



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Company Registration and Monitoring Department

ADVISORY

This Advisory is prompted by the constant receipt of the Company Registration and Monitoring Department (CRMD) of notices/letters from various branch offices of foreign stock corporations and Regional Operating Headquarters (ROHQ)/Regional Headquarters (RHQ) of multinational companies or their counsels asking for "extension of time" within which to post securities deposit and to submit a certificate of inward remittance, respectively, in compliance with Section 126 of the Corporation Code in relation to Section 2 of SEC Memorandum Circular No. 2, Series of 2012 and Section 17 of SEC Memorandum Circular No. 15, Series of 2006.

The parties concerned are hereby advised that there is no more need for them or their counsels to file the above-mentioned notices/letters since, **under existing SEC Memorandum Circulars, appropriate fines and penalties are being imposed for failure to post the required amount of security deposit within the prescribed period and for late submission of the certificate of inward remittance.**

Section 12 of SEC Memorandum Circular No. 2, Series of 2012 clearly provides:

SECTION 12. FINES AND PENALTIES FOR NON-COMPLIANCE

- 12.1 Failure to post the required amount of security deposit within the prescribed period shall subject a foreign corporation to a daily penalty of equivalent to 1/100 of 1% of the amount of security deposit which should have been additionally posted until the requirement is fully complied.
- 12.2 A license granted to a foreign corporation shall be suspended or revoked for failure to post securities deposit despite notice and hearing.
- 12.3 The fines and surcharge for late deposit of securities shall be as follows:

	Initial Securities Deposit	Additional Securities Deposit
1 st violation	Basic fine of P10,000.00; and surcharge of P500.00 per month of delay	Basic fine of P7,000.00; and surcharge of P500.00 per month of delay
2 nd violation	Basic fine of P10,000.00; and surcharge of P1,000.00 per month of delay	Basic fine of P7,000.00; and surcharge of P1,000.00 per month of delay
3 rd violation	Basic fine of P10,000.00; and surcharge of P1,500.00 per month of delay	Basic fine of P7,000.00; and surcharge of P1,500.00 per month of delay

A fraction of a month shall be considered as one month for purposes of computation of the surcharge.

12. 4 The above-mentioned penalties shall be without prejudice to the filing of criminal charges against the persons responsible for the violation, as provided for in Section 144 of the Corporation Code of the Philippines, xxx

As regards late submission of the certificate of inward remittance, Section 18 of SEC Memorandum Circular No. 15, Series of 2006 explicitly reads:

SECTION 18. The fines for the late submission of the certificate of inward remittance shall be as follows:

- a. for the initial remittance - basic fine of P10,000.00; surcharge of P500.00 per month of delay
- b. for the annual remittance -

1 st violation	basic fine of .003 of the actual remittance; surcharge of P500.00 per month of delay
2 nd violation	basic fine of .004 of the actual remittance; surcharge of P1,000.00 per month of delay
3 rd violation	basic fine of .005 of the actual remittance; surcharge of P1,500.00 per month of delay

31 March 2015, Mandaluyong City


TERESITA J. HERBOSA
Chairperson