



SEC MEMORANDUM CIRCULAR NO. 16

Series of 2026

TO : **ALL CONCERNED**

SUBJECT : **SUSPENSION OF THE PER MONTH OF DELAY PENALTY FOR LATE AND NON-FILING OF REPORTORIAL REQUIREMENTS UNDER SEC MEMORANDUM CIRCULAR NO. 06, SERIES OF 2024**

DATE : **13 May 2026**

WHEREAS, the Securities and Exchange Commission (the "Commission") issued Memorandum Circular No. 06, Series of 2024 ("MC 06-2024") on 27 March 2024, prescribing an updated schedule of fines and penalties for the late and non-submission of the Annual Financial Statements ("AFS") and General Information Sheet ("GIS"), as well as for non-compliance with SEC Memorandum Circular No. 28, Series of 2020, effective for all monitoring requests received on or after 01 April 2024;

WHEREAS, among the penalty components of MC 06-2024 is a per month of delay penalty (the "Monthly Penalty"), which operates as a continuing and escalating compliance cost that accrues from the prescribed due date, with every fraction of a month counted as a full month, and capped at twelve (12) months in cases of non-filing or late filing beyond one (1) year from the prescribed period;

WHEREAS, Presidential Proclamation No. 818, Series of 2025, declares the observance of the 2026 Ease of Doing Business (EODB) Month, in furtherance of Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, which directs all government agencies to actively review and reduce regulatory compliance burdens on the public;

WHEREAS, the suspension of the Monthly Penalty on a prospective basis constitutes a concrete and meaningful regulatory reform measure that directly reduces the compliance cost burden on all registered corporations, including Micro, Small, and Medium Enterprises (MSMEs), and demonstrates the Commission's commitment to a more business-friendly regulatory environment;

WHEREAS, Section 179(o) and (p) of Republic Act No. 11232 (Revised Corporation Code of the Philippines) vest in the Commission the plenary authority to formulate, enforce, amend, and suspend the implementation of its own standards, guidelines, policies, rules, and regulations; and

WHEREAS, the Commission, in the exercise of its regulatory authority and in observance of the 2026 EODB Month, deems it appropriate to suspend the imposition and enforcement of the Monthly Penalty under MC 06-2024.

NOW, THEREFORE, the Commission En Banc hereby resolves and issues this Memorandum Circular as follows:

SECTION 1. SUSPENSION OF THE PER MONTH OF DELAY PENALTY.

The imposition and enforcement of the per month of delay penalty prescribed under SEC Memorandum Circular No. 06, Series of 2024, for the late and non-filing of the Annual Financial Statements (AFS) and General Information Sheet (GIS) by all domestic and foreign

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corporations subject to the Commission's jurisdiction is hereby suspended, until further order, on a prospective basis from the date of effectivity of this Circular.

SECTION 2. COVERAGE AND UNIFORM APPLICATION.

This suspension applies uniformly to all domestic corporations (stock, non-stock, and one person corporations) and all stock and non-stock foreign corporations subject to MC 06-2024, without distinction as to capitalization, retained earnings, or the number of prior offenses.

SECTION 3. PROSPECTIVE APPLICATION; NO RETROACTIVE EFFECT.

The suspension shall take effect prospectively from the date of effectivity of this Circular. For corporations with pending applications for monitoring as of such date, the Monthly Penalty shall no longer be imposed. For corporations that have received a final assessment but have not yet settled payment thereof, the Company Registration and Monitoring Department (CRMD) and the Extension Offices (EOs) shall coordinate the issuance of updated monitoring assessments removing the per month of delay penalty component therefrom.

The suspension shall not, however, be construed to extinguish, waive, or reduce any Monthly Penalty already assessed and settled prior to the effectivity of this Circular. Assessments fully paid prior to effectivity shall be deemed final and shall not be subject to refund or credit by reason of this suspension.

SECTION 4. BASE FINE REMAINS IMPOSABLE.

This suspension is directed solely at the per month of delay penalty component of MC 06-2024. The base fine for late and non-filing under MC 06-2024 shall continue to apply in accordance with the existing penalty schedule prescribed therein.

SECTION 5. FILING OBLIGATION UNAFFECTED.

The suspension of the Monthly Penalty shall not suspend, defer, or qualify the obligation of all covered corporations to file their AFS and GIS within the periods prescribed under the Revised Corporation Code of the Philippines and the Commission's issuances. All corporations remain under a continuing duty to comply with reportorial requirements in accordance with existing rules.

SECTION 6. DURATION.

This suspension shall be in force from the date of effectivity of this Circular until **31 December 2026**. Upon expiration of this period, the per month of delay penalty under MC 06-2024 shall automatically become imposable again without need of further issuance or notice, and the Commission shall resume the imposition and enforcement thereof in accordance with the existing penalty schedule prescribed in MC 06-2024.

For the avoidance of doubt, all monitoring requests lodged through the Commission's official monitoring channel (i.e. eWATCH system) **on or after 01 January 2027** shall be subject to the Monthly Penalty in accordance with MC 06-2024. The date of lodgment of the monitoring request through the official channel shall be the operative date for determining the applicability of the Monthly Penalty.

The Commission reserves the right to lift, modify, or extend this suspension prior to 31 December 2026 by means of a subsequent resolution or issuance, as circumstances may warrant.

SECTION 7. EFFECTIVITY.

This Memorandum Circular shall take effect immediately after its publication in a newspaper of general circulation or in the Official Gazette, whichever comes first.

Done this 13 May 2026 in Makati City, Philippines.

For the Commission:


FRANCISCO ED. LIM
Chairperson