



P&A Grant Thornton

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Outsourcing brief

Q2 2015

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BIR updates



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RMC No. 24, s2015: Submission of scanned copies of BIR Form Nos. 2307 and 2316

In this Circular, the Bureau of Internal Revenue (BIR) clarified the pertinent provisions of Revenue Regulation (RR) No. 2, s2015 on the submission of scanned copies of BIR Form Nos. 2307 (Certificate of Creditable Tax Withheld at Source) and 2316 (Certificate of Compensation Payment/ Tax Withheld) to the concerned BIR office in lieu of hard copies.

- 1. Coverage.** The requirement covers only taxpayers registered with the Large Taxpayers Service (LTS). The option is open for non-LTS taxpayers but the option shall be irrevocable.
- 2. Effectivity.** The effectivity falls on 21 March 2015. However, for initial implementation and to give ample time to comply with the technical requirements:
 - For quarterly income tax returns (ITRs) with deadline on 30 April 2015: taxpayers can submit BIR Form 2307 either in hard or scanned copies.
 - For fillings with deadlines falling beyond 30 April 2015: taxpayers must submit BIR Form 2307 in scanned copies.

3. Copies. The withholding agent has the option to issue only one BIR Form 2307 to cover more than one income payment to the same taxpayer even if subject to different rates. Taxpayers are still required to retain the hard copy of the said forms for validation during tax audit. If needed, taxpayers may request for a certified true copy of the scanned forms provided that they pay the certification fee and the corresponding Documentary Stamp Tax.

4. Signatories. The authorized signatories for the notarized certification and the DVD-R containing the soft copies of the BIR forms are:

- For corporate entities — any of the principal officers designated through a Board Resolution and sworn to by such officer and by the corporate treasurer or assistant treasurer.
- For individual taxpayers—the attorney-in-fact as evidenced by a notarized Special Power of Attorney issued for the purpose by the individual taxpayer.

5. Technical specifications

- If several certificates were issued to the same taxpayer in the same taxable period, these should be

separately saved and the file named using this format:

Bonifacio Mfg.

Corp_131885880000_09312014_1

Bonifacio Mfg.

Corp_131885880000_09312014_2

Bonifacio Mfg.

Corp_131885880000_09312014_3

- The printing of the logo of the BIR or of the taxpayer on the label of the DVD-R is not mandatory.
- There is no prescribed paper size for printing these forms provided that all information required must be captured clearly.
- The taxpayer may use any device available (flatbed scanner, camera, etc.) in capturing the images of the BIR forms provided that the images are saved in “PDF” formats in the DVD-R.
- For purposes of readability, the minimum resolution for the images should be 200 dots-per-inch set to black and white.
- The DVD-R should be single-sided and single-layered.

6. Penalties. Failure to comply with the requirements of RR No. 2, s2015 shall be punishable with the penalty specified under Section 250 of the NIRC of 1997 and the compromise penalties specified under RMO No. 7, s2015.

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RMC No. 31, s2015: Availability of eBIRForms Package Version 5.0

The eBIRForms Package Version 5.0 has been made available and downloadable online from any of the following sites:

- www.knowyourtaxes.ph;
- www.dof.gov.ph;
- Dropbox using this link:
<http://goo.gl/UCr8XS>
- www.bir.gov.ph

All the thirty-six (36) tax returns available in the package can be filed by following the steps below:

- Step 1. DOWNLOAD, INSTALL and RUN eBIRForms Package version 5.0;
- Step 2. FILL-UP directly by encoding data in the tax return;
- Step 3. Click VALIDATE after accomplishing the tax return. If there are changes to make, click EDIT button. Make sure to validate after every changes made.

Step 4. Click SUBMIT:

- 4.1 If successful, taxpayer will be redirected to eBIRForms home page and follow further instructions.
- 4.2 If unsuccessful, click FINAL COPY button to use an alternative mode of electronic submission and an email confirmation will be received by the taxpayer. For those who are not yet enrolled to the eBIRForms System, it is required to fully and unconditionally agree to the Terms of Service Agreement (TOSA).

The package can be used by the eFPS filers to fill-up the tax returns offline and submit to eFPS without the need to click on FINAL COPY (currently applicable for BIR Form Nos. 1700, 1701, 1702-RT, 1702-EX, 1702-MX, 2200A and 2200T). Tax payments can be made through Authorized Agent Banks (AABs), Collection Officers, Online Payment through selected AABs (Online Retail Banking) or GCash (up to P10,000) per RMO No. 20, s2005.

It is further reiterated that taxpayers mandated to efile but have already filed manually their ITRs for 2014, are required to electronically file on or before 15 June 2015.

To see the full versions of the circulars, please visit the BIR website at www.bir.gov.ph.



DOLE updates

Wage Order No. RB IVB-07: New minimum wage rates in Region IV-B

The DOLE-RTWPB of Region IV-B issued Wage Order No. RBIV-07 mandating the integration of P5 COLA under previous Wage Order No. RBIV-06 and increasing the basic wage by P5 to P30. Region IV-B covers the provinces of Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon and Palawan, otherwise known as MIMAROPA, including the city of Calapan and the highly urbanized city of Puerto Princesa.

The new basic wage increase ranging from P5 to P30 will be given in 4 tranches:

Effective 3 July 2015 (1st tranche):

- P5 for all sectors in all areas in Region IV-B
- Setting the daily minimum wage of P280 for all mining companies regardless of location

Effective 1 November 2015 (2nd tranche):

- P5 for Non-Agriculture Establishments with more than 10 workers in all sectors of all areas in the Region
- P5 for Non-Agriculture Establishments with 10 workers and below in highly urbanized city (Puerto Princesa); areas of Calapan City, Puerto Galera, El Nido and Coron; and first class municipalities of MIMAROPA
- P7 for Non-Agriculture with 10 workers and below in the rest of the Region

- P5 for Agriculture in all sectors of all areas in the Region
- P5 for All Mining Companies regardless of location

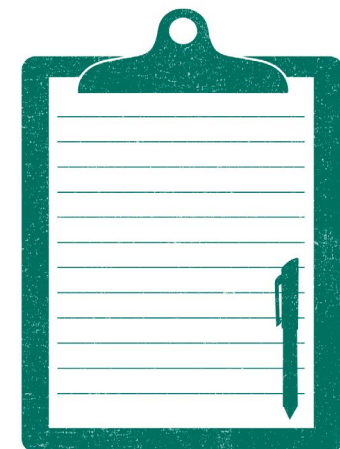
Effective 1 May 2016 (3rd tranche):

- P5 for Non-Agriculture Establishments with more than 10 workers in areas of Calapan City, Puerto Galera, El Nido and Coron; and in first class municipalities of MIMAROPA
- P10 for Non-Agriculture Establishments with more than 10 workers in the rest of the Region
- P5 for Non-Agriculture Establishments with 10 workers and below in highly urbanized city (Puerto Princesa); and in areas of Calapan City, Puerto Galera, El Nido and Coron
- P8 for Non-Agriculture Establishments with 10 workers and below in first class municipalities of MIMAROPA; and in the rest of the Region
- P5 for Agriculture in first class municipalities of MIMAROPA; and in the Rest of the Region

Effective 1 November 2016 (last tranche):

- P10 for Non-Agriculture with more than 10 workers in first class municipalities of MIMAROPA; and in the rest of the Region
- P5 for Non-Agriculture Establishments with 10 workers and below in highly urbanized

- city (Puerto Princesa)
- P10 for Non-Agriculture Establishments with 10 workers and below in areas of Calapan City, Puerto Galera, El Nido and Coron; first class municipalities of MIMAROPA and in the rest of the Region
- P5 for Agriculture in first class municipalities of MIMAROPA; and in the rest of the Region.



DOLE updates

Effective 3 July 2015 (1st tranche):

Current daily minimum wage rates Region IV-B, Mimaropa Per Wage Order No. RBIV-B-07 Effective 3 July 2015												
Sector/industry	AREAS											
	Highly urbanized city (Puerto Princesa)			Calapan City, Puerto Galera, El Nido & Coron			First class municipalities of MIMAROPA			The Rest of the Region		
	Basic wage after COLA integration	Basic wage increase	New minimum wage rate	Basic wage after COLA integration	Basic wage increase	New minimum wage rate	Basic wage after COLA integration	Basic wage increase	New minimum wage rate	Basic wage after COLA integration	Basic wage increase	New minimum wage rate
NON-AGRICULTURE												
Services	P 275	P 5	P 280	P 270	P 5	P 275	P 260	P 5	P 265	P 255	P 5	P 260
Establishments with more than 10 workers												
Establishments with 10 workers and below	215	5	220	210	5	215	207	5	212	205	5	210
AGRICULTURE	225	5	230	225	5	230	215	5	220	215	5	220
All mining companies (regardless of location)	280											

Effective 1 November 2015 (2nd tranche):

Sector/industry	Areas							
	Highly urbanized city (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First class municipalities of MIMAROPA		The Rest of the Region	
	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate
NON-AGRICULTURE								
Services	P 5	P 285	P 5	P 280	P 5	P 270	P 5	P 265
Establishments with more than 10 workers								
Establishments with 10 workers and below	5	225	5	220	5	217	7	217
AGRICULTURE	5	235	5	235	5	225	5	225
All mining companies (regardless of location)	285							

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Effective 1 May 2016 (3rd tranche):

Sector/industry	Areas							
	Highly urbanized city (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First class municipalities of MIMAROPA		The Rest of the Region	
	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate
NON-AGRICULTURE								
Services Establishments with more than 10 workers	P -	P 285	P 5	P 285	P 5	P 275	P 10	P 275
Establishments with 10 workers and below	5	230	5	225	8	225	8	225
AGRICULTURE	-	235	-	235	5	230	5	230
All mining companies (regardless of location)	285							

Effective 1 November 2016 (4th tranche):

Sector/industry	Areas							
	Highly urbanized city (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First class municipalities of MIMAROPA		The Rest of the Region	
	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate	Basic wage increase	New minimum wage rate
NON-AGRICULTURE								
Services Establishments with more than 10 workers	P -	P 285	P -	P 285	P 10	P 285	P 10	P 285
Establishments with 10 workers and below	5	235	10	235	10	235	10	235
AGRICULTURE	-	235	-	235	5	235	5	235
All mining companies (regardless of location)	285							

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Wage Order No. RB VI-22: New minimum wage rates in Western Visayas

The DOLE-RTWPB of Western Visayas issued Wage Order No. RBVI-22 granting a P11.50 per day wage increase effective 2 May 2015. Western Visayas covers the provinces of Aklan, Antique, Capiz, Guimaras, Iloilo and Negros Occidental including their respective component cities and the highly urbanized cities of Bacolod and Iloilo.

Current daily minimum wage rates Region VI Western Visayas per Wage Order No. RBVI-22 Effective 2 May 2015			
Sector/Industry	Current Daily Minimum Wage	Amount of Increase	New Daily Wage Rate
I. Non-Agriculture / Industrial / Commercial			
Employing more than 10 workers	P287	P11.50	P298.50
Employing 10 workers and below	245	12	257
II. Agriculture			
Plantation	255	12	267
Non-Plantation	245	12	257

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Wage Order No. RB CAR-17: Prescribing the new minimum wage rates of private sector workers in the Cordillera Administrative Region

The DOLE-RTWPB of Cordillera Administrative Region issued Wage Order No. CAR-17 granting the following:

Upon effectivity on 29 June 2015

- COLA integration
 - P5/day COLA for Non-Agriculture & Retail/Service with 11 workers and above in Baguio City, Municipalities of La Trinidad, Itogon, Sablan, and Tuba Benguet (BLIST) area
 - P10/day COLA for Non-Agriculture & Retail/Service with 11 workers and above in other areas in the Region; Agriculture & Retail/Service with 10 workers & below in BLIST and in all areas in the Region
- Basic wage increase
 - P5/day basic wage for Non-Agriculture & Retail/Service with 11 workers and above in BLIST area
 - P2/day basic wage for Non-Agriculture & Retail/Service with 11 workers and above in other areas in the Region and in Agriculture & Retail/Service with 10 workers & above in BLIST area

- P8/day for Agriculture & Retail/Service with 10 workers & above in other areas in the Region

Effective 1 January 2016

- Integration into the basic wage of the remaining P10 and P15 COLA.

To see the full versions of the Wage Orders, please refer to the website of the National Wages and Productivity Commission (NWPC) at www.nwpc.dole.gov.ph.

Daily minimum wage rates Cordillera Administrative Region (CAR) per Wage Order No. RB CAR-17 Effective 29 June 2015						
Sector/Industry	Baguio City, Municipalities of La Trinidad, Itogon, Sablan, and Tuba, Benguet (BLIST)			Other Areas in the Region		
	Basic	COLA	Total	Basic	COLA	Total
Upon effectivity on 29 August 2015						
Non-Agriculture & Retail/Service with 11 workers and above	P 270	P 15	P 285	P 255	P 10	P 265
Agriculture & Retail/Service with 10 workers and below	260	10	270	245	10	255
Effective 1 January 2016 after integration						
All industries/sectors	P 285			P 265		
Micro Enterprises	270			255		

SSS updates

SSS Circular No. 3, s2015: Authorized SSS accredited collecting and paying banks

In this circular, the Social Security Commission (SSC) approved the continuance of accreditation of twenty-four (24) universal/commercial banks and nineteen (19) thrift banks, as collecting and paying agents of SSS from 1 October 2014 to 30 September 2015, as follows:

	Universal/Commercial Banks		Thrift Banks
1	Asia United Bank	1	PNB Savings Bank (Allied Savings Bank)
2	Bank of the Philippine Islands	2	Bank One Savings and Trust Corp.
3	Bank of Commerce	3	BPI Family Savings Bank
4	BDO Unibank, Inc.	4	CARD SME Bank, Incorporated
5	Citibank N.A., Philippine Branch	5	Century Savings Bank Corporation
6	China Banking Corporation	6	City Savings Bank
7	CTBC Bank (Philippines) Corporation	7	Citystate Savings Bank, Incorporated
8	Deutsche Bank AG, Manila Branch	8	Dumaguete City Development Bank
9	Development Bank of the Philippines	9	Enterprise Bank, Incorporated
10	East West Banking Corporation	10	First Consolidated Bank
11	Hongkong & Shanghai Banking Corp.	11	1 st Valley Bank, Incorporated
12	Land Bank of the Philippines	12	Malayan Bank Savings and Mortgage Bank
13	Maybank Philippines, Incorporated	13	Philippine Business Bank, Inc.
14	Metropolitan Bank and Trust Company	14	Philippine Postal Savings Bank, Inc.
15	Philippine Bank of Communications	15	Philippine Resources Savings Bank
16	Philippine National Bank	16	Philippine Savings Bank
17	Philippine Trust Company	17	Planters Development Bank
18	Philippine Veterans Bank	18	Queen City Development Bank
19	Rizal Commercial Banking Corporation	19	RCBC Savings Bank
20	Robinsons Bank Corporation		
21	Security Bank Corporation		
22	Standard Chartered Bank		
23	Union Bank of the Philippines		
24	United Coconut Planters Bank		

SSS Circular No. 4, s2015: Payment of sickness and maternity benefit reimbursements thru SSS-accredited banks

In line with the implementation of the Sickness and Maternity Benefits Payment thru the Bank Program, the Payment Advice containing the payment details of the sickness and maternity benefit reimbursements, which is currently being sent to employers thru mail via Post Office, can now be accessed thru the SSS website at www.sss.gov.ph. This is to facilitate verification by employers on the details of their reimbursements. Employers are advised to register in the SSS website to be able to access the Payment Advice information.

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SSS Circular No. 5, s2015: Authorized SSS accredited collecting and paying banks

In this circular, the SSC approved the continuance of accreditation of the following rural and cooperative banks as collecting and paying agents of SSS from 1 October 2014 to 30 September 2015, subject to submission of surety bond for banks with net worth below P52 million:

For the full versions of the SSS circulars, please refer to the SSS website at www.sss.gov.ph.

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Rural Banks			
P52 million and above			
1	Banco Makiling (Laguna)	22	Rural Bank of Pandi (Bulacan)
2	Bangko Kabayan (Batangas)	23	Rural Bank of Porac (Pampanga)
3	Bangko Mabuhay (RB Tanza, Cavite)	24	Rural Bank of San Antonio (Quezon)
4	Camalig Bank (Albay)	25	Rural Bank of San Jose (Cam Sur)
5	Cantilan Bank (Surigao del Sur)	26	RBT Bank, Inc. (RB Talisayan, Misamis Oriental)
6	CARD Bank, Inc. (Laguna)	27	Saviour Rural Bank (Pampanga)
7	Country Builders Bank, Inc. (Taguig City)	28	The Country Bank (Bongabong, Or. Mindoro)
8	East West Rural Bank (Pasig City)	29	Tiaong Rural Bank (Quezon)
9	Guagua Rural Bank (Pampanga)	Below P52 million	
10	Innovative Bank, Inc. (RB Pililla, Rizal)	30	Bangko Nuestra Sra. del Pilar (Pampanga)
11	Katipunan Rural Bank (Dipolog City)	31	Mega Rural Bank (Lucena City)
12	Laguna Prestige Banking Corp.	32	Rural Bank of Abucay (Bataan)
13	Malarayat Rural Bank (Lipa City)	33	Rural Bank of Bauang, Inc. (La Union)
14	One Network Bank, Inc. (Davao City)	34	Rural Bank of Hilongos (Leyte)
15	Planbank (RB Canlubang, Laguna)	35	Rural Bank of Hindang (Leyte)
16	Rang-ay Bank (La Union)	36	Rural Bank of Lanuza (Surigao del Sur)
17	Rural Bank of Angono (Rizal)	37	Rural Bank of La Paz (Tarlac)
18	Rural Bank of Bambang (Nueva Vizcaya)	38	Rural Bank of Rosario (La Union)
19	Rural Bank of Bayombong (Nueva Vizcaya)	39	Rural Bank of Sagay (Negros Occ.)
20	Rural Bank of Cauayan (Isabela)	40	Rural Bank of Sta. Catalina (Negros Or.)
21	Rural Bank of Digos (Davao del Sur)	41	Rural Bank of Taal (Batangas)
Cooperative Banks			
P52 million and above		Below P52 million	
1	Cooperative Bank of Quezon Province	4	Cooperative Bank of Ilocos Norte
2	First Isabela Cooperative Bank		
3	Metro South Cooperative Bank (Makati City)		

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PhilHealth Circular No. 9, s2015: Mandatory payment of premium contributions of employers and employees in PhilHealth accredited collecting agents

Pursuant to Section 6.f of the Revised Implementing Rules and Regulations of the National Health Insurance Act of 2013, Philhealth is mandated to “establish and maintain an updated membership and contribution database.”

To fulfill this mandate, effective on 1 July 2015 covering the applicable period of June 2015, all premium contributions of employers and employees in the government and private sectors shall be made at any of PhilHealth’s accredited collecting agents (ACAs) or through e-Payment facilities. A complete list of all accredited collecting agents can be accessed through www.philhealth.gov.ph. Only premiums from micro-firms, employers with less than 11 employees and kasambahays (househelp) shall be accepted at PhilHealth offices.

However, exemptions shall be granted in areas or provinces in the following circumstances until such time that access for payment and electronic reporting can be provided:

- a. For provinces classified as geographically

isolated and disadvantaged areas (GIDAS) with no available internet service provider and ACAs, premium payments and soft copy reports will still be accepted in PhilHealth offices; and,

- b. In areas where there are ACAs but no available internet service providers, soft copy reports shall be submitted to the nearest PhilHealth office.

PhilHealth Circular No. 10, s2015: SEC-IBR post-registration guidelines in Philhealth

On 14 April 2015, a Memorandum of Agreement was entered into by and among the Securities and Exchange Commission (SEC), PhilHealth, SSS and Pag-ibig Fund establishing the SEC-Integrated Business Registration (IBR) system. The SEC-IBR system is in support of the government’s effort to ensure ease of doing business in the Philippines by simplifying and reducing the number of steps and activities in starting a business.

New businesses/companies that have registered through the SEC-IBR and subsequently obtained the Unified Registration Record (URR) released by the SEC containing their PhilHealth Employer Number (PEN) are hereby directed to report

to any PhilHealth Office to complete the post registration and secure the hard copies of Certificate of Registration (CoR) and Employer Data Record (EDR).

This Circular shall apply to all SEC-IBR registered entities such as corporations, partnerships, associations, and other juridical entities, the registration of which falls under the jurisdiction of the SEC.

Post-Registration Guidelines

1. The SEC-IBR registered company shall secure PhilHealth CoR and EDR from PhilHealth by submitting a copy of the URR containing PEN and SEC Registration Number and a duly accomplished Employer Data Record (ER1) specifically indicating the “Date of Operation” and “Number of Employees.
2. Within 30 days from the date of hiring of personnel/employee, the SEC-registered company/business shall submit to PhilHealth the duly accomplished Employment Report

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Form (ER2) containing complete list of its newly hired employees with their PhilHealth Identification Number (PIN), monthly basic salary and date of employment. However, for those not yet registered with PhilHealth, a duly accomplished PhilHealth Member Registration Form (PMRF) shall also be attached to ER2.

3. Reporting of payment premium contributions shall be through the Electronic Premium Remittance Report System (EPRS) of PhilHealth in accordance with PhilHealth Circular No. 45, s2012 and PhilHealth Circular No. 4, s2015. To register online for an EPRS employer-account, just log on to <https://epoaf.philhealth.gov.ph/employer/>.

For the full versions of the Circulars, please refer to the PhilHealth website at www.philhealth.gov.ph.

PhilHealth advisories regarding its ACAs

Advisory No. 05-02-2015: “Postbank, A Savings Bank” is the new business name of Philippine Postal Savings Bank, Inc.

Philippine Postal Savings Bank, Inc., an ACA

of PhilHealth, has a new business name, “Postbank, A Savings Bank” as per approval of Bangko Sentral ng Pilipinas.

Postbank is a government thrift bank located at PostalBank Center, Liwasang Bonifacio, Manila. It has 25 branches strategically located in various cities all over the Philippines.

Advisory No. 05-03-2015: Updated list of BancNet member-banks to accept PhilHealth premium contributions through eGov facility

Effective 1 May 2015, the Development Bank of the Philippines (DBP) will start using the eGov facility as it becomes one of the accredited employer-member banks of BancNet, Inc.

Aside from the DBP, the following BancNet member-banks are also accepting PhilHealth premium contributions from Formal Economy members nationwide:

1. Asia United Bank
2. China Banking Corporation
3. CTBC Bank (Philippines) Corporation (formerly Chinatrust (Philippines) Commercial Corporation)
4. Philippine National Bank

Advisory No. 07-01-2015: Newly accredited collecting agents under PRO VI

Effective 1 July 2015, the following local government units (LGUs) under the operational jurisdiction of PhilHealth Regional Office VI, will be accepting PhilHealth premium payments from all PhilHealth members:

- LGU – Binalbagan, Negros Occidental
- LGU – Cabatuan, Iloilo
- LGU – Himamaylan, Negros Occidental
- LGU – Sta. Barbara, Iloilo

For a complete list of PhilHealth’s ACAs, please visit Philhealth website at www.philhealth.gov.ph.



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SEC advisory for branch offices of foreign stock corporations and Regional Operating Headquarters (ROHQ)/Regional Headquarters (RHQ) of multinational companies

In this Advisory, the SEC advised branch offices of foreign stock corporations and Regional Operating Headquarters (ROHQ)/Regional Headquarters (RHQ) of multinational companies regarding the posting of their securities deposit and submission of their certificates of inward remittance.

The parties concerned were advised that there is no more need for them or their counsels to file notices/letters asking the SEC-Company Registration and Monitoring Department (CRMD) for “extension of time” since, under existing SEC Memorandum Circulars, appropriate fines and penalties are being imposed for failure to post the required amount of security deposit within the prescribed period and for late submission of the certificate of inward remittance.

(MC) No. 2, s2012 clearly provides:

Section 12. FINES AND PENALTIES FOR NON-COMPLIANCE

12.1 *Failure to post the required amount of security deposit within the prescribed period shall subject a foreign corporation to a daily penalty of equivalent to 1/100 of 1% of the amount of security deposit which should have been additionally posted until the requirement is fully complied.*

12.2 *A license granted to a foreign corporation shall be suspended or revoked for failure to post securities deposit despite notice and hearing.*

12.3 *The fines and surcharge for late deposit of securities shall be as follows:*

as one month for purposes of computation of the surcharge.

12.4 *The above-mentioned penalties shall be without prejudice to the filing of criminal charges against the persons responsible for the violation, as provided for in Section 144 of the Corporation Code of the Philippines.*

	Initial Securities Deposit	Additional Securities Deposit
1 st violation	Basic fine of P10,000; and surcharge of P500 per month of delay	Basic fine of P7,000; and surcharge of P500 per month of delay
2 nd violation	Basic fine of P10,000; and surcharge of P1,000 per month of delay	Basic fine of P7,000; and surcharge of P1,000 per month of delay
3 rd violation	Basic fine of P10,000; and surcharge of P1,500 per month of delay	Basic fine of P7,000; and surcharge of P1,500 per month of delay

A fraction of a month shall be considered

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As regards the late submission of the certificate of inward remittance, Section 18 of SEC MC No. 15, s2006 explicitly reads:

Section 18. The fines for the late submission of the certificate of inward remittance shall be as follows:

- a. *for the initial remittance – basic fine of P10,000; surcharge of P500 per month of delay*
- b. *for the annual remittance:*

1st violation	Basic fine of .003 of the actual remittance; surcharge of P500 per month of delay
2nd violation	Basic fine of .004 of the actual remittance; surcharge of P1,000 per month of delay
3rd violation	Basic fine of .005 of the actual remittance; surcharge of P1,500 per month of delay

SEC MC No. 5, s2015: Amendment on the guidelines and procedures on the use of corporate and partnership names

In this Circular, the SEC amended paragraph 11 of SEC MC No. 21, s2013 (Omnibus Guidelines and Procedures on the Use of Corporate and Partnership Names) to read as follows:

“11. Unless otherwise authorized by the Commission, the words and phrases enumerated below can be used only by the entities mentioned:

- a) “Investment(s)” – by entities organized as investment house or investment company;
- b) “Capital” – by entities organized as investment house, investment company or holding company;
- c) “Asset/Investment/Fund/Financial Management,” or “Asset/Investment/Fund/Financial Adviser,” or any similar words or phrases – by entities organized as investment company adviser or holders of investment management activities (IMA) license from the Bangko Sentral ng Pilipinas;
- d) “National,” “Bureau,” “Commission,” “State,” and other words, acronyms, abbreviations that have gained wide acceptance in Philippines – by entities that perform governmental functions;

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- e) “Association” and “Organization” or similar words which pertain to non-stock corporations – by entities primarily engaged in non-profit activities;
- f) “Stock Exchange/Futures Exchange/Derivatives Exchange,” “Stock Broker/Securities Broker/Derivatives Broker”, “Commodity/Financial Futures Merchant/Broker,” “Securities Clearing Agency/Stock Clearing Agency,” “Plans” or any similar words or phrases – by entities organized as an exchange, broker dealer, commodity futures broker, clearing agency, or pre-need company under the Securities Regulation Code (RA 8799).

corporation or partnership within three years from the approval of the dissolution or six years from the date of revocation, unless its use has been allowed at the time of the dissolution or revocation by the stockholders, members or partners who represent a majority of the outstanding capital stock or membership of the dissolved corporation or partnership, as the case may be.

No application for re-registration of corporation with dissolved or revoked certificates of registration shall be processed by the Commission unless the application is accompanied by the following documents:

i. Board Resolution, executed and signed under oath by the hold-over board of directors/trustees of the dissolved or revoked corporation, attesting that:

a) the applicant for re-registration is a new corporation intending to use the name of the dissolved or revoked corporation (specially identifying the corporate name and registration number);

b) the re-registration is approved by the majority vote of the directors or trustees and the vote of the stockholders representing the majority of the outstanding capital stock or membership;

SEC MC No. 6, s2015: Guidelines on the use of corporate names of corporations with dissolved and revoked certificates of registration

In this Circular, the SEC amended the following paragraph of SEC Memorandum Circular (MC) No. 21, s2013 (Omnibus Guidelines and Procedures on the Use of Corporate and Partnership Names):

“15. The name of a corporation or partnership that has been dissolved or whose registration has been revoked shall not be used by another



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- c) they shall include a statement in the articles of incorporation of the new corporation that the same is using the name of the dissolved or revoked corporation; and
- d) if application, they will no longer file a petition to set aside the order of revocation.

- ii. Latest General Information Sheet of the dissolved or revoked corporation, stamped “received” by the Commission; and
- iii. Affidavit, executed under oath by the hold-over corporate secretary, attesting that:
 - a) There are no properties owned by the dissolved or revoked corporation due for liquidation; or
 - b) In case there are properties owned by the dissolved or revoked corporation, no property is transferred to the new corporation or, in case of stock corporations, used for subscription payment without undergoing corporate liquidation process.

Upon approval of the re-registration, the certificate of registration to be issued to the new corporation shall indicate its new SEC registration number and pre-generated Tax Identification Number (TIN) as confirmation that the same is a separate and distinct entity from the dissolved or revoked corporation.”

The foregoing provisions with the pertinent amendments, effectively superseding MC No.

17, s2013, shall now read as follows:

“15. The name of a corporation or partnership that has been dissolved or whose registration has been revoked shall not be used by another corporation, except in meritorious cases as determined by the Commission En Banc.

Only expired corporations may apply for re-registration using the same corporate name. No application for re-registration of the expired corporation, however, shall be processed by the Commission unless the application is accompanied by the following documents:

- i. Board Resolution, executed and signed under oath by the hold-over board of directors/trustees of the expired corporation, attesting that:
 - a) the applicant for re-registration is a new corporation intending to use the name of the expired corporation (specially identifying the corporate name and registration number);
 - b) the re-registration is approved by the majority vote of the directors or trustees and the vote of the stockholders representing the majority of the outstanding capital stock or membership; and
 - c) they shall include a statement in the articles of incorporation of the new corporation that the same is using the name of the expired corporation.

- ii. Latest General Information Sheet of the expired corporation, stamped “received” by the Commission; and
- iii. Affidavit, executed under oath by the hold-over corporate secretary, attesting that:
 - a) There are no properties owned by the expired corporation due for liquidation; or in case there are properties owned by the expired corporation, no property is transferred to the new corporation or, in case of stock corporations, used for subscription payment without undergoing corporate liquidation process.
 - b) There is no pending intra-corporate dispute or claim involving the expired corporation; and
 - c) That the expired corporation has no derogatory information with the Commission at the time of its application for re-registration.

Upon approval of the re-registration, the certificate of registration to be issued to the new corporation shall indicate its new SEC registration number and pre-generated Tax Identification Number (TIN) as confirmation that the same is a separate and distinct entity from the expired corporation.”

For the full versions of the SEC Advisory and MCs, please refer to the SEC website at www.sec.gov.ph.

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