

CLIENT ADVISORY BULLETIN NO. 2020-005H

07 January 2021

Gentlemen/Mesdames,

Please be informed that the Securities and Exchange Commission (SEC) has issued *Memorandum Circular (MC) No. 30 s.2020*¹, dated 3 November 2020, requiring all foreign corporations registered with the SEC to disclose their beneficial owners, which shall be reflected in the General Information Sheet (GIS)².

MC No. 30, s. 2020 further provides that “the SEC shall be timely apprised of all relevant changes in the submitted beneficial ownership information as they arise” and such change “shall be indicated in the Notification Update Form” and submitted to the SEC within thirty (30) days from occurrence of the same.³

For purposes of incorporating the modifications provided for in said circular, please refer to the sample Beneficial Ownership Declaration page of the GIS for foreign corporations and the Notification Update Form, attached as **Annexes “A” and “B”**, respectively.

If, after due notice and hearing, the SEC finds that the reporting foreign corporation has failed to disclose, without lawful cause, its Beneficial Owner, it shall be penalized in accordance with Memorandum Circular No. 15, s. 2019, as follows:

Stock Corporations with retained earnings of less than ₱500,000.00	<ul style="list-style-type: none"> a. First Violation – ₱10,000.00 b. Second Violation – ₱20,000.00 c. Third Violation – ₱50,000.00 d. Fourth and Subsequent Violations – ₱100,000.00
Non-Stock Corporation with fund balance of less than ₱500,000.00	<ul style="list-style-type: none"> a. First Violation – ₱5,000.00 b. Second Violation – ₱10,000.00 c. Third Violation – ₱20,000.00 d. Fourth and Subsequent Violations – ₱50,000.00

¹ [Memorandum Circular No. 30 s.2020](#)

² Section 2.

³ Section 5.

Stock/Non-Stock Corporations with retained earnings/fund balance ranging from ₱500,000.00 to ₱5,000,000.00	Twice the amount of the penalties imposed for those with retained earnings or fund balance of less than ₱500,000.00
Stock/Non-Stock Corporations with retained earnings/fund balance ranging from ₱500,000.00 to ₱5,000,000.00	Four times the penalties imposed for those with retained earnings or fund balance of less than ₱500,000.00.

Similarly, the resident agent, country or regional head of the reporting corporation shall also be penalized, if the SEC finds, after due notice and hearing, that it failed to exercise the due diligence in ensuring disclosure of the beneficial ownership information, as follows:

- a. First Violation – ₱5,000.00
- b. Second Violation – ₱10,000.00
- c. Third Violation – ₱20,000.00
- d. Fourth and Subsequent Violations – ₱50,000.00

Should you require assistance in the submission/preparation/compliance with the above, please let us know.

Thank you very much.


DAMIAN M. PLACIDO, JR.
Managing Partner

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