



## **N O T I C E**

**Subject: ACCEPTANCE OF REVIEWED INTERIM FINANCIAL STATEMENTS IN REGISTRATION OF SECURITIES FOR INITIAL PUBLIC OFFERING**

The Securities and Exchange Commission (SEC) reiterates that a corporation looking to conduct an initial public offering (IPO) may submit Reviewed Interim Financial Statements (RIFS) in lieu of Audited Interim Financial Statements (AIFS) to comply with the requirements for the registration of the securities to be offered and sold to the public, as well as for the issuance to the corporation of the permit to sell such securities.

As a general rule, the Commission requires a corporation looking to conduct an IPO to submit AIFS for the period following the most recently ended fiscal year when the registration statement for the public offering is filed beyond 180 days from the end of the most recently ended fiscal year.

The requirement aims to provide investors high level of assurance that the AIFS are free from material errors or misstatements, pursuant to Sections 8.5 and 68 of Republic Act No. 8799, or the Securities Regulation Code (SRC).

However, Part II (5)(A)(v) of the 2019 Revised SRC Rule 68 provides that RIFS “may be accepted by the Commission provided that the registrant submits a written justification citing its constraints for having the interim financial statements audited and a certification that there has been no material event or transactions during the interim period that would necessitate the conduct of audit procedures.”

The exception takes into account the complexity of the procedures involved in preparing audited financial statements in relation to the timetable of public offerings and aligns with practices in other jurisdictions.

For more information, the 2019 Revised SRC Rule 68 may be accessed at <https://www.sec.gov.ph/laws-rules-decisions-and-resolutions/rules/#gsc.tab=0>.

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