

ADVISORY ON UPDATED SEC FINES AND PENALTIES

PAGE NOS.

SEC MEMORANDUM CIRCULAR
NO. 6-2024

7

Updated Fines and Penalties on the
Late and Non-Submission of Audited
Financial Statements and General
Information Sheet and Non-
Compliance with SEC MC No. 28-2020

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**Updated Fines and Penalties on Late and Non-Submission
 of Reportorial Requirements**

I. Period of Submission of Reportorial Requirements

Reportorial Requirements	Period to File/Register
<i>For One Person, Stock, and Non-Stock Domestic Corporations</i>	
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.
<i>For Stock and Non-Stock Foreign Corporations</i>	
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.
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.

¹ Not applicable for OPCs

II. Fines and Penalties – Late Filing of AFS and/or GIS

Based on Retained Earnings/ Fund Balance / Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Domestic Stock Corporations and One Person Corporations</i>					
Capital Deficiency	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
Negative Retained Earnings (Deficit)	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				
₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	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				
₱5,000,001 to ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	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				
<i>Domestic Non-Stock Corporations</i>					
Negative Fund Balance/ Equity (Deficit)	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				
₱100,001 to ₱500,000	₱7,500	₱9,000	₱10,500	₱12,000	₱13,500
	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				
₱5,000,001 to ₱10,000,000	₱12,500	₱15,000	₱17,500	₱20,000	₱22,500
	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				

Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Foreign Stock Corporations</i>					
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 per month of delay (if filed after 30 calendar days); Plus ₱6,000 per month of delay (if filed after 60 calendar days)				
₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
Above ₱10,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
<i>Foreign Non-Stock Corporations</i>					
Negative Fund Balance/ Equity (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
	Plus ₱500 per month of delay (if filed after 30 calendar days); Plus ₱6,000 per month of delay (if filed after 60 calendar days)				
₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
₱500,001 to ₱5,000,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				

Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Foreign Non-Stock Corporations</i>					
₱5,000,001 to ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				
Above ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
	Plus ₱1,000 per month of delay (if filed after 30 calendar days); Plus ₱12,000 per month of delay (if filed after 60 calendar days)				

III. Fines and Penalties - Non-Filing of AFS and/or GIS

Based on Retained Earnings/ Fund Balance / Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Domestic Stock Corporations and One Person Corporations</i>					
Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
Negative Retained Earnings (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱500 per month of delay				
₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱1,000 per month of delay				
₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
	Plus ₱1,000 per month of delay				
₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	Plus ₱1,000 per month of delay				
₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
	Plus ₱1,000 per month of delay				
Above ₱10,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
	Plus ₱1,000 per month of delay				
<i>Domestic Non-Stock Corporations</i>					
Negative Fund Balance/ Equity (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱500 per month of delay				

Based on Retained Earnings/ Fund Balance / Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Domestic Non-Stock Corporations</i>					
₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱1,000 per month of delay				
₱100,001 to ₱500,000	₱12,500	₱15,000	₱17,500	₱20,000	₱22,500
	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				
₱5,000,001 to ₱10,000,000	₱17,500	₱21,000	₱24,500	₱28,000	₱31,500
	Plus ₱1,000 per month of delay				
Above ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	Plus ₱1,000 per month of delay				

Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Foreign Stock Corporations</i>					
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				
₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱12,000 penalty				
₱100,001 to ₱500,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	Plus ₱12,000 penalty				
₱500,001 to ₱5,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
	Plus ₱12,000 penalty				
₱5,000,001 to ₱10,000,000	₱40,000	₱48,000	₱56,000	₱64,000	₱72,000
	Plus ₱12,000 penalty				
Above ₱10,000,000	₱50,000	₱60,000	₱70,000	₱80,000	₱90,000
	Plus ₱12,000 penalty				

Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
<i>Foreign Non-Stock Corporations</i>					
Negative Fund Balance/ Equity (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱6,000 penalty				
₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Plus ₱6,000 penalty				
₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
	Plus ₱6,000 penalty				
₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	Plus ₱6,000 penalty				
₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
	Plus ₱6,000 penalty				
Above ₱10,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
	Plus ₱6,000 penalty				

IV. Fines and Penalties – Late and Non-Compliance with MC 28 Series of 2020

Imposable fine is ₱20,000 for late filing and non-compliance.

V. Delinquency and 6th Offense

- ☑ Failure to submit reportorial requirements 3 times, consecutively or intermittently, within 5 years may cause the SEC to declare a corporation under delinquent status.
- ☑ After notification of delinquent status, commission of a 6th offense constitutes a ground for revocation² and imposition of monetary fines equivalent to the 5th offense plus 100% surcharge of the total assessed fine.

² Revocation pertains to the corporation's Certificate of Registration, License to Transact Business in the Philippines, or Secondary License.

VI. Reversion of Penalty to 1st Offense

Penalties to corporations may revert to that of the 1st offense in the following conditions:

- ☑ If found to be compliant with the submission of GIS and AFS for 3 consecutive years immediately after the imposition of higher fines (*i.e.* 2023 to 2025); or
- ☑ Successful availment and issuance of corresponding Confirmation of Payment of Amnesty Fees.

VII. Effectivity

It shall cover requests for monitoring received on April 1, 2024. Further, requests for monitoring must be sent to the proper email addresses. Otherwise, the request will not be entertained.

Source:
SEC Memorandum Circular No. 6-2024