

PENALTIES FOR INCREASE OF FOREIGN EQUITY WITHOUT PRIOR COMPLIANCE WITH THE FOREIGN INVESTMENTS ACT

SEC MEMORANDUM CIRCULAR NO. 8, August 10, 1998

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Pursuant to RA No. 7042, as amended and PD No. 902-A, as amended, the following penalties shall be imposed on corporations and partnerships which increased the percentage of their foreign equity without first complying with the provisions of the Foreign Investments Act of 1991, as amended, in cases where registration with the SEC of foreign investment is required.

Penalty of an amount equivalent to the following:

First Violation — 1/10% of the paid-in capital but not less than P 5,000.00

Second Violation — 1/5 of 1% of the paid-in capital but not less than P 10,000.00

Third Violation — 1/2 of 1% of the paid-in capital but not more than P 5,000,000.00

This Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Adopted: 10 Aug. 1998

(SGD.) FE ELOISA C. GLORIA

Associate Commissioner

Officer-In-Charge

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