

SEC Memorandum Circular No. 10 S. of 2022

Amendments to SEC MC No. 15, S. 2019 Increasing the Penalties and Imposing Additional Non-Financial Penalties and Providing Further Guidelines for Submission

PENALTIES

ALL STOCK CORPORATIONS (Domestic and Foreign)

RETAINED EARNINGS	PENALTIES			
	First Violation	Second Violation	Third Violation	Fourth and Subsequent Violation
Less than ₱ 500,000.00	₱ 50,000.00	₱ 100,000.00	₱ 250,000.00	₱ 500,000.00
₱ 500,000.00 or more but less than ₱ 5,000,000.00	₱ 100,000.00	₱ 200,000.00	₱ 500,000.00	₱ 1,000,000.00
₱ 5,000,000.00 or more but less than ₱ 10,000,000.00	₱ 150,000.00	₱ 300,000.00	₱ 750,000.00	₱ 1,500,000.00
₱ 10,000,000.00 or more	₱ 200,000.00	₱ 400,000.00	₱ 1,000,000.00	₱ 2,000,000.00
Additional fine of ₱ 1,000.00 for each day of delay in the submission of beneficial ownership information as a continuing violation, but shall not exceed ₱ 2,000,000.00.				

ALL NON-STOCK CORPORATIONS (Domestic and Foreign)

FUND BALANCE	PENALTIES			
	First Violation	Second Violation	Third Violation	Fourth and Subsequent Violation
Less than ₱ 500,000.00	₱ 25,000.00	₱ 50,000.00	₱ 100,000.00	₱ 250,000.00
₱ 500,000.00 or more but less than ₱ 5,000,000.00	₱ 50,000.00	₱ 100,000.00	₱ 200,000.00	₱ 500,000.00
₱ 5,000,000.00 or more but less than ₱ 10,000,000.00	₱ 75,000.00	₱ 150,000.00	₱ 300,000.00	₱ 750,000.00
₱ 10,000,000.00 or more	₱ 100,000.00	₱ 200,000.00	₱ 400,000.00	₱ 1,000,000.00
Additional fine of ₱ 1,000.00 for each day of delay in the submission of beneficial ownership information as a continuing violation, but shall not exceed ₱ 2,000,000.00.				

FALSE DECLARATION

	FINES	OTHER PENALTIES
For the Corporation	Up to ₱ 2,000,000.00	Revocation of Certificate of Incorporation
For Directors/Trustees/Officers	Up to ₱ 200,000.00	Disqualification to be a Director/Officer/Trustee for up to five (5) years

LIABILITY OF DIRECTORS/TRUSTEES AND OFFICERS OF THE CORPORATION

VIOLATION	PENALTIES			
	First Violation	Second Violation	Third Violation	Fourth and Subsequent Violation
Non-Disclosure/Late Disclosure	₱ 10,000.00	₱ 20,000.00	₱ 50,000.00	₱ 100,000.00
False Declaration	Up to ₱ 200,000.00 plus disqualification to be a Director/Officer/Trustee for up to five (5) years			

OTHER IMPOSABLE PENALTIES

If, after due notice and hearing, the Commission finds that there is:

- > A willful violation of this Circular or related orders of the Commission,
- > That any person has refused to permit any lawful examination into the corporation's affairs,

The Commission may impose the penalty of suspension or revocation of the certificate of incorporation of the reporting corporation along with other penalties that are within the power of the Commission to impose.

CRIMINAL ACTIONS AND CRIMINAL LIABILITY

The imposition of administrative sanctions shall be without prejudice to the filing of criminal charges against persons responsible for violation of Title XVI of the Revised Corporation Code of the Philippines as well as other applicable laws, rules, and regulations.