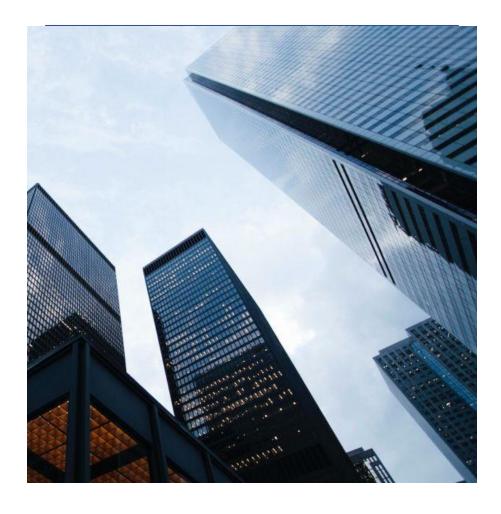


Newsletter

Issue No. 14 July 2023



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The Securities and Exchange Commission (SEC) provided further extension of the deadline for amnesty applications under SEC memorandum circular no. 2, series of 2023, and streamlining of the application process.



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FURTHER EXTENSION OF THE DEADLINE FOR AMNESTY APPLICATIONS UNDER SEC MEMORANDUM CIRCULAR NO. 2, SERIES OF 2023, AND STREAMLINING OF THE APLICATION PROCESS

The Securities and Exchange Commission (SEC) issued Memorandum Circular (MC) No. 9, series of 2023, to further extend the deadline for amnesty application under MC no. 2 and 6 and streamlining the application process.

I. Amnesty Rates

A. Corporations not compliant with the filing of General Information Sheet (GIS), AFS, and SEC Mc no. 28, series of 2020.

VIOLATION	FINE
Late and Non-Filing of AFS and GIS	Php 5,000.00
Non-compliance with MC 28	Waived

B. Suspended/Revoked Corporations with no MC 28 compliance.

VIOLATION	FINE
Petition Fees	Php 3,060.00
Late and Non-Filing of AFS and GIS	50% of the assessed fines
Non-compliance with MC 28	Waived

C. Corporation whose ONLY violation is non-compliance with MC 28.

VIOLATION	FINE
Non-compliance with MC 28	Php 5,000.00

- II. To further streamline the amnesty application process, the Commission adopts the following:
 - **a. Unified Amnesty Application Form.** Amnesty applicants will just be required to accomplish a web-based form in the Electronic Filing and Submission Tool (eFAST) platform.

Where the violation is only non-compliance with MC 28, the applicant should submit duly accomplished "ANNEX D" of said circular. The applicant then has to accomplish the web-based form to signify the intent to avail of the amnesty.

- b. Removal of Undertaking for Latest Due AFS submission. AFS should be readily available by the end of the extended amnesty period. Hence, amnesty applications starting 01 July 2023, the Undertaking to submit the AFS within ninety (90) days from the date of payment of amnesty fee shall no longer be applicable.
- c. Turnaround time for release of Confirmation of Payment (COP). The release of Confirmation of Payment shall be within fifteen (15) working days from the date of complete submission of reportorial requirements by the applicant.



- d. Complete Submission of Reportorial Requirements. Corporations who are able to upload and submit the correct reportorial requirement, including those reverted for compliance within the submission period shall be considered to have undergone through the complete process and may thus be entitled to a COP; otherwise, payment of their respective amnesty fees will be forfeited.
- **e. Refund of Overpayment.** Refund of amnesty fees for non-compliant corporations shall not be accommodated, except highly notorious cases. For suspended or revoked corporations, the petition shall not be refunded but shall be re-applied to the payment of the 50% assessed fines.

III. Amnesty extension period and submission of documents

Corporations are given until <u>September 30, 2023</u> to signify their intent to apply for amnesty, submit the supporting reportorial documents and settle the corresponding amnesty fees. Failure to comply within the submission period shall **forfeit** the paid amnesty or filing fees in favor of the Commission.

An updated scale of fines and penalties for the covered reportorial requirements shall be implemented on October 01, 2023.

Our View:

The further extension will give the corporations additional time to process and submit the documents needed for filing the amnesty application with the SEC. Hence, it would be better to take this opportunity for all qualified corporation before the Commission implements an increase in fines and penalties for failing to comply with the reportorial requirements.

For the full text of the Memorandum Circular, refer to the link below.

SEC Mc No. 9, s. 2023: https://www.sec.gov.ph/mc-2023/sec-mc-no-9-series-of-2023further-extension-of-the-deadline-for-amnesty-applications-under-sec-mc-no-2-s-of-2023-and-streamlining-of-the-application-process/#gsc.tab=0



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Comments and suggestions are welcome.

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