



Republic of the Philippines
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

PRESS RELEASE
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Petitions To Lift Revocation of Registration May Still Be Filed With SEC

The Securities and Exchange Commission said that petitions for lifting orders of revocation or suspension of certificates of registration of corporations for non-filing of reports may be filed anytime.

Earlier, the SEC gave delinquent corporations until December 31, 2015 within which to file their petitions to set aside an order of revocation or suspension. But now, with the policy change, delinquent companies can petition the SEC to lift the order of revocation or suspension as long as they comply with requirements such as filing the reports and paying the penalty.

Last March 05, 2015, the SEC started issuing orders of suspension (instead of revocation), against delinquent companies.

SEC Chairperson Teresita Herbosa said "These moves are consistent with the SEC's pending proposal in Congress to amend the Corporation Code and allow perpetual term for corporations". Herbosa added that the Commission's action forms part of the agency's ease of doing business initiatives and creating more favorable environment for start-up companies.

But the corporate regulator clarified that non-filing of reports with the corporate regulator should not be treated as petty infraction because these reports are important for transparency and integrity of the country's corporate database. These reports are also relied upon by the investing public. For instance, a company's financial statements provide investors and creditors information on a company's financial performance. As capital providers, investors and creditors rely on a company's financial condition for both the safety and profitability of their investments.

Under Presidential Decree No.902-A, the SEC has the power to suspend or revoke, after notice and hearing, the certificate of registration of corporations upon any of the grounds provided by law. One of the grounds provided by law is the failure to comply with Sections 141 (annual report of corporation with financial statement) and 26 (report of election of directors, trustees and officers) of the Corporation Code.



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A delinquent corporation is given thirty days to comply with the reportorial requirements. If after thirty days, no compliance is made by the delinquent corporation, the Company Registration and Monitoring Department will enter a "suspended status" in said corporation's records. The suspension shall remain until the submission by the delinquent corporation of its latest reports and payment of corresponding penalties. A petition to lift the order of suspension must be filed together with the required reports before the company can be taken out of the suspension status.

The SEC, however, stressed that the petition to lift the order of suspension shall not apply to corporations whose certificates of registration had already finally been revoked or whose corporate terms already expired.

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