Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila

SEC MEMORANDUM CIRCULAR 6
Series of 2006

RE : **Submission of General Information Sheet and the General and Special Form for Financial Statements in Electronic Format**

SECTION 1. ***Rationale***

Section 141 of the Corporation Code of the Philippines (Batas Pambansa 68) mandates that every corporation, domestic or foreign, lawfully doing business in the Philippines, shall submit to the Securities and Exchange Commission an annual report of its operations, together with a financial statement of its assets and liabilities, certified by any independent certified public accountant in appropriate cases, or by SEC-accredited independent certified public accountants in case of listed companies and secondary licensees, covering the preceding fiscal year and such other requirements as the Securities and Exchange Commission may require.

Further, Section 26 of the Corporation Code requires that the Secretary or any other officer of the Corporation shall submit within thirty (30) days after the election of directors, trustees, and officers of the corporation, a report containing among others, the names, nationalities and addresses of such persons. Thus, for reporting such information, corporations use the General Information Sheet (GIS), the form devised by the Securities and Exchange Commission (SEC) for this and other purposes.

Apart from being used for SEC monitoring and enforcement activities, the data in the aforementioned reports also serve as inputs for the different statistical frameworks compiled by other government institutions for purposes of analyzing the performance of the Philippine corporate sector and formulating the appropriate economic and regulatory policies. It is therefore essential that the data in the subject reports be complete, accurate, reliable, and submitted following the prescribed reporting template and timeframe, because of their profound impact on the economy in general and the capital market in particular.

Considering the foregoing and in accordance with Section 27 or R.A. 8792 which is also known as the Electronic Commerce Act, and Section 37 of its Implementing Rules and Regulations, the submission of the GIS, the General Form for Financial Statements (GFFS), and the industry-specific Special Forms for Financial Statements (SFFS) in electronic format *i.e.*, on diskette or Compact Disc (CD) is hereby mandated.

SECTION 2. ***Scope of application***

This memorandum circular is applicable to the following:

1. SEC-registered domestic stock corporations with annual gross sales or gross revenue of at least Five Million Pesos (P 5,000,000.00);

2. Investment Companies and Publicly-held Companies enumerated in Section 17.2 of the Securities Regulation Code;

3. Investment Houses or Underwriters of Securities;

4. Pre-Need Plan Companies;

5. Brokers/Dealers in Securities;

6. Financing Companies;

7. Investment Company Advisers;

8. Government Eligible Securities Dealers (GSED);

9. Transfer Agents;

10. All other market participants and self-regulatory organizations (e.g. Exchanges, Alternative Trading Systems, and Clearing Houses).

Banks, Insurance companies, non-stock corporations, branch and representative offices of foreign corporations, and regional headquarters and regional operating headquarters of multinational corporations are not covered by this Memorandum Circular, and therefore, not required to submit the GIS, GFFS, and SFFS in diskette or CD.

SECTION 3. ***Submission of Electronic Templates***

1. The GIS in electronic format shall be submitted along with five (5) hard copies of the same within thirty (30) days from the holding of the annual stockholders' meeting.

2. The GFFS and SFFS in electronic format shall be submitted within thirty (30) days from the last day of submission of the Annual Audited Financial Statements (AAFS).

3. The *prescribed* electronic templates for the GIS, GFFS, and SFFS are available for downloading from the SEC web page (http://www.sec.gov.ph), particularly the link entitled "Downloads". The electronic templates and the covered corporations are as follows:

   a. **Revised GIS -** applicable to Stock Corporations;

   b. **Revised GFFS** - applicable to corporations not covered by any industry-specific SFFS. Blank spaces are provided in this form to allow companies to indicate accounts which are peculiar to their industry or business; and,

   c. **Revised SFFS:**

      c. 1 BDFS – applicable to Broker/Dealer in Securities

      c. 2 FCFS (including schedules) – applicable to Financing Companies (Head Office with Branch Office/s Accounts)

      c. 3 IHFS – applicable to Investment Houses and Underwriters of Securities

c. 4 PHFS – applicable to Investment Companies and Publicly-Held Companies enumerated in Section 17.2 of the Securities Regulation Code (SRC)

c. 5 PNFS – *applicable to Pre-Need Plan Companies*

5. Pursuant to SRC Rule 68, corporations with subsidiaries are required to submit to the Commission both their parent and consolidated GFFS or SFFS, the figures of which shall be based on the audited financial statements. Each FS shall clearly indicate whether it is the "Parent" or "Consolidated" GFFS or SFFS.

6. Corporations that qualify as Non-Publicly Accountable Entities under Philippine Accounting Standard 101, which will avail themselves of the temporary relief provided therein, are hereby allowed to use the old GFFS template during the first year of implementation of this Memorandum Circular.

SECTION 4. ***Certification and/or Attachment Required***

To promote the submission of complete, accurate, and reliable data in GIS, GFFS, and SFFS in electronic format, the same shall be accompanied by a certification under oath by the responsible officer---

1. **For the GIS:**

   The Corporate Secretary, President, or Chief Executive Officer shall certify that the diskette/electronic file is in the same form and format as the GIS hard copy; and

2. **For the GFFS and/or the Special Form for Financial Statements:**

   The Treasurer, Chief Financial Officer, or a person occupying an equivalent rank in the company, shall certify under oath that, except for certain details/breakdowns required in the GFFS and SFFS, the Generally Accepted Accounting Principles in the Philippines (GAAP) prescribed accounts and figures provided in electronic documents are based on the contents of the AAFS submitted to SEC.

SECTION 5. ***Penalty Clause***

Failure to comply with the requirements of this Memorandum Circular shall be *deemed non-compliance with SEC reportorial requirements.*

The following penalties, which shall be separate from the fines relative to late submission of the hard copies of the GIS and AAFS, shall be imposed for the non-submission, late submission, or incomplete/inaccurate reporting of figures in the GIS, GFFS, and SFFS in electronic format:

a. For the GIS:

   a. 1 <u>First Offense</u>:
   Reprimand

a. 2 Succeeding Offense:
P 1,000.00 plus P 100.00 per day of delay

b. For the GFFS:

b. 1 First Offense:
Reprimand

b. 2 Succeeding Offense:
P 1,000.00 plus P 100.00 per day of delay

c. For the SFFS:

c. 1 First Offense:
Reprimand

c. 2 Succeeding Offense:
P 2,000.00 plus P 100.00 per day of delay

For clarification, a.1, b.1 and c.1 shall only apply during the first year of implementation of this Memorandum Circular. Infractions committed by first-time offenders in CY 2007 shall be covered by the corresponding penalties under a.2, b.2, and c.2.

SECTION 6. ***Amending Clause***

All other existing memorandum circulars, orders, memoranda, or related issuances inconsistent with this Memorandum Circular are hereby revoked or modified.

SEC. 7. ***Effectivity***

This Memorandum Circular shall take effect fifteen (15) days after publication in two (2) newspapers of general circulation.

07 April 2006

Mandaluyong City, Philippines

MA. JUANITA E. CUETO
Officer-in-Charge