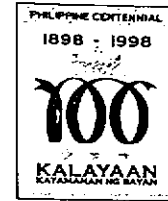




REPUBLIC OF THE PHILIPPINES

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA,  
City of Mandaluyong, Metro



## GUIDELINES ON THE IMPOSITION OF FINES OR PENALTIES FOR NON-COMPLIANCE WITH REPORTORIAL REQUIREMENTS

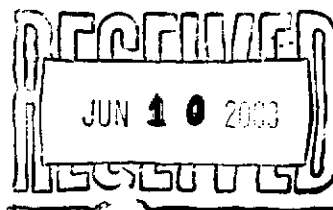
Whereas, registered corporations, for various reasons, have not complied with the submission of the required reports and have petitioned for a reduction/reconsideration of the assessed penalties as provided by law;

Whereas, the penalties imposed upon these delinquent corporations have not been envisioned to impose excessive burdens but as corrective measures;

Wherefore, the Commission by virtue of the powers vested upon it by existing laws, hereby promulgates a new scale of penalties imposed on corporations under the conditions herein provided.

**Section 1.** These guidelines shall apply only to violations by corporations of the law and rules on submission of required reports, namely: the General Information Sheet (GIS) and/or the Affidavit of non-holding of annual meeting (ANHM), Affidavit of non-operation (ANO), Notice of postponement of annual stockholders'/members' meeting and the Financial Statements (FS) including the registration of Stock and Transfer Book (STB) or Membership Book (MB) and the late filing of by-laws.

These Guidelines shall not apply to corporations whose securities are registered under the Securities Regulation Code or listed in the Philippine Stock Exchange and those with secondary licenses issued by the Securities and Exchange Commission.



Section 2. The new scale of penalties for Non-filing of a) General Information Sheet (GIS) and b) Financial Statements (FS) shall be as follows:

a) STOCK CORPORATIONS

Retained Earnings from Latest Audited Financial Statement			Fine Per Report/Per Year
UP	to	P 100,000.00	P 1,000.00
P 100,001.00	to	P 500,000.00	P 3,000.00
P 500,001.00	to	P 5,000,000.00	P 5,000.00
P 5,000,001.00	to	P 10,000,000.00	P 7,000.00
Above P 10,000,000.00			P 10,000.00

Stock corporations with deficit shall be assessed P 500.00 per report while those with capital deficiency shall be assessed P 250.00 per report.

b) NON-STOCK CORPORATIONS

Fund Balance / Equity (Based on Latest Financial Statements)			Fine Per Report/ Per Year
UP	to	P 100,000.00	P 500.00
P100,001.00	to	P 500,000.00	P 1,500.00
P500,001.00	to	P 10,000,000.00	P 2,500.00
P10,000,001.00	to	P 100,000,000.00	P 3,500.00
Above P 100,000,000.00			P 5,000.00

Non-stock corporations with negative fund balance shall be assessed P 500.00 per report.

Section 3. For late filing of the above-mentioned reports for both stock and non-stock corporations, the penalty shall be 50% of the above scale of penalties. Late filing shall refer to the filing of the required reports beyond the period in which the same is required under the present rules (which is within 30 days from date of annual meeting for GIS; and within 120 days from end of fiscal year for the FS) but within one (1) year in which the said reports are required to be filed counted from the last date set for filing.

Section 4. Failure to submit the required reports on the ground of non-operation shall be assessed a flat rate penalty of P400.00 for stock corporations and P 200.00 for non-stock corporations per year of non-operation.

Section 5. For subsequent violations of the pertinent rules on submission of required reports, the following shall govern:

- 2<sup>nd</sup> violation - assessed penalty plus 10% surcharge
- 3<sup>rd</sup> violation - assessed penalty plus 15% surcharge
- 4<sup>th</sup> violation - suspension or revocation of the certificate of registration

Section 6. Penalties for late filing of:

- a) Notice of Postponement of Annual Stockholders'/Members' Meeting - P 300.00
- b) Affidavit of Non-Holding of Annual Stockholders'/Members' Meeting - P 300.00

c) By-laws:

Stock Corporations	- P 1,000.00
Non-Stock Corporations	- P 500.00


d) Corporate books

Stock and Transfer Book (stock corporation)	- P 1,000.00
Membership Book (non-stock corporation)	- P 500.00

Section 7. This new scale of penalties shall take effect immediately.

EDSA, Mandaluyong City, Metro Manila, Philippines.

July 31, 2002.

  
LILIA R. BAUTISTA  
Chairperson