

ADVISORY ON ENHANCED COMPLIANCE INCENTIVE PLAN

PAGE NOS.

SEC MEMORANDUM CIRCULAR
NO. 13-2024

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Guidelines on the Enhanced
Compliance Incentive Plan

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GUIDELINES ON THE ENHANCED COMPLIANCE INCENTIVE PLAN

Covered Violations

- ☑ Unassessed¹ and/or uncollected² fines and penalties for the following violations:
 - Non-filing of General Information Sheet (GIS) for the latest and prior years;
 - Late filing of GIS for the latest and prior years;
 - Non-filing of Financial Statements (AFS for brevity), whether audited or certified, including fines for its attachments [e.g., Certificate of Existence of Program/Activity (COEP), Non-Stock and Non-Profit Organization (NSPO) Forms] for the latest and prior years; and
 - Late filing of AFS, including fines for its attachments (e.g., COEP, NSPO Forms), for the latest and prior years

- ☑ Violations under Memorandum Circular (MC) No. 28, s. 2020 (i.e. requirement to designate e-mail account address and cellphone number).

ECIP Rates

Corporations	Violation	ECIP Fee
Non-compliant Corporations, including delinquent corporations	1. Late and Non-Filing of GIS; 2. Late and Non-Filing of AFS; or 3. Non-compliance with MC 28.	Php 20,000
Suspended and Revoked Corporations	Petition Fee	Php 3,060
	1. Late and Non-Filing of GIS; 2. Late and Non-Filing of AFS; or Non-compliance with MC 28.	50% of the assessed fines

- ☑ Payment of ECIP fee does not automatically confer compliant status nor lift the suspension and revocation.

¹ not yet assessed or without issued Payment Assessment Form

² already assessed but not yet paid

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- ☑ For non-compliant corporations, supporting documents must still be submitted. For corporations with suspended or revoked registrations or authorities, the relevant petition with supporting documents must still be submitted.

Filing of Application and Supporting Documents

Corporations	Requirements
A. Domestic Corporations; and B. Foreign Corporations (Branch Offices, Representative Offices, Regional Area Headquarters, and Regional Operating Headquarters)	File a web-based Expression of Interest Form (EOI) and Application for Availment of ECIP via the Electronic Filing and Submission Tool (eFAST) and upload the following requirements: <ol style="list-style-type: none"> 1. Latest due AFS and its attachments; 2. Latest due Amended AFS, if any; 3. Latest due GIS; and 4. Latest due Amended GIS, if any.
Non-Compliant and Delinquent Corporations	<ol style="list-style-type: none"> 1. File a web-based EOI Form through the eFAST; 2. Pay the Php 20,000 ECIP amount through the Electronic System for Payment to SEC (eSPAYSEC) Payment Assessment Form (PAF); 3. Once payment is settled, upload the abovementioned documentary requirements.
Revoked and Suspended Corporations	<ol style="list-style-type: none"> 1. File a web-based EOI Form through the eFAST; 2. Pay Petition fee via eSPAYSEC through PAF; 3. Once payment is settled, upload the abovementioned documentary requirements. The Petition to Lift Order of Suspension/Revocation, alongside the following supporting documents, must also be submitted to the designated SEC emails: <ol style="list-style-type: none"> a. Directors' or Trustees' Certificate; b. Latest due AFS, and its attachments, as received by the SEC and Bureau of Internal Revenue (BIR); c. Latest due GIS, as received by the SEC; d. Copies of Certificate of Incorporation and latest Certificate of filing of Amended Articles or By-laws (if any) together with latest Articles of Incorporation and By-laws;

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Corporations	Requirements
Revoked and Suspended Corporations	<ul style="list-style-type: none"> e. Copy of registration of stock and transfer book or membership book; f. Secretary's Certificate of No Intra Corporate Controversy; g. Sworn Certification by the External Auditor; h. Proof of ongoing operation; i. Latest Mayor's/Business Permit; j. BIR Certificate of Registration; k. Certification from the Corporate Secretary that the Latest Financial Statement and Income Tax Return was received by the SEC and BIR, respectively; and l. Compliance with SEC Memorandum Circular No. 28, Series of 2020. <ul style="list-style-type: none"> 4. Wait for the assessment of the 50% of their fines and penalties to be sent to their registered email addressed; 5. After payment has been settled, and submitted documents have undergone monitoring and evaluation, wait for the receipt of Confirmation of Payment for ECIP through their registered email address.

Exceptions to the coverage of ECIP

1. Corporations whose securities are listed on the Philippine Stock Exchange ("PSE");
2. Corporations whose securities are registered but not listed on the PSE;
3. Corporations considered as Public Companies;
4. Corporations with intra-corporate dispute;
5. Corporations with disputed GIS;
6. Corporations with expired corporate term; and
7. Other corporations covered under Sec. 17.2 of RA No. 8799 or the Securities Regulations Code.

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Period for applications

Applications for the ECIP shall be accepted starting from **02 September 2024 to 30 November 2024.**

Source: SEC Memorandum Circular No. 13-2024

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