



# **MCC TAX AND OTHER RELEVANT UPDATES**

**Period Covered: March 2024**



**MORFE, CENETA & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS

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**IMPORTANT UPDATES:**

<b>A. REVENUE MEMORANDUM CIRCULARS</b>		
<b>ISSUANCE</b>	<b>DATE ISSUED</b>	<b>SUBJECT</b>
RMC No. 36-2024	March 11, 2024	Revenue Memorandum Circular No. 36-2024 clarifies the manner of computing the Minimum Corporate Income Tax (MCIT) for Taxable Year 2023.
RMC No. 37-2024	March 14, 2024	Announces the availability of TIN Inquiry thru electronic mail (eMail)
RMC No. 38-2024	March 15, 2024	Clarifies the issues raised on Revenue Memorandum Circular No. 5-2024
RMC No. 39-2024	March 18, 2024	Announces the availability of BIR Form No. 1701 in the Electronic Filing and Payment System (eFPS)
<b>B. SECURITIES AND EXCHANGE COMMISSION</b>		
SEC MC No. 6-2024	March 27, 2024	Updated Fines and Penalties on the Late and Non-Submission of Audited Financial Statements (AFS), General Information Sheet

## **DISCUSSION OF UPDATES**

### **A. REVENUE MEMORANDUM CIRCULAR**

#### **REVENUE MEMORANDUM CIRCULAR 36-2024**

The Bureau of Internal Revenue has recently issued Revenue Memorandum Circular 36-2024 **which clarifies the manner of computing the Minimum Corporate Income Tax (MCIT) for the year 2023**. As provided in the Corporate Recovery and Tax Incentives for Enterprises Act ("CREATE Act") **the MCIT shall revert back to two percent (2%) based on the gross income of the corporation effective July 1, 2023 from its previous rate of one percent (1%)**.

In transitory, the following shall be observed in computing the MCIT for 2023:

- Gross income shall be divided by 12 months to get the monthly average gross income;
- Apply the rate of one percent (1%) for the period January 1, 2023 – June 30, 2023
- Apply the rate of two percent (2%) for the period July 1, 2023 – December 31, 2023

For easier reference, you may refer to below table:

<b>Annual Accounting Period</b>	<b>MCIT (2%/1%)</b>	<b>Annual Accounting Period</b>	<b>MCIT (2%/1%)</b>
FY July 31, 2023	1.08%	FY January 31, 2024	1.58
FY August 31, 2023	1.17	FY February 28, 2024	1.67
FY September 30, 2023	1.25	FY March 31, 2024	1.75
FY October 31, 2023	1.33	FY April 30, 2024	1.83
FY November 30, 2023	1.42	FY May 31, 2024	1.92
CY December 31, 2023	1.50	FY June 30, 2024	2.00

#### **REVENUE MEMORANDUM CIRCULAR 37-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 37-2024 which announces the availability of TIN inquiry through e-mail. The following are the steps needed to verify the taxpayer's TIN via email:

##### **A. Individual Taxpayer .**

1. Accomplish the required form (Annex A)
2. Selfie and a separate picture of the government issued ID showing the photo and date of birth of the taxpayer;
3. Submit all documents to [tin.inquiry@bir.gov.ph](mailto:tin.inquiry@bir.gov.ph).

##### **B. Non-Individual Taxpayer**

1. Accomplish the required form (Annex B)
2. Submit the form to [tin.inquiry@bir.gov.ph](mailto:tin.inquiry@bir.gov.ph) with the following documents:
  - a. Scanned copy of the notarized board resolution or secretary's certificate indicating the name of the authorized representative and the reason for the TIN inquiry;
  - b. Selfie with a valid government issued ID of both the authorized representative and the authorizing officer/official;
  - c. Separate photos of the government issued IDs of both the authorized representative and the authorizing officer/ official.

You may access the Annexes via the following link:

<b>Annex A (Individual Taxpayer)</b>	<a href="#">RMC No. 37-2024 Annex A.pdf (bir.gov.ph)</a>
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For your complete reference, you may access this Revenue Issuance via: [RMC No. 37-2024.pdf \(bir.gov.ph\)](#)

## REVENUE MEMORANDUM CIRCULAR 38-2024

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 38-2024 which clarifies the issues raised on Revenue Memorandum Circular 5-2024:

**Q1: Does the Ruling in *Aces* finding that the source of income of the Satellite Air Time Purchase Agreement between *Aces Bermuda* and *Aces Philippines* to be within the Philippines and, thus, subject to income tax, automatically apply to international service provision or cross-border services agreements listed in Question No. 2 of RMC No. 5-2024**

**A2:** No. The determination on whether the source of income of the listed cross-border services is within the Philippines is found in Question No. 3 of RMC No. 5-2024 using the long-standing rule that the source of income is in the Philippines if the property, activity or services that produces the income is in the Philippines. The flow of wealth proceeded from, and occurred within the Philippine territory, enjoying the protection accorded by the Philippine government.

**Q2:** Do the principles laid down in RMC No 5-2024 run counter to the rules on the source of income under Section 42 of the National Internal Revenue Code of 1997 as amended?

**A2:** No. the situs of the source of income for labor or personal service is not just the location but, more importantly, the location of the service that produces the income or where the inflow of wealth originates.

**Q3: What is the meaning of the following statements in Question No. 7 of RMC 5-2024?**

“Even if the services are conducted or paid abroad, but there are activities to be performed in the Philippines so essential that the entire service transaction cannot be accomplished without them, then the benefits received theory applies. This means that the revenue-generating activity actually occurs within the Philippines. The income generated by the foreign company providing the services, which are considered sources within the Philippines, shall be subject to income tax and, consequently to final withholding tax”

**A3:** When the service agreement occurs in multiple stages across different taxing authorities, i.e., jurisdiction of the NRFC and the Philippines, it is important to examine all the components of the cross-border service agreement between the NRFC and the domestic entity on its entirety. If the income-generating activities in the Philippines are deemed essential, that is whether the particular stages occurring in the Philippines are so integral to the overall transaction that the business activity would not have accomplished without them, then the income derived from these activities would be considered as sourced from the Philippines for tax purposes, irrespective of where the payment is ultimately received. This is aligned with the benefit-received theory which submits that the jurisdiction providing the essential services or factors for income generation should be entitled to tax that income.

**Q4:** Essentially, what is the benefits-received theory as reiterated and applied by the Supreme Court in *Aces* for purposes of determining the *situs* or place of taxation?

**A4:** In *Aces*, the Supreme Court held that, “where the inflow of wealth and/or economic benefits proceeds from, and occurs within the Philippine territory, it enjoys protection of the Philippine government. In consideration of such protection, the flow of wealth should share the burden of supporting the government, and thus, is subject to tax. This is essentially the benefits-received theory.

**Q5:** Are the rules enunciated in RMC No. 5-2024 inconsistent with the provisions of tax treaties?

**A5:** No. RMC 5-2024 only set forth the guidelines to establish the source of taxation for cross-border services listed in Question No. 2 (Consulting Services, IT Consulting, Financial Services etc) which is, that the source of taxation is the property, activity or service that produces the income or where the inflow of wealth originates.

Once the source of income is established pursuant to the aforementioned guidelines, the taxpayer may now invoke the application of the particular tax treaty to assert that the income derived or sourced within the Philippines is exempt from income tax for lack of permanent establishment or subject to preferential rate as the case may be.

**Q6:** If it is established that the source of income of cross-border services is within the Philippines applying the rule that the source of income is the location of the property, activity or service that produces the income, will the subject transaction be subject to VAT?

**A6:** Yes. Sections 105 and 108 of the Tax Code provide that services rendered or performed in the Philippines by a non-resident foreign persons are subject to VAT.

**Q7:** Why is Question No. 4 on reimbursable or allocable expenses for cross-border services between or among related parties also included in RMC No 5-2024?

**A7:** Cross-border services usually involve related parties, common which are intra-group services, like management, financial and administrative services; technical and support services; purchasing marketing and distribution services; technical and support services; and other commercial businesses in connection with the nature of the group's business thus, issues on whether their pricing for such services is arm length may arise. Thus, it is necessary to lay down the basic rules on reimbursable or allocable expenses.

Like any other cross-border service agreement, the source of income is not determine by where the income is disbursed or physically received but rather where the business activity that produced such income is actually conducted.

**Q8:** Is the 25% final withholding on gross income received by non-resident foreign person from all sources within the Philippines, including the 12% final withholding VAT on payment for lease or use of properties rights owned, and other services rendered in the Philippines, by non-foreign person, a new imposition?

**A8:** No. The 25% final withholding on gross income received by non-resident foreign person from all sources within the Philippines is clearly provided for in Section 25(B) and 28(B) of the Tax Code. On the other hand, the 12% Final Withholding VAT on payment for lease or use of property rights owned, and other services rendered in the Philippines, by non-resident foreign person is pursuant to Sections 105, 108 and 114(C) of the Tax Code, and as implemented by Section 4.114-2 of RR No. 16-2005, as amended.

For more details on this issuance, you may refer to the following link: [RMC No. 38-2024.pdf \(bir.gov.ph\)](https://bir.gov.ph/rmc-no-38-2024.pdf)

## **REVENUE MEMORANDUM CIRCULAR 39-2024**

The Bureau of Internal Revenue has issued Revenue Memorandum Circular 39-2024 to announce the availability of BIR Form No. 1701 [Annual Income Tax Return for Individuals (including mixed income earners). Estates, and Trusts] via Electronic Filing and Payment System (EFPS). The return shall be filed on or before of April 15 of each year covering income for the preceding taxable year.

EFPS users/ filers shall use the Form in the EFPS immediately. For EFPS filers who have already filed the 1701 through the EBIRForms facility need not refile the returns in the EFPS.

For more details on this revenue issuance you may check the following link: [RMC No. 39-2024.pdf \(bir.gov.ph\)](https://bir.gov.ph/rmc-no-39-2024.pdf)

## B. SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission has issued SEC Memorandum Circular 6-2024 dated March 27, 2024 which increases the imposition of penalties for non-filing or late filing of reportorial requirements such as the General Information Sheet, Audited Financial Statement, MC 28. For the purpose of computing the penalty, the Memorandum adopted the following definition for non-filing or late filing of these reports:

### A. For OPC, Stock and Non-Stock Corporation

a. Filed/ Submission on Time – submission within the deadline.

Reportorial Requirements	Period to File / Register
GIS	Within thirty (30) calendar days from the date of the actual meeting. For Financing and Lending Companies, the reckoning period for the filing of the GIS is from the date of actual meeting or within seven (7) calendar days from the date of change, as the need arises
AFS	Within one hundred twenty (120) calendar days from fiscal year-end or as prescribed by the Commission.
SEC MC 28	Upon filing of the registration forms or within thirty (30) calendar days from the issuance of the certificate of registration, license, or authority

b. Late Filing/Submission means the submission of the reportorial requirements which may either be

- i. Filing after the due date but still within a year of the prescribed deadline for filing;
- ii. Filing beyond one (1) year from the prescribed period, in which case the penalty shall be the base fine for “Non-Filing” and the computation of the monthly penalty shall not exceed twelve (12) months; or
- iii. In case of SEC MC 28, submitting beyond thirty (30) calendar days from the issuance of the certificate of registration, license, or authority.

c. Non-Filing means non-submission of the reportorial requirements.

### B. For Stock and Non Stock Corporations

a. Filed/ Submission on Time – submission within the deadline.

Reportorial Requirements	Period to File / Register
GIS	Within thirty (30) calendar days from the anniversary date of the issuance of the SEC license.
AFS	Within one hundred twenty (120) calendar days from fiscal year-end or as prescribed by the Commission.
SEC MC 28	Upon filing of the registration forms or within thirty (30) calendar days from the issuance of the certificate of registration, license, or authority

b. Late Filing means the submission of the reportorial requirements beyond the applicable period in Part I (2) (a) wherein its basic fine may be reckoned either from:

- i. The filing after thirty (30) calendar days from the anniversary date of the issuance of the SEC license for GIS or from the prescribed deadline for AFS;



- ii. The filing after sixty (60) calendar days from the anniversary date of the issuance of the SEC license for GIS or from the prescribed deadline for AFS, in which case the penalty shall be the base fine of “Non-Filing” and the computation of the monthly penalty shall not exceed twelve (12) months; 2or
- iii. In case of SEC MC 28, submitting beyond thirty (30) calendar days from the issuance of the certificate of registration, license, or authority.

c. Non-Filing means non-submission of the reportorial requirements.

The following are the table of penalties for your reference:

**A. Late Filing of Reportorial Requirements for Domestic Stock and One Person Corporation**

VIOLATION	BRACKET	IMPOSABLE FINES - PER REPORT				
Late Filing of GIS and/or AFS	Based on Retained Earnings/ Fund Balance / Equity	First Offense <sup>3</sup>	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Stock Corporations and One Person Corporation	Capital Deficiency	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
	Negative Retained Earnings (Deficit)	₱5,000 Plus ₱500 per month <sup>4</sup> of delay	₱6,000 Plus ₱500 per month of delay	₱7,000 Plus ₱500 per month of delay	₱8,000 Plus ₱500 per month of delay	₱9,000 Plus ₱500 per month of delay
	₱0 to ₱100,000	₱5,000 Plus ₱1,000 per month of delay	₱6,000 Plus ₱1,000 per month of delay	₱7,000 Plus ₱1,000 per month of delay	₱8,000 Plus ₱1,000 per month of delay	₱9,000 Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱10,000 Plus ₱1,000 per month of delay	₱12,000 Plus ₱1,000 per month of delay	₱14,000 Plus ₱1,000 per month of delay	₱16,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱15,000 Plus ₱1,000 per month of delay	₱18,000 Plus ₱1,000 per month of delay	₱21,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱27,000 Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱20,000 Plus ₱1,000 per month of delay	₱24,000 Plus ₱1,000 per month of delay	₱28,000 Plus ₱1,000 per month of delay	₱32,000 Plus ₱1,000 per month of delay	₱36,000 Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱25,000 Plus ₱1,000 per month of delay	₱30,000 Plus ₱1,000 per month of delay	₱35,000 Plus ₱1,000 per month of delay	₱40,000 Plus ₱1,000 per month of delay	₱45,000 Plus ₱1,000 per month of delay

**B. Late Filing of Reportorial Requirements for Domestic Non-Stock Corporation**

<b>VIOLATIONS</b>	<b>BRACKET</b>	<b>IMPOSABLE FINES – PER REPORT</b>				
<b>Late Filing of GIS and/or AFS</b>	<b>Based on Retained Earnings/ Fund Balance / Equity</b>	<b>First Offense</b>	<b>Second Offense</b>	<b>Third Offense</b>	<b>Fourth Offense</b>	<b>Fifth Offense</b>
Non- Stock Corporations	Negative Fund Balance/ Equity (Deficit)	<b>₱5,000</b>	<b>₱6,000</b>	<b>₱7,000</b>	<b>₱8,000</b>	<b>₱9,000</b>
		Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	<b>₱5,000</b>	<b>₱6,000</b>	<b>₱7,000</b>	<b>₱8,000</b>	<b>₱9,000</b>
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	<b>₱7,500</b>	<b>₱9,000</b>	<b>₱10,500</b>	<b>₱12,000</b>	<b>₱13,500</b>
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	<b>₱10,000</b>	<b>₱12,000</b>	<b>₱14,000</b>	<b>₱16,000</b>	<b>₱18,000</b>
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	<b>₱12,500</b>	<b>₱15,000</b>	<b>₱17,500</b>	<b>₱20,000</b>	<b>₱22,500</b>
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	Above ₱10,000,000	<b>₱15,000</b>	<b>₱18,000</b>	<b>₱21,000</b>	<b>₱24,000</b>	<b>₱27,000</b>
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay



**C. Non-Filing of Reportorial Requirements for Domestic Stock Corporation and One Person Corporation**

<b>VIOLATIONS</b>	<b>BRACKET</b>	<b>IMPOSABLE FINES – PER REPORT</b>				
<b>Non-Filing of Reportorial Requirements (GIS and/or AFS)</b>	<b>Based on Retained Earnings / Fund Balance / Equity</b>	<b>First Offense</b>	<b>Second Offense</b>	<b>Third Offense</b>	<b>Fourth Offense</b>	<b>Fifth Offense</b>
Stock Corporations and One Person Corporation	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Retained Earnings (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay

**D. Non-Filing of Reportorial Requirements for Domestic Non-Stock Corporation**

<b>VIOLATIONS</b>	<b>BRACKET</b>	<b>IMPOSABLE FINES – PER REPORT</b>				
<b>Non-Filing of GIS and/or AFS</b>	<b>Based on Retained Earnings / Fund Balance / Equity</b>	<b>First Offense</b>	<b>Second Offense</b>	<b>Third Offense</b>	<b>Fourth Offense</b>	<b>Fifth Offense</b>
Non- Stock Corporations	Negative Fund Balance/ Equity (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay	Plus ₱500 per month of delay
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱100,001 to ₱500,000	₱12,500	₱15,000	₱17,500	₱20,000	₱22,500
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱500,001 to ₱5,000,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	₱5,000,001 to ₱10,000,000	₱17,500	₱21,000	₱24,500	₱28,000	₱31,500
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay
	Above ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay	Plus ₱1,000 per month of delay

**E. Late Filing of Reportorial Requirements for Foreign Stock Corporation**

VIOLATIONS	BRACKET	IMPOSABLE FINES - PER REPORT				
Late Filing of Reportorial Requirements (GIS and/or AFS)	Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Stock Corporations (Branch, Representative Office, ROHQ)	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**
		**if filed after sixty (60) calendar days				
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱100,001 to ₱500,000	₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱500,001 to ₱5,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱5,000,001 to ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
	Above ₱10,000,000	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
		₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				

**F. Late Filing of Reportorial Requirements for Foreign Non-Stock Corporation**

VIOLATIONS		IMPOSABLE FINES – PER REPORT				
Late Filing of Reportorial Requirements (GIS and/or AFS)	BRACKET Based on Accumulated Income (AI) / Fund Balance / Members' Equity	First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Non-Stock (Branch, Representative Office, RHQ)	Negative Accumulated Income (Deficit)	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*	Plus ₱500 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**	Plus ₱6,000 penalty**
		**if filed after sixty (60) calendar days				
	₱0 to ₱100,000	₱5,000	₱6,000	₱7,000	₱8,000	₱9,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱100,001 to ₱500,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
		₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
	₱500,001 to ₱5,000,000	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	₱5,000,001 to ₱10,000,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				
	Above ₱10,000,000	₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
		Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*	Plus ₱1,000 late penalty*
		*if filed after thirty (30) calendar days				
		Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**	Plus ₱12,000 penalty**
		**if filed after sixty (60) calendar days				

#### G. Non-Filing of Reportorial Requirements for Foreign Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Non-Filing of Reportorial Requirements (GIS and/or AFS)	Capital Deficiency	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty
	₱0 to ₱100,000	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱100,001 to ₱500,000	₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱500,001 to ₱5,000,000	₱30,000	₱36,000	₱42,000	₱48,000	₱54,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
	₱5,000,001 to ₱10,000,000	₱40,000	₱48,000	₱56,000	₱64,000	₱72,000
		Plus	Plus	Plus	Plus	Plus

		₱12,000 penalty	₱12,000 penalty	₱12,000 penalty	₱12,000 penalty	₱12,000 penalty
	Above ₱10,000,000	₱50,000	₱60,000	₱70,000	₱80,000	₱90,000
		Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty

#### H. Non-Filing of Reportorial Requirements for Foreign Non-Stock Corporation

VIOLATIONS	BRACKET	IMPOSABLE FINES – PER REPORT				
		First Offense	Second Offense	Third Offense	Fourth Offense	Fifth Offense
Non-Filing of Reportorial Requirements (GIS and/or AFS)	Negative Accumulated Income (Deficit)	₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	₱0 to ₱100,000	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty	Plus ₱6,000 penalty
		₱10,000	₱12,000	₱14,000	₱16,000	₱18,000
	₱100,001 to ₱500,000	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
		₱15,000	₱18,000	₱21,000	₱24,000	₱27,000
	₱500,001 to ₱5,000,000	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
		₱20,000	₱24,000	₱28,000	₱32,000	₱36,000
	₱5,000,001 to ₱10,000,000	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
		₱25,000	₱30,000	₱35,000	₱40,000	₱45,000
	Above ₱10,000,000	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty	Plus ₱12,000 penalty
		₱30,000	₱36,000	₱42,000	₱48,000	₱54,000

**I. Late and Non-Compliance with MC 28, s. 2020**

VIOLATION	IMPOSABLE FINES
Late Filing and Non-Compliance with MC 28, s. 2020	P20, 000

For more details on this issuance, you may refer to the following link: [2024MC\\_SEC-MC-No.-6-S.-of-2024-Updated-Fines-and-Penalties-on-the-Late-and-Non-Submission-of-Audited-Financial-Statements-AFS-General-Information-Sheet-GIS-Non-Compliance-with-SEC-MC-28.pdf](#)

**\*\*\*Nothing Follows\*\*\***