

**[ SEC MEMORANDUM CIRCULAR NO. 2, September 14, 1998 ]**

**AMNESTY ON PENALTIES FOR NON-SUBMISSION/LATE SUBMISSION OF REPORTORIAL REQUIREMENTS**

Whereas, the Commission pursuant to the mandate of the Corporation Code and P.D. 902-A as amended, has tasked the Supervision and Monitoring Department to monitor compliance by corporations that are not subject to the reportorial provisions of the Revised Securities Act Rule 11(a)-1 and also those with secondary licenses issued by the Commission, with the rules on submission of annual required reports;

Whereas, many of the aforementioned corporations are remiss in the submission of the required reports but are seeking reduction/reconsideration of the assessed penalties, primarily on the ground that the prevailing economic situation adversely affects their respective operations;

Whereas, the Commission is cognizant that the objective of accurate and updated disclosure of the activities of corporations thru the submission of required reports should not be carried out to the detriment of corporations experiencing difficult times.

Whereas, the Commission by virtue of Memorandum Circular No. 1 (SMD Series of 1997) dated September 1997, granted an Amnesty on Penalties imposed on corporations covering required reports up to 1995.

Whereas, the Commission has deemed it appropriate to extend the coverage of the amnesty.

Wherefore, the Commission by virtue of the powers vested upon it by existing laws, hereby declares an amnesty on the penalties imposed on corporations under the conditions herein provided.

**SECTION 1. Scope and Amount of Penalties** — This Circular shall apply only to violations by corporations, stock or non-stock except those that are subject to the reportorial provisions of the Revised Securities Act Rule 11(a)-1 and also those with secondary licenses issued by the Commission, with the rules on submission of required reports, namely: the General Information Sheet (GIS) and/or the affidavit of non-holding of annual meeting (ANHM) and the Financial Statements (FS) and the registration of Stock and Transfer Book (STB) or Membership Book (MB) which are due upon the effectivity of this circular.

Corporations whose certificate of registration have either been suspended or revoked cannot avail of this circular unless the appropriate petition for the setting aside of said orders are filed within the prescribed period under existing rules and given due course by the Commission before the lapse of the effectivity of this

Circular.

The compromise penalties shall be as follows:

1. For STOCK CORPORATIONS

Non-filing/Late filing of:

Required Report	Period Covered	Penalty per required report
a. General Information Sheet or Affidavit of Non-Holding of Annual Meeting	1981 to 1995	P 500.00
	1996 to present	P 1,000.00 w/ retained earnings up to 1M P 1,500.00 w/retained earnings of more than P 1M up to P 5M P 2,000.00 w/retained earnings of more than P 5M
b. Financial Statements	1981 to 1994	P 500.00
	1995 to present	P1,000.00 w/retained earnings up to P 1M P 1,500.00 w/retained earnings of more than P 1M up to P 5M P 2,000.00 w/retained earnings of more than P 5M
c. Affidavit of Non-Operation	1981 to present	P 50.00

**Stock Corporations** with deficit shall be assessed 50% while those with capital deficiency shall be assessed 25% of the above stated penalty with the exception of the affidavit of non-operation.

II. For NON-STOCK CORPORATIONS

Required Report	Period Covered	Penalty per required report
a. General Information Sheet or Affidavit of Non-Holding of Annual Meeting	1981 to 1995	P 200.00
	1996 to present	P 300.00 w/ fund balance up to P 100,000.00

		P 400.00 w/ fund balance of P 100,001.00 up to P 500,000
		P 500.00 w/ fund balance of more than P 500,000.00
b. Financial Statements	1981 to 1994	P 200.00
	1995 to present	P 300.00 with fund balance of P 100,000.00
		P 400.00 w/fund balance of P 100,001.00 up to P 500,000.00
		P 500.00 w/fund balance of more than P 500,000.00
c. Affidavit of Non- Operation	1981 to present	P 50.00

**Non-stock corporations with negative fund balance shall be assessed 25% of the above stated penalty with the exception of the affidavit of non-operation.**

### III. LATE REGISTRATION OF:

Stock and Transfer Book (stock corporation)	P 75.00
Membership Book (non-stock corporation)	P 50.00

*SECTION 2. Documents to be Submitted* — The following documents shall be submitted to the Supervision and Monitoring Department, 7th Floor, SEC Bldg., EDSA, City of Mandaluyong.

**1. Sworn Statement** by the president or duly authorized officer specifying therein the reportorial requirements not filed/submitted late and the years covered; (sample form copy attached hereto)

**2. General Information Sheet** 1996 to present (if not yet submitted)

**Affidavit of Non-Holding of Annual Meeting** 1996 to present (if not yet submitted)

**Financial Statements** 1995 to present (if not yet submitted)

**3. Affidavit of Non-Operation** 1981 to present (when applicable)

4. Register prescribed **Stock and Transfer Book/Membership Book** (if not yet registered) and pay registration fee of P 100.00 and P 50.00, respectively.

**Only application for amnesty with complete required documents shall be accepted.**