

INTER-OFFICE
MEMORANDUM

TO : **RSBA, CTDI and BDP EMPLOYEES**

FROM : **QUALITY ASSURANCE UNIT**

CC : RSB, RAD, PGP, PRDG, MGG, ADB, GJM, RASB, RGA, CPG, MGS, MCRA

DATE : AUGUST 19, 2015

SUBJECT : **FINAL EXTENSION FOR AMENDMENT OF THE PRINCIPAL OFFICE ADDRESS**

On July 2, 2015, SEC issued Memorandum Circular No. 9, series of 2015 applicable to all concerned corporations and partnerships regarding the subject above. As a brief background, this memorandum is based on the requirement of the SEC that directs all existing corporations and partnerships to amend their Articles of Incorporation and Articles of Partnership to change their principal office address from general to specific. Previously, SEC did not provide specific penalty for non-compliance. However, it can impose sanctions of deferment of applications such as amendments, certifications, and clearances, and the like. Also, previous deadlines were set and originally it was on December 31, 2014 but later on it was extended until June 30, 2015. In addition, Corporations and partnerships shall be deemed to have been duly notified or validly served where the SEC has sent its subpoena, summons, notice, show cause letter, and other communications to the address indicated in the articles of incorporation or partnership, and/ or GIS, as the case may be.

In this memorandum, SEC extends for the **last time** the period for filing of the applications for amendment of the Articles of Incorporation or Articles of Partnership in relation to the principal office address **until December 31, 2015**. Entities who will fail to comply **shall be penalized** under SEC Office Order No. 298, series of 2010 *Internal Guidelines on the Monitoring of Corporations and Verification of Annual Reports* in relation to Articles 144 and 16 of the Corporation Code of the Philippines.

The QAU believes that aside from the penalty mentioned above, entities who will fail may be exposed to other consequences. Let us assume that SEC will send a communication (e.g. subpoena, summons, notice, show cause letter) to the address (general address) indicated in the Articles of Incorporation of ABC Company. In this case there is a possibility that ABC Company will not be able to receive the communication since the address is general. As a result, ABC Company will not be able to reply within the prescribed period indicated in the letter. And failure to reply may expose ABC Company to other penalties that the SEC considers appropriate in the circumstance.

Hence, to avoid the trouble that may arise all affected corporations and partnerships are highly encouraged to comply within the period set by the SEC.

For your reference and guidance.

Prepared by:

(Original Signed)

ANTHONY D. PAÑO

Assistant Manager – QAU

Reviewed by:

(Original Signed)

ROSE ANGELI S. BERNALDO

Senior Manager - QAU