

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

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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.

SECTION 3. Period of Submission of Documents and Payment of Compromise Penalties — The compromise penalties shall be paid in cash or in manager's/cashier's check or postal money order payable to the Securities and Exchange Commission, SEC Bldg., EDSA City of Mandaluyong within the period hereunder specified:

Corporation's Principal Office Prescribed Submission Period

Group I —

Makati Manila, Quezon City, October 01 to October 31, 1998

Group II —

Caloocan, Mandaluyong,

Marikina, Muntinlupa,

Parañaque, Pasig, San Juan November 02 to November 29, 1998

Group III —

Las Piñas, Malabon, Navotas,

Pateros, Taguig, Valenzuela December 01 to December 29, 1998

Provided that corporations, which will avail of the amnesty after the respective period assigned to them but not later than December 29, 1998, shall pay, in addition to the compromise penalty, 20% surcharge of the total penalty for such corporations.

Corporations whose principal offices are located within the area of the Commission's respective Extension Offices or nearest thereto may avail of this amnesty in said area of responsibility or at the main office at any time between October 01 and December 29, 1998.

The SEC extension offices are as follows:

REGION LOCATION OF OFFICE

REGION 1 (Ilocos Region)

Abra BAGUIO EXTENSION OFFICE

76 Upper Gen. Luna Road

2600 Baguio City

Benguet — Baguio City

Ilocos Norte — Laoag City

Ilocos Sur

La Union

Mt. Province

Pangasinan — Dagupan City

San Carlos City

REGION V (BICOL)

Albay — Legaspi City LEGASPI EXTENSION OFFICE

2nd Floor, RUE Building

443 Rizal Street, Cabagnan

4500 Legaspi City

Camarines Norte

Camarines Sur— Naga City

Iriga City

Catanduanes

Masbate

Sorsogon

REGION VI (WESTERN VISAYAS)

Aklan ILOILO EXTENSION OFFICE

9 Rizal cor. Gomez Street

5000 Iloilo City

Antique

Capiz — Roxas City

Iloilo — Iloilo City

Negros Occidental —

Bacolod City

Bago City

Cadiz City

Carlota City

San Carlos City

Silay City

REGION VII (CENTRAL VISAYAS)

Bohol — Tagbilaran City CEBU EXTENSION OFFICE

4th Floor, Danague Bldg.,

6000 Cebu City

Cebu — Cebu City

— Danao City
— Lapu-Lapu City
— Mandaue City
— Toledo City
Negros Oriental — Bais City
Canlaon City
Dumaguete City
Siquijor Provinces

REGION IX (WESTERN MINDANAO)

Basilan ZAMBOANGA EXTENSION OFFICE
2nd Floor JV Bldg., San Jose
Panigayahan
7000 Zamboanga City
Sulu
Tawi-Tawi
Zamboanga City
Zamboanga del Norte —
Dapitan City
Dipolog City
Zamboanga del Sur — Pagadian City

REGION X (NORTHERN MINDANAO)

Agusan del Norte — Butuan City CAGAYAN DE ORO EXTENSION OFFICE
Philippine Veterans Bank
2nd Floor, Toribio Chavez Street
9000 Cagayan de Oro City
Agusan del Sur
Bukidnon
Camiguin
Misamis Occidental
— Oroquieta City
— Tangub City
— Ozamis City

Misamis Oriental — Gingoog City

Surigao del Norte — Surigao City

REGION XI (SOUTHERN MINDANAO)

Davao del Norte — Davao City DAVAO EXTENSION OFFICE
3rd Floor, G.B. CAM Building,
Monteverde Street, Davao City
8000

Davao Oriental — Mati (Capital)

South Cotabato — Gen. Santos City

Surigao del Sur

SECTION 4. Misrepresentation in the Sworn Statement — Any misrepresentation in the sworn statement required under this Circular shall subject the corporation to the present scale of fines prescribed, in addition to the criminal prosecution of the affiant.

SECTION 5. Effect of Failure to Avail of this Memorandum Circular — Corporations which fail to avail of this memorandum circular shall be subject to the scales of fines presently prescribed, in addition to suspension/revocation of their certificate of registration whenever applicable.

SECTION 6. Effectivity — This Circular shall take effect immediately.

Adopted: 14 Sept. 1998

(SGD.) FE ELOISA C. GLORIA
Associate Commissioner

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