



NOTICE

Request for Comments

The Commission hereby requests all interested parties to comment on the following:

MEMORANDUM CIRCULAR ON THE SCHEDULE AND PROCEDURE FOR THE FILING OF ANNUAL FINANCIAL STATEMENTS, GENERAL INFORMATION SHEET AND OTHER ANNUAL REPORTS

Please submit your comments on the exposure draft of the Guidelines to the Information and Communications Technology Department (ICTD) of the Commission on or before **26 February 2021**, addressed to ICTD Officer-in-Charge Oliver C. Chato at the following email addresses:

Email	ictd@sec.gov.ph ovchato@sec.gov.ph
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Issued on 16 February 2021. Pasay City.



OFFICE OF THE CHAIRPERSON

**SEC MEMORANDUM CIRCULAR NO. ___
SERIES OF 2021**

TO: ALL CONCERNED CORPORATIONS

SUBJECT: SCHEDULE AND PROCEDURE FOR THE FILING OF ANNUAL FINANCIAL STATEMENTS, GENERAL INFORMATION SHEET AND OTHER ANNUAL REPORTS

WHEREAS, Section 180 of the Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, mandates that the Commission shall develop and **implement an electronic filing** and monitoring system and shall promulgate rules to facilitate and expedite, among others, corporate name reservation and registration, incorporation, **submission of reports**, notices, and documents required under this Code, and sharing of pertinent information with other government agencies.

WHEREAS, Section 7 of Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, provides that all government agencies including LGUs shall adopt a **zero-contact policy**.

WHEREAS, Section 17 of Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, requires that government agencies shall **automate business-related transactions** by developing the necessary software and technology-neutral platforms.

WHEREAS, the Commission **adheres to sustainable practices** such as using less paper and reducing energy consumption through streamlined processes and technology, as well as it promotes the role of corporations in achieving the United Nations Sustainable Development Goals and AmBisyon Natin 2040 through the issuance of the Sustainability Reporting Guidelines for Publicly Listed Companies under SEC Memorandum Circular No. 4, Series of 2019 on 15 February 2019, among others.

WHEREAS, the Inter Agency Task Force for the Management of Emerging Infectious Diseases orders all government agencies to adopt and enforce minimum health standards **to prevent and/or minimize the local spread of emerging infectious diseases such as Covid-19**.

WHEREAS, it is imperative to maintain an organized and orderly filing in 2021 of the Annual Financial Statements (AFS) and General Information Sheet (GIS) in compliance with the foregoing laws, sustainable practices and health protocols.

NOW, THEREFORE, the Commission, pursuant to its authority under the Revised Corporation Code (RCC) and the Securities Regulation Code, hereby issues and promulgates the following guidelines on the 2021 filing of AFS and GIS and the use of the Online Submission Tool (OST) in filing the said reports with the Commission.

Section 1. Mode of Submission of Reports. The submission of annual reports to the Commission shall be done online using the Commission's Online Submission Tool (OST).

Except as otherwise provided in this Memorandum-Circular and other issuances, the Commission shall no longer accept hard copies of reports. No submission through email, mail, courier and chutebox shall be allowed and/or accepted.

Section 2. Reports Accepted through the OST. For the initial implementation of the OST, the following reports shall be accepted:

- Audited Financial Statements
 - i. Duly stamped received by the Bureau of Internal Revenue (BIR) or proof of filing with the BIR should be attached to their AFS.
 - ii. Duly signed by the Auditor and all required signatories
 - iii. Compliant with all the AFS requirements as stated in the checklist available on the SEC website
- Sworn Statement for Foundation (SSF)¹
- General Form for Financial Statement (GFFS)
- Special Form for Financial Statement (SFFS)
- General Information Sheet (GIS)
- Affidavit of Non-Operation (ANO), to be filed together with the GIS/FS. Filer may submit a GIS/FS without any movement/change.
- Affidavit of Non-Holding of Annual Meeting (ANHAM), to be filed together with the GIS. Also, the filer may submit a GIS, without any movement/change (No Meeting Held).

The filing of ANO and ANHAM, when warranted, is subject to existing applicable SEC Memorandum Circulars, rules and regulations, including but not limited to SEC Memorandum Circular No. 3, Series of 2007², as superseded by Section 25 of the RCC³. The ANO and the ANHAM are deemed not filed if not attached to the FS and GIS, respectively.

Section 3. Mandatory Enrollment to OST. All corporations and partnerships registered with SEC must enroll in the OST in order to access and submit reports through the OST, except as otherwise provided in this Memorandum-Circular and other issuances of the Commission.

The enrollment process of all registered corporations/ partnerships will start on 15 March 2021.

¹ Prior to 2006: Refer to the Guidelines on Foundations under SEC Memorandum Circular No. 1, Series of 2004

² Sections 11, 12, Part D (Company Registration and Monitoring Department) SEC Memorandum Circular No. 3, Series of 2007 or the "Amendment of Reportorial Requirements", issued on September 5, 2007.

³ Section 25, RCC – Report of Election of Directors, Trustees and Officers, Non-holding of Election and Cessation from Office

Section 4. SEC Offices in Charge. The Systems Operations Division, Information and Communications Technology Department (SOD-ICTD) shall initially handle the provision of access to the OST and subsequently, all SEC departments requiring the relevant reports.

Procedures for the use of OST

Section 5. Mandatory Enrollment to OST

- a. Fill out the application form online through <https://ost.sec.gov.ph>
- b. Attach the following documents:
 - Board Resolution from the corporation/partnership authorizing the Company's representative to file reports on behalf of the corporation/partnership.
 - Special Power of Attorney (SPA) from the authorized filer/representative of the corporation to file reports (AFS/GIS) for and on behalf of the corporation/partnership.

Corporations and partnerships shall follow the prescribed format of the Board Resolution and SPA, which may be downloaded from the OST.

- MC28 Report and/or General Information Sheet (GIS) version 2020 submitted to the SEC.

The online enrollment shall be open for both corporations and firms providing related services to corporations and partnerships, including, but not limited to law firms and consultancy firms (the "Firms"), provided that there is a Board Resolution and Special Power of Attorney (SPA) to that effect, as abovementioned.

As to subsequent enrollments, the Firms need not enroll again as an authorized filer provided that an email address already existing under its account will be allowed by the enrolled corporation as an authorized filer. Also, its account should be activated first before it can file documents for the corporation even without enrollment.

The enrolled company may activate its authorized filer using the email address authorized by the corporation.

But if the corporation provides another email address to the authorized filer different from the existing email address, as enrolled in the OST, the authorized filer needs to enroll again for the new corporation. The email address provided by the enrolled corporation will serve as the access key for the authorized filer to be accepted in the OST.

- c. Upload the application form, together with the aforementioned attachments.

- d. Wait for the approval of the application through email and the access key (User ID and Password) to file reports through the OST. User ID and Password must be treated as confidential at all times for the security of the company filing the reports.
- e. If the application is pending approval, wait for a notification through registered email for compliance with additional requirements, if any. If all the requirements have been complied with, an access key will be issued to the applicant.
- f. The enrollment is a one-time process for the company. In the event the corporation/partnership decides to change their authorized filer, the company shall enroll a new filer and replace the old one, in the same enrollment form provided for the company under the OST.
- g. The issued access key (User ID and Password) shall be used by the filer to access the OST and file the reports.

Section 6. Required format of Submission. The OST will prompt the filer whether the report to be filed should be in Portable Document Format (PDF), Microsoft Excel and other formats.

The GIS must be submitted in two (2) formats:

- Multi-Page PDF with Text Layer of the accomplished but unsigned form; and
- Multi-Page PDF High Resolution Scan (at least 100x100 dpi) of the document with the Signatories Page and the Notarization Page.

The following reports must be submitted in the format stated below:

- Annual Financial Statements (AFS) – PDF
- Sworn Statement for Foundation (SSF) – PDF
- Affidavit of Non-Operation (ANO) attached to AFS/GIS – PDF
- Affidavit of Non-Holding of Annual Meeting (ANHAM) attached to GIS - PDF
- General Form for Financial Statements (GFFS) – Excel
- Special Form for Financial Statement (SFFS) - Excel

The SEC will post on the OST website and its official website step-by-step guides on the conversion of the documents to be filed in the OST.

Section 7. Review of the Quality of the Image of the Report; Final Acceptance of the Report. Filers will receive an automatic reply for the initial acceptance of the reports for review by the SEC-Electronic Records Management Division (SEC-ERMD) with regard to the quality of the image. Once the reports have passed the quality assurance, a QR (Quick Response) Code will be issued to filers online.

In the case of filers who complied with prescribed format but failed to indicate the prescribed content required in the report, the Department requiring such report will address the issue during the monitoring process through proper review and assess penalties, if applicable, subject to the existing laws, rules and regulations and memorandum circulars issued by the Commission.

Section 8. Sorting of Reports for Public Access. The SEC-ERMD Receiving Officer will sort and classify the pages of the report for public access and/or for department requirement particularly those to be treated as confidential.

The submitted report will be transmitted to the department requiring the report online through the Company Investments and Financial Statistical System (CiFSS) and the PDF file with signature and notary will be ingested to the Online Submission Portal (OSP) for public use.

Section 9. Other Requirements for Audited Financial Statements.

1. The Annual Financial Statements, other than the consolidated financial statements, shall be stamped “received” by the Bureau of Internal Revenue (BIR) or its authorized banks, unless the BIR allows an alternative proof of submission for its authorized banks (e.g. bank slips); and/or other proof of receipt, as approved by the BIR for its mode of submission.
2. The basic components of the Audited Financial Statements (AFS) as prescribed under SRC Rule 68, as amended, shall be submitted by the filers. Failure to comply with any of the formal requirements under the said Rule, and/or any material deficiency or misstatement that may be found upon evaluation of the specific contents thereof, shall be considered a sufficient ground for the imposition of penalties by SEC. The acceptance and receipt by the Commission of the financial statements shall be without prejudice to such penalties.
3. The General Financial Reporting Requirements, as stated in the Revised Securities Regulation Code (SRC) Rule 68, dated 19 August 2019, states the threshold for an Audited Financial Statements as follows:
 - a) Stock corporation with total assets or total liabilities of Six Hundred Thousand Pesos (Php600,000) or more as prescribed under the Revised Corporation Code (RCC) and any of its subsequent revisions or such amount as may be subsequently prescribed;
 - b) Non-stock corporations with total assets or total liabilities of Six Hundred Thousand Pesos (Php600,000) or more as prescribed under the RCC and any of its subsequent revisions or such amount as may be subsequently prescribed;
 - c) Branch offices/representative offices of stock foreign corporations with assigned capital in the equivalent amount of One Million Pesos (Php1,000,000) or more;
 - d) Branch offices/representative offices of non-stock foreign corporation with total assets in the equivalent amount of One Million Pesos (Php1,000,000) or more;
 - e) Regional operating headquarters of foreign corporations with total revenues in the equivalent amount of One Million Pesos (Php1,000,000) or more;
 - f) Financial statements of branch offices of foreign corporations licensed to do business in the Philippines by the Commission shall comply with the requirements of this Rule, unless otherwise determined by the Commission as not applicable.

4. Corporations which do not meet the threshold stated in Section 9, no. 3, item b, may submit their Annual Financial Statements accompanied by a duly notarized Treasurer's or Chief Financial Officer Certification only (rather than an Auditor's Report).⁴
5. The One Person Corporation shall submit Annual Financial Statements audited by an Independent certified public accountant: Provided, That if the total assets or total liabilities of the corporation are less than six hundred thousand pesos (P600,000.00), the financial statements shall be certified under oath by the corporation's treasurer and president.⁵
6. Regulated entities must comply with all the required documents on AFS submission, including but not limited to, other documents to be filed together with the AFS, Schedules and other requirements, pursuant to the Revised SRC Rule 68, dated 19 August 2019.⁶

OTHER OPTIONS FOR THE SUBMISSION OF REPORTS:

Section 10. OST Kiosks. All corporations, except as otherwise provided in this Memorandum-Circular, are required to enroll and submit their reports (AFS, GIS, GFFS, SFFS, SSF, ANO and ANHAM) through OST.

However, in case filers cannot enroll and submit reports through the OST, kiosks shall be provided in SEC offices and other areas, as may be designated by the Commission for technical assistance on the use of the OST.

The OST Kiosks will be available for six (6) months, from 01 March 2021 to 30 September 2021. Subsequent submissions shall be done remotely.

Section 11. Over-the-Counter Submission of Reports at the SEC Extension Offices Due To OST Problems. All SEC Extension Offices (EOs) may accept reports over the counter provided that filers present the Notice from OST that problems have been encountered during the process of enrollment and/or submission. All EOs shall follow the existing procedures in the filing of reports over the counter, including transmittal to the Head Office after encoding.

Filers who successfully created an account in the OST will have to submit their reports online.

Section 12. Reports To Be Submitted Through Email. SEC Reports other than AFS, GFFS, SFFS, GIS, ANO, ANHAM and SSF shall be filed through email at:

ictdsubmission@sec.gov.ph

⁴ Revised Corporation Code Republic Act No. 11232 Section 177A

⁵ Revised Corporation Code Republic Act No. 11232 Section 129A

⁶ https://www.sec.gov.ph/wp-content/uploads/2019/12/2019Rule_RSRCRule68.pdf

DEADLINES:

Section 13. Deadlines for Submission of Reports.

1. For the initial implementation of the OST, all stock corporations are required to enroll with the system starting March 15, 2021. Non-stock corporations are given the option whether they will enroll and submit their reports through OST or proceed to the SEC Kiosk for assistance in the enrollment process or submit their reports over the counter.

Nonetheless, by 2022 all corporations, whether stock or non-stock, shall be required to enroll and submit their reports through the OST.

2. All corporations shall submit their GIS thirty (30) days after their Annual Meeting.
3. All stock corporations, including branch offices, representative offices, regional headquarters and regional operating headquarters of foreign corporations, shall enroll and file their AFS through OST depending on the last numerical digit of their SEC registration or license number in accordance with the following schedule:

June 1-30:	1
July 1-31:	2
August 1-31:	3 & 4
September 1-30:	5 & 6
October 1-31:	7 & 8
November 1-30	9 & 0

All stock corporations may enroll and submit their reports through OST even prior to their respective coding schedule.

For stock corporations unable to enroll and file their AFS through OST based on the above coding schedule, the filing of reports done over-the-counter shall not be accepted. Such corporations are mandated to still enroll and file through OST.

For all corporations that have complied with the OST enrollment, all submission of its reports shall be done online.

4. GFFS and SFFS filers shall be given until September 30, 2021 to enroll and file. The Certification under oath required under SEC Memorandum Circular No. 6, Series of 2006⁷ is no longer required.

⁷ SEC Memorandum Circular No. 6, Series of 2006 or the "Submission of General Information Sheet and the General and Special Form for Financial Statements in Electronic Format", issued on April 7, 2006.

Section 14. SEC Satellite Offices and Extension Offices. **All SEC Satellite Offices (if open) and all Extension Offices shall be governed also by the above coding schedules.** However, any corporation may file ahead of the prescribed filing dates through the OST.

Section 15. Corporations with Different Filing Schedule. The above filing schedule shall not apply to the following corporations:

- (a) Those corporations whose fiscal year ends on a date other than December 31. These entities shall file their AFS within 120 calendar days from the end of their fiscal year;

However, for Broker Dealer whose fiscal year ends on December 31, SEC Form 52-AR shall be filed with the Commission depending on the last numerical digit of its registration number as prescribed by the Commission. Broker Dealers whose fiscal year ends on a date other than December 31 shall file SEC Form 52-AR, 110 calendar days after the close of such fiscal year.⁸

- (b) Those whose securities are listed in the Philippine Stock Exchange (PSE) and whose Securities are registered but not listed in PSE and Public Companies covered under Sec. 17.2 of the Securities Regulation Code (SRC). These entities shall continue to observe the due date of filing of their AFS (within 105 calendar days after the end of the fiscal year), as an attachment to their Annual Reports (SEC Form 17-A), in accordance with the Implementing Rules and Regulations of the Securities Regulation Code.

- (c) Corporations whose AFS are being audited by the Commission on Audit (COA); Provided, that the following documents are attached to their AFS:

- (i) An Affidavit signed by the President and Treasurer (or Chief Finance Officer, where applicable), attesting to the fact that the company has timely provided COA with the financial statements and supporting documents and that the audit of COA has just been concluded; and
- (ii) A letter from COA confirming the information provided in the above Affidavit.

Section 16. All corporations that will file their reports through the OST but whose applications for enrollment are still for validation by the Company Registration and Monitoring Department (CRMD), shall receive a notification during their registration and through their registered email on how to proceed with their application.

Section 17. OST Operating Hours. The OST shall be open twenty-four (24) hours. However, all submissions shall only be accepted from Mondays to Fridays.

Section 18. Date of Receipt of the Report. The reckoning date of receipt of reports is the date the report was initially submitted to the OST, if the filed report is compliant with the existing requirements.

A report which was reverted or rejected is considered not filed or not received. A notification will be sent to the filer, stating the reason of the report's rejection in the remarks box.

⁸ Rule 52.1.5.2 of the 2015 SRC IRR

FEES AND CHARGES

For the initial implementation (3 months) of the OST and the OSP, the SEC will not impose fees and charges for public access.

INQUIRIES

For inquiries/concerns/clarifications on the OST please dial/email the following:

1. Enrollment Process in OST:
0975- 223- 3958
0926- 628 – 9813
Note: more numbers to be added.

2. Submission process in OST:
0906 – 620 -2298
0906 – 404 -2252
Note: more numbers to be added.

3. Emails for OST inquiry:

inquiry_ost1@sec.gov.ph
and
inquiry_ost2@sec.gov.ph

All other circulars, memoranda and implementing rules and regulations that may be inconsistent with the foregoing provisions shall be deemed modified or amended accordingly.

This Memorandum Circular shall take effect immediately after its publication in two newspapers of general circulation.

For the Commission:

EMILIO B. AQUINO
Chairperson