



16 March 2020

## **SEC EXTENDS DEADLINE FOR ANNUAL, QUARTERLY REPORTS FOR COMPANIES AFFECTED BY COVID-19**

The Securities and Exchange Commission (SEC) is giving corporations affected by the outbreak of the new coronavirus disease more time to submit their annual and quarterly reports.

Under a new memorandum circular approved on March 12, affected corporations with domestic operations only may file until June 30 their annual reports (SEC Form 17-A) and/or annual financial statements for the period ended December 31, 2019.

For companies with domestic and foreign operations, the filing period is extended until June 30 or 60 days from the date of lifting of travel restrictions by concerned government authorities, whichever comes later.

The filing period for the quarterly reports (SE Form 17-Q) of publicly listed companies and registered issuers of securities for 2020 will accordingly adjust.

Corporations whose preparation of financial statements or completion of statutory audits are not affected by the COVID-19 outbreak are required to file their annual reports and/or annual financial statements for the year ended December 31, 2019 within the periods prescribed under existing rules and regulations.

“The new coronavirus disease, COVID-19, has posed specific challenges to some Philippine companies in complying with certain reportorial requirements,” SEC Chairperson Emilio B. Aquino noted.

“For one, the travel restrictions, suspension of business operations and other measures implemented to contain the spread of COVID-19 have kept companies, particularly those with operations in China and other affected territories, from gathering all information or documents necessary in the preparation and the subsequent audit of their annual financial statements.”

To request for more time to submit its reports, a publicly listed corporation shall submit a written request to the Commission, through the Markets and Securities Regulation Department, at least five days before the deadline of filing.



The submission shall include a sworn certification signed by the company's president and treasurer to confirm that its financial year ended December 31, 2019 and that it has significant business operations or subsidiaries in China and/or other affected territories, including the Philippines.

Also, the corporation shall confirm that the timely completion of statutory audit of its financial statements as of December 31, 2019 has been affected by travel restrictions, suspension of business operations and/or other measures imposed by authorities or by the corporation in response to the COVID-19 outbreak.

The company shall submit a sworn certification by its external auditor confirming its operations in China and/or other affected territories, as well as the impact of the COVID-19 outbreak on the auditing of its financial statements.

Given the impact of the delayed release of the annual reports, the corporation shall also submit to the SEC an indicative date for its annual stockholders' meeting.

Meanwhile, the corporation shall continuously observe its disclosure obligations under Republic Act No. 8799, or The Securities Regulation Code, and Philippine Stock Exchange's Consolidated Listing and Disclosure Rules.

In the case of a non-publicly listed corporation, the sworn certifications signed by its president and treasurer, and by its external auditor shall be attached to their annual financial statements.

The SEC will continue to assess the impact of COVID-19 on the preparation of financial statements and on the completion of the statutory audits of companies. It may issue appropriate rules and regulations to address the concerns that may further arise.

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