount of One Million Pesos (P1 Million) or more.

    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.

12. Corporations which do not meet the threshold stated in item no. 11 herein, may submit their Annual Financial Statements accompanied by a duly notarized Treasurer's Certification only (rather than an Auditor's Report).

13. All filers of GIS and AFS, regardless of the number of reports to be filed at SEC, may choose to avail of any of the following options:

    a) **SEC Express Nationwide Submission (SENS)** with the following procedures:

        - Filer downloads the SEC Express Nationwide Submission Checklist and Undertaking Form (SENS Form).
        - Filer accomplishes and signs the SENS Form.
        - Filer attaches checklist with a signed undertaking to each report to be submitted.

- Filer encloses the documents and accomplished checklist with undertaking in an envelope.
- Filer proceeds to the nearest courier area of their choice for his offsite submission and pays the service fee and courier fee.
- Courier delivers the receiving copy to filer within the agreed period of time.

b) **Any Courier/Regular Mail** with no return copy of reports submitted:

- Filer downloads the SEC Express Nationwide Submission Checklist and Undertaking Form (SENS Form).
- Filer accomplishes and signs the SENS Form.
- Filer attaches checklist with a signed undertaking to each report to be submitted.
- Filer encloses the documents and accomplished checklist with undertaking in an envelope.
- Filer proceeds to the courier of his choice or post office.

The date of mailing of reports such as the GIS and AFS, as shown by the registry receipt of the courier, shall be considered as the reckoning date of submission of the GIS and AFS. For reports filed through registered mail in the Philippine Postal Corp., the reckoning date of receipt shall be the date of receipt by the PhilPost.

For reports filed through email during the CQ, the reckoning date of receipt shall be the date stated in the Acknowledgment Confirmation (AC) stated in the email as attached to the hard copy of the reports submitted.

All other circulars, memoranda and implementing rules and regulations that may be inconsistent with the foregoing provisions shall be deemed modified or amended accordingly.

This Memorandum Circular shall be published in two newspapers of general circulation.

Philippine International Convention Center (PICC), Manila, Philippines.

11 May 2020.

For the Commission:

EMILIO B. AQUINO
Chairman