

OFFICE OF THE GENERAL COUNSEL

NOTICE

Subject: REQUEST FOR COMMENTS ON THE EXPOSURE OF THE DRAFT 2026 RULES OF PROCEDURE OF THE SECURITIES AND EXCHANGE COMMISSION

The Commission hereby requests comments and/or inputs on the attached draft **2026 Rules of Procedure of the SEC** which will supersede the 2016 Rules of Procedure of the SEC.

Written comments on the exposure draft must be submitted via [Google Form](#) on or before **26 December 2025**.

Issued on 05 December 2025 in Makati City, Philippines.

DRAFT 2026 RULES OF PROCEDURE OF THE SECURITIES AND EXCHANGE COMMISSION

RULE I GENERAL PROVISIONS

- Section 1 Title
- Section 2 Scope and Coverage
- Section 3 Definition of Terms
- Section 4 Construction of Rules
- Section 5 Suppletory Application of the Rules of Court
- Section 6 Venue of Actions
- Section 7 Jurisdiction of the Operating Departments
- Section 8 Jurisdiction of Extension Offices

RULE II PLEADINGS

- Section 9 Pleadings
- Section 10 Prohibited Pleadings and Other Submissions
- Section 11 Manner of Filing
- Section 12 Manner of Service
- Section 13 Email Transmittal Requirements
- Section 14 Proof of Service
- Section 15 Completeness of Service

RULE III MANNER, COMPLETENESS, AND PROOF SERVICE OF PAPERS EMANATING FROM THE COMMISSION

- Section 16 Manner of Service
- Section 17 Completeness of Service
- Section 18 Proof of Service

RULE IV CONDUCT OF CASE CONFERENCE AND ISSUANCE OF SUBPOENA

- Section 19 Case Conference
- Section 20 Minutes of Case Conference
- Section 21 Termination of Case Conference
- Section 22 Subpoena and Examination/Inspection Order
- Section 23 Contents of Subpoena and Examination/Inspection Order
- Section 24 Non-Compliance with Subpoenas and Examination/Inspection Order

RULE V
JUDICIAL NOTICE OF RECORDS FILED BEFORE THE COMMISSION

Section 25 Judicial Notice of the Records Filed Before the Commission

RULE VI
SPECIAL HEARING PANEL

Section 26 Creation of Special Hearing Panel

RULE VII
ADJUDICATIVE ACTION

Section 27 How Commenced
Section 28 Verification and Certification Against Forum Shopping
Section 29 How Conducted
Section 30 Summons
Section 31 Verified Answer
Section 32 Effect of Failure to File a Verified Answer
Section 33 Provisional Remedy for Issuance of *Ex Parte* Cease and Desist Order
Section 34 Amicable Settlement
Section 35 Submission of Position Papers
Section 36 Rendition of Judgment

RULE VIII
ADMINISTRATIVE ACTION

Section 37 How Commenced
Section 38 Verified Answer to the Formal Charge
Section 39 Effect of Failure to File a Verified Answer
Section 40 Submission of Position Papers
Section 41 Rendition of Judgment

RULE IX
SETTLEMENT OFFERS

Section 42 Settlement Offers
Section 43 Form and Contents of Settlement Offer
Section 44 Procedure for the Settlement Offer
Section 45 Action of the Commission En Banc
Section 46 Effect of Failure to Comply

RULE X
REDUCTION OF ADMINISTRATIVE PENALTY

Section 47 Reduction of Administrative Penalty
Section 48 Payment of Penalty by Installment

RULE XI
CEASE AND DESIST ORDER
A. General Provisions

- Section 49 How Commenced
- Section 50 Effect of the Issuance of a CDO
- Section 51 Service of the CDO

B. Revised Corporation Code

- Section 52 Grounds for a CDO under Section 156 of the RCC
- Section 53 Procedure for the Lifting of the CDO

C. Securities Regulation Code

- Section 54 Grounds
- Section 55 Procedure for the Lifting of the CDO
- Section 56 *Ex Parte* CDO

D. Financial Products and Services Consumer Protection Act

- Section 57 Grounds for a CDO under the FCPA and the SEC FCPA-IRR
- Section 58 Procedure for the Lifting of the CDO

RULE XII
APPEAL TO THE COMMISSION *EN BANC*

- Section 59 Subject of Appeal to the Commission En Banc
- Section 60 Period of Appeal
- Section 61 Perfection of Appeal
- Section 62 Appeal Memorandum; Form and Contents
- Section 63 Order to File a Comment
- Section 64 Comment to Appeal Memorandum
- Section 65 When Appeal is Deemed Submitted for Decision
- Section 66 Disposition of the Appeal
- Section 67 Minute Resolution

RULE XIII
MOTION FOR RECONSIDERATION

- Section 68 Motion for Reconsideration
- Section 69 Grounds
- Section 70 Opposition to Motion for Reconsideration
- Section 71 Stay of Execution

RULE XIV
DECISIONS, FINAL ORDERS, RESOLUTIONS, AND ENTRY THEREOF

- Section 72 Final and Executory Judgments and Final Orders
- Section 73 Issuance of Judgments and Final Orders
- Section 74 Administrative Sanctions and/or Penalties

RULE XV
EXECUTION

- Section 75 Execution of Judgments and Final Orders

- Section 76 Immediately Executory Effect of Certain Orders
- Section 77 Validity of a Writ of Execution or Writ of Attachment
- Section 78 Implementation of a Writ of Execution or Writ of Attachment

RULE XVI
CONTEMPT PROCEEDINGS

- Section 79 Contempt
- Section 80 Direct Contempt; Grounds and Penalty
- Section 81 Indirect Contempt; Grounds and Penalty

RULE XVII
MISCELLANEOUS PROVISIONS

- Section 82 Electronic Evidence
- Section 83 Computation of Time
- Section 84 Transitory Provision
- Section 85 Repealing and Separability Clause
- Section 86 Effectivity

RULE I

GENERAL PROVISIONS

Section 1. Title. These Rules shall be known as the “SEC Rules of Procedure” or simply the “SEC Rules.”

Section 2. Scope and Coverage. These SEC Rules shall apply to all administrative and adjudicative proceedings brought before the Commission, including its Departments, Extension Offices, and Special Hearing Panels (SHPs), unless otherwise expressly provided under applicable laws, rules, regulations, or circulars issued by the Commission.

Section 3. Definition of Terms. The terms hereunder shall be construed, as follows:

- a. **Action** means either administrative or adjudicative action or proceeding;
- b. **Adjudicative action** refers to any proceeding involving the determination of rights between opposing parties, and/or the grant of relief to parties in the exercise by the Commission of the powers and authority under the law;
- c. **Administrative action** refers to any proceeding involving the determination of any violation of laws, rules, regulations, circulars, or orders administered, implemented, issued, and/or promulgated by the Commission, and the imposition of appropriate penalties in accordance with its regulatory powers;
- d. **Commission** refers to the Securities and Exchange Commission;
- e. **Commission En Banc** refers to the highest governing body of the Commission composed of the Chairperson and four (4) Commissioners, acting as a collegial body, appointed pursuant to the Securities Regulation Code;
- f. **Corporation** refers to an artificial being created by operation of law having the right of succession, and the powers, attributes, and properties expressly authorized by law or incidental to its existence;
- g. **Decision** refers to the final disposition issued by the Operating Department, Extension Office, SHP, the Commission *En Banc*, or such other department or unit that may be created or reorganized by the Commission, on any action, matter, or issue within its jurisdiction including assessment letters containing the corresponding penalties and assessed fines based on a finding of violations;
- h. **Director** refers to the Head of the Operating Department or Extension Office;
- i. **Extension Office** refers to the Bacolod City, Baguio City, Butuan City, Cagayan De Oro City, Cebu City, Davao City, Ilagan City, Iloilo City, Koronadal City, Laoag City, Legazpi City, Lipa City, Tacloban City, Tarlac City, and Zamboanga City Extension Offices of the Commission, or such other Extension or Annex Office that may be created or reorganized by the Commission;

- 1 j. **Hearing Officer** refers to any officer of the Commission duly authorized to
2 conduct proceedings in an action filed before or initiated by the Commission;
3
- 4 k. **Laws** shall refer to the statutes administered and enforced by the Commission,
5 including the Revised Corporation Code (“RCC” or “R.A. No. 11232”), the Securities
6 Regulation Code (“SRC” or “R.A. No. 8799”), the Presidential Decree No. 902-A
7 (“PD No. 902-A”), the Lending Company Regulation Act (“LCRA” or “R.A. No.
8 9474”), the Financing Company Act (“FCA” or “R.A. No. 8556”), the Investment
9 Company Act (“ICA” or “R.A. No. 2629”), the Foreign Investments Act of 2022
10 (“FIA” or “R.A. No. 11647”), the Financial Products and Services Consumer
11 Protection Act (“FCPA” or “R.A. No. 11765”), and other relevant laws, which the
12 Commission is implementing, as well as laws that the Congress may, now or
13 hereafter delegate to the Commission for implementation;
14
- 15 l. **Operating Department** refers to the Company Registration and Monitoring
16 Department (CRMD), the Enforcement and Investor Protection Department
17 (EIPD), the Corporate Governance and Finance Department (CGFD), the Markets
18 and Securities Regulation Department (MSRD), the Office of the General
19 Accountant (OGA), the Office of the General Counsel (OGC), the Financing and
20 Lending Companies Department (FLCD), the Financial Analysis and Audit
21 Department (FAAD), or such other Department or Office that the Commission may,
22 now or hereafter, create or reorganize, which acts upon matters and/or
23 determines issues in the exercise of their respective functions and/or an authority
24 delegated by the Commission *En Banc*;
25
- 26 m. **Person** refers to a natural person, a corporation, or a partnership. This term also
27 includes natural persons or entities who, by the nature of the acts and/or
28 transactions performed and/or carried out, are subject to the regulatory authority
29 of the Commission;
30
- 31 n. **Petitioner** refers to the person who initiates an adjudicative action;
32
- 33 o. **Pleading** refers to any document filed with the Commission in relation to an
34 administrative or adjudicative action;
35
- 36 p. **Respondent** refers to the person who is the subject of a Formal Charge in an
37 administrative action; or the defending party in an adjudicative action or
38 proceeding;
39
- 40 q. **Self-Regulatory Organization (SRO)** refers to an organized Exchange, registered
41 clearing agency, organization, or association registered as an SRO under Section
42 39 of the SRC, and which has been authorized by the Commission to: (1) enforce
43 compliance with the relevant provisions of the SRC and the rules and regulations
44 adopted thereunder; (2) promulgate and enforce its own rules which have been
45 approved by the Commission, by its members and/or participants; and (3) enforce
46 fair, ethical, and efficient practices in the securities and commodity futures
47 industries including securities and commodities exchanges; and
48

- 1 r. ***Special Hearing Panel (SHP)*** refers to a panel created by the Commission
2 pursuant to these SEC Rules, consisting of SEC officers duly designated for that
3 purpose.
4

5 **Section 4. *Construction of Rules.*** These SEC Rules shall be liberally construed to
6 promote the public interest and to ensure the just, prompt, and inexpensive
7 determination of every action and proceeding before the Commission. They are intended
8 to carry out the objectives of the laws, rules, or regulations the Commission is mandated
9 to enforce.
10

11 **Section 5. *Suspension of Rules in Exceptional Cases.*** In the broader interest of justice,
12 and in order to best serve public interest, the Commission may, in any particular matter,
13 exempt it from these Rules in exceptional cases and apply such suitable, fair and
14 reasonable procedure to improve the delivery of public services and to assist the parties
15 in obtaining a speedy, judicious and complete disposition of cases.
16

17 **Section 6. *Suppletory Application of the Rules of Court.*** In the absence of any applicable
18 provision in these Rules, the pertinent provisions of the Rules of Court of the Philippines,
19 as amended, and prevailing jurisprudence may in the interest of justice, be applied by
20 analogy or suppletorily to proceedings before the Commission.
21

22 **Section 7. *Venue of Actions.*** All actions brought under these SEC Rules shall be filed,
23 commenced, and heard at the SEC Headquarters or the appropriate Extension Office.
24

25 The Commission *En Banc* may, when warranted, order the transfer of the proceedings
26 being handled by any Extension Office to the SEC Headquarters, or to another specified
27 Extension Office. In such instances, the Commission *En Banc* shall issue an order directing
28 the transfer of the proceedings and the reason(s) or ground(s) therefor.
29

30 **Section 8. *Jurisdiction of the Operating Departments.*** The Operating Departments,
31 Offices and Extension Offices shall exercise jurisdiction over cases, matters, and actions
32 provided below:
33

34 **A. Company Registration and Monitoring Department (CRMD)**
35

36 1. Corporate Name Matters:
37

- 38 i. Verified Petition to Change of Corporate Name (Section 17, RCC) and
39 the Cease and Desist Order issued pursuant to Section 17, paragraph 2
40 of the RCC or any subsequent amendments; and
41 ii. Verified Opposition to the Use or Reservation of Corporate Names.
42

43 2. Primary License of the Corporation:
44

- 45 i. Verified Request for Dissolution with No Affected Creditors (Section
46 134, RCC);
47 ii. Verified Complaint for Involuntary Dissolution (Section 138, RCC)
48 based on:
49 a. Continuous inoperation of a corporation (Section 21, RCC);

- b. Court-ordered dissolution of corporation;
- c. Upon finding by final judgment that the corporation procured its incorporation through fraud;
- d. Upon finding by final judgment by a court of competent jurisdiction that the corporation:
 - 1. Was created for the purpose of committing, concealing or aiding the commission of securities violations, smuggling, tax evasion, money laundering, or graft and corrupt practices;
 - 2. Committed or aided in the commission of securities violations, smuggling, tax evasion, money laundering, or graft and corrupt practices, and its stockholders knew of the same; and
 - 3. Repeatedly and knowingly tolerated the commission of graft and corrupt practices or other fraudulent or illegal acts by its directors, trustees, officers, or employees.

3. Corporate Status:

- i. Verified Petition to Declare a Corporation Under Delinquent Status due to:
 - a. Failure to formally organize and commence its business within five (5) years from the date of incorporation; or
 - b. Failure to submit reportorial requirements three (3) times, consecutively or intermittently, within five (5) years;
 - ii. Verified Petition to Revocation of Certificate of Registration on the following grounds:
 - a. Fraud in the Procurement of Certificate of Registration;
 - b. Failure of a delinquent corporation to resume operations and comply with all the requirements of the Commission within two (2) years from the Declaration of Delinquent Status;
 - c. Failure to comply with the lawful order of the CRMD; and
 - d. Other violations of laws, rules, or regulations specifically designed by the Commission *En Banc* to be implemented by the CRMD;
 - iii. Verified Petition to Lift Suspension or Revocation of Certificate of Registration except those suspended or revoked on the ground of fraud in the procurement of certificate of registration.
4. Articles of Incorporation, By-Laws, Certificates of Approval or enforcement thereof, and other Registration or Reportorial Requirements of Ordinary Corporations, which do not involve violation of laws and rules, such as but not limited to the following:
- i. Verified Complaint to mark the General Information Sheet (GIS) as disputed;
 - ii. Verified Petition to Correct Entries in the Company Registration Documents;
 - iii. Verified Petition on matters with respect to the payment in the form of property other than cash for the subscription of shares that is used as part of the paid-up capital of a corporation;

5. Verified Complaint for Violation of Right for Inspection and/or Reproduction of Corporate Books/Records, except those falling within the authority of other Operating Departments;
6. Verified Petition for Disqualification of Directors, Trustees, and Officers of the Corporation, except those falling within the authority of other Operating Departments;
7. Verified Petition to Resolve Corporate Deadlocks under Section 103 of the RCC;
8. Withdrawal of the License of a Foreign Corporation;
9. Petition for calling of a stockholders' or members' meeting or the conduct of election of directors; and
10. Such other matters as may be determined or instituted by law or the Commission.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the CRMD.

B. Corporate Governance and Finance Department (CGFD)

1. Administrative actions involving any of the following regulated entities:
 - i. Registered Investment Companies (including Mutual Fund Companies and Exchange Traded Funds);
 - ii. Registered issuers of proprietary or non-proprietary resort or club shares, membership certificates, and timeshares;
 - iii. Public companies;
 - iv. Foundations; and
 - v. Accredited Non-Government Organizations (NGOs) under the Microfinance NGOs Act (R.A. No. 10693).
2. All matters relating to corporate governance regulations issued by the Commission for the following covered companies such as:
 - i. Publicly-listed companies;
 - ii. Registered issuers of proprietary or non-proprietary shares or certificates;
 - iii. Registered investment companies; and
 - iv. Public companies.
3. Petition for Voluntary Revocation of the Authority or License issued by the CGFD for Securities of Investment Companies and registered issuers of proprietary or non-proprietary shares/timeshares or certificates under

Section 13 of the SRC and Rule 13.2 of its Implementing Rules and Regulations (2015 SRC-IRR);

4. Petition or Opposition concerning the Articles of Incorporation, By-Laws, or any amendments thereto of its covered entities necessary for the issuance of an authority or license from the CGFD, including orders of amendment in compliance with the RCC and the SRC;
5. Action for Suspension or Revocation of Certificate of Registration and/or for imposition of other administrative penalties based thereon, or Petition to Lift Revocation orders arising from:
 - i. Failure to comply with a lawful order of the CGFD's Director or his/her authorized representative(s);
 - ii. Failure of the delinquent corporation to resume operations and comply with all the requirements within the prescribed period from declaration of delinquent status; and
 - iii. Other violations of laws, rules, or regulations, which the Commission *En Banc* has specifically delegated to the CGFD for implementation.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the CGFD.

C. Enforcement and Investor Protection Department (EIPD)

1. Investigation and administrative actions involving the following:
 - i. Market manipulation and related offenses;
 - ii. Insider trading and related offenses;
 - iii. Unlawfully selling, offering, or transacting securities without a secondary license or acting as capital market professionals without a license; and
 - iv. Violations of circulars, guidelines, memoranda, rules, and regulations issued by the Commission pursuant to its mandate under the Anti-Money Laundering Act, as amended, and its Implementing Rules and Regulations.
2. Administrative actions for violations involving securities;
3. Administrative actions for fraudulent transactions involving securities;
4. Administrative actions for all other violations under PD No. 902-A, except those cases which have been delegated to and/or fall under the jurisdiction of other Operating Departments;
5. All other matters involving investor protection filed by the public, referred by SROs, or referred by other Operating Departments after findings of possible violation of laws, rules, or regulations that the Commission

1 implements but do not fall under the jurisdiction of such Operating
2 Departments;

3
4 6. Action or Petition for Suspension or Revocation of Certificate of
5 Registration or for imposition of other administrative penalties based
6 thereon, or Petition to Lift Revocation orders arising from:

- 7
8 i. Serious misrepresentation as to what the corporation can do or is doing
9 to the great prejudice of or damage to the general public;
10 ii. Failure to comply with a lawful order of the EIPD's Director or his/her
11 authorized representative(s); and
12 iii. Other violations of laws, rules, or regulations which the Commission *En*
13 *Banc* has specifically delegated to the EIPD for implementation.

14
15 7. Late disclosure, non-disclosure, incomplete disclosure, and false disclosure
16 of beneficial owner(s) and violation of policies related to beneficial
17 ownership transparency according to applicable rules, regulations, and
18 guidelines promulgated by the Commission; and

19
20 8. Such other matters as may be determined or instituted by law or the
21 Commission.

22
23 It shall be understood that any action related to, arising from, or analogous to the
24 foregoing shall be filed with the EIPD.

25
26 **D. Financial Analysis and Audit Department (FAAD)**

27
28 1. Actions (*Motu proprio* or via Verified Petition) for Revocation/Cancellation
29 of Certificates of Approval of Increase of Authorized Capital Stock,
30 Certificates of Filing of Amended Articles of Incorporation,
31 Acknowledgement Letters, and other Certificates of Approval issued by the
32 FAAD on the following grounds:

- 33
34 i. Fraud in the procurement of FAAD Certificates/Acknowledgement
35 Letters;
36 ii. Failure to transfer ownership of properties used as paid-up capital
37 within the prescribed period;
38 iii. Failure to comply with the lawful order of the FAAD; or
39 iv. Other violations of laws, rules, or regulations specifically delegated by
40 the Commission *En Banc* to the FAAD.

41
42 2. Verified Petition for Correction of the entries in the Certificates of Approval
43 of Increase of Authorized Capital Stock, Certificates of Filing of Amended
44 Articles of Incorporation, Acknowledgement Letters, and other Certificates
45 of Approval issued by the FAAD including supporting documents, as
46 applicable.

47
48 3. Verified Petition for Substitution of Payment pursuant to the Guidelines
49 Covering the Use of Properties that Require Ownership Registration as

Paid Up Capital) relating to applications filed before the FAAD.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the FAAD.

E. Financing and Lending Companies Department (FLCD)

1. Actions involving registered financing and lending companies:
2. Initiation of administrative proceedings against erring financing and lending companies;
3. Action or Petition for Suspension or Revocation of Certificate of Registration or for imposition of other administrative penalties based thereon, or Petition to Lift revocation orders; and
4. Such other matters as may be determined or instituted by law or the Commission.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the FLCD.

F. Market and Securities Regulations Department (MSRD)

1. Actions involving securities markets and market institutions such as:
 - i. Exchanges;
 - ii. Over-the-Counter Markets and other Trading Markets;
 - iii. Alternative Trading Systems;
 - iv. SROs;
 - v. Clearing Agencies;
 - vi. Securities Lending Agencies;
 - vii. Depositories;
 - viii. Central Trade Reporting Systems;
 - ix. Registrar of Qualified Buyers;
 - x. Other Securities-Related Organizations; and
 - xi. Financial Technology, wherever applicable.
2. Revocation of Secondary License issued by the MSRD;
3. Actions involving capital market intermediaries and professionals including:
 - i. Brokers/Dealers;
 - ii. Government Securities Eligible Dealers;
 - iii. Government Securities Brokers;
 - iv. Associated Persons/Compliance Officer and Salespersons of

- 1 Broker/Dealers;
2 v. Transfer Agents;
3 vi. Investment Houses and Underwriters of Securities;
4 vii. Investment Company Advisers/Fund Managers of Investment
5 Companies;
6 viii. Fund Managers of Real Estate Investment Trusts (REIT);
7 ix. Fund managers trading in futures contract (or commodity pool
8 operator)/commodity trading advisor/futures broker, and any other
9 commodities futures role;
10 x. Investment Advisors;
11 xi. Mutual Fund Distributors;
12 xii. Associated Persons/Compliance Officers and Salespersons of
13 Broker/Dealers/Investment Houses/Underwriters;
14 xiii. Fixed Income Market Salesmen (FIMS);
15 xiv. Compliance Officers and Certified Investment Solicitors of Investment
16 Company Advisers/Mutual Fund Distributors and REIT Fund Managers
17 (for compliance officers only);
18 xv. Crowdfunding intermediaries;
19 xvi. Financial Technology used by any of the above capital market
20 intermediaries and professionals; and
21 xvii. Other Securities Market Participants and Professionals.
22
23 4. Administrative and adjudicative actions involving publicly-listed
24 companies and registered issuers falling under the jurisdiction of the
25 MSRD;
26
27 5. Petition for Voluntary Revocation of Certificate of Registration and Permit
28 to Sell of Publicly-Listed Companies and Registered Issuers;
29
30 6. Action or Petition for Suspension or Revocation of Certificate of
31 Registration, Order of Registration, and Permit to Sell or for imposition of
32 other administrative penalties based thereon, and Petition to Lift
33 Revocation orders arising from:
34
35 i. Failure to comply with the lawful order of the MSRD's Director or
36 his/her authorized representative(s); and
37 ii. Other violations of laws, rules, or regulations which the Commission *En*
38 *Banc* has specifically delegated to the MSRD for implementation.
39
40 7. Inspection of records and disqualifications of Officers and Directors with
41 regard to the entities the MSRD regulates;
42
43 8. Such other matters as may be determined or instituted by law or the
44 Commission.
45

46 It shall be understood that any action related to, arising from, or analogous to the
47 foregoing shall be filed with the MSRD.
48

49 **G. Office of the General Accountant (OGA)**

1. All administrative actions involving the Audited Financial Statements submitted by corporations;
2. All administrative actions involving non-compliance with the rules and regulations covering independent professionals or experts engaged by corporations;
3. Action or Petition for Suspension or Revocation of Certificate of Registration or Accreditation and/or imposition of other administrative penalties based thereon, or Petition to Lift revocation orders; and
4. Such other matters as may be determined or instituted by law or the Commission.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the OGA.

H. Office of the General Counsel (OGC)

1. Petition for Voluntary Dissolution where creditors are affected; and
2. Such other matters as may be determined or instituted by law or the Commission.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the OGC.

Section 9. *Jurisdiction of Extension Offices.* Extension Offices shall have jurisdiction over matters that fall within the authority of the Operating Departments, provided the corporations, partnerships, associations, or entities involved are registered within the Extension Office's territorial coverage, except for:

- a. Highly technical matters, which include cases falling within the jurisdiction of OGC, MSRD, OGA, FAAD, FLCD, and CGFD; and
- b. Cases enumerated under Section 7(c)(1) and (4) of these SEC Rules which are under the exclusive jurisdiction of the EIPD or the relevant Operating Departments.

It shall be understood that any action related to, arising from, or analogous to the foregoing shall be filed with the Extension Offices.

RULE II PLEADINGS

Section 10. *Pleadings.* The only pleadings allowed to be filed are the Petition, Answer, and such other pleadings as may be directed by the Operating Department, Extension

1 Office, SHP, or the Commission En Banc to be filed at its discretion. All other pleadings
2 shall not be allowed.

3
4 Unless otherwise directed by the Operating Department, Extension Office, or SHP, copies
5 of every pleading, its attachments and other relevant documents filed in connection with
6 an action or proceeding before the Commission shall be served on all the parties to the
7 case, except the Petition, which shall be served upon the respondent by the Commission
8 as an attachment to the Summons.

9
10 The Petition and Answer shall be verified.

11
12 All pleadings, motions, and other submissions filed with the Commission shall be in
13 English and must conform with the Supreme Court's Efficient Use of Paper Rule (A.M. No.
14 11-0-4-SC).

15
16 **Section 11. *Prohibited Pleadings and Other Submissions.*** The following pleadings,
17 motions, or submissions requesting or praying for similar or analogous reliefs shall not
18 be allowed:

- 19
20 a. Motion to Dismiss, except on grounds of lack of jurisdiction on the part of the
21 Commission, prescription, pendency of another case involving the same parties
22 and action, or *res judicata* for issues raised involving the same parties which have
23 already been resolved by the Commission;
24
25 b. Motion for a Bill of Particulars;
26
27 c. Motion for Reconsideration except those filed pursuant to Rule XIII;
28
29 d. Petition for Relief from Judgment;
30
31 e. Motion for Extension of Time to file pleadings, affidavits, or any other submission
32 of similar purpose;
33
34 f. Motion to Declare a Party in Default;
35
36 g. Motion for Postponement and any similar motions;
37
38 h. Motion for Leave to Amend Pleadings;
39
40 i. Reply; and
41
42 j. Rejoinder.

43
44 Any prohibited pleading or submission filed with the Commission shall be automatically
45 expunged from the case records. However, the Operating Department, Extension Office,
46 SHP, or the Commission *En Banc* may, in its discretion and for meritorious reason/s, by
47 order, admit and consider such pleading or submission in which case, the opposing
48 party(ies) may be directed to file a comment or opposition thereto within five (5) days
49 from receipt of the order.

Section 12. Manner of Filing. Pleadings shall be filed either personally, by registered mail or accredited courier, or by electronic mail to the official email address of the Commission. Except for initiatory pleadings, all other pleadings shall be furnished to the opposing party(ies) in the manner allowed under these Rules.

The submission of incomplete documents may constitute a ground for dismissal without prejudice.

Unless expressly authorized by the relevant Operating Department, Extension Office, SHP, or the Commission *En Banc*, all subsequent pleadings and/or submissions shall be filed by electronic mail through the official email address of such Operating Department, Extension Office, SHP, or the Commission *En Banc* or by such other electronic means as the Commission may now or hereafter recognize and allow.

Electronic filing shall be in PDF format and sent through the official email address. The date of electronic transmission shall be deemed the date of filing and transmission. Pleadings filed after 5:00 in the afternoon are considered filed the next working day.

Section 13. Manner of Service. Pleadings, motions, and other documents shall be served either personally, by registered mail, accredited courier, electronic mail, or by such other means as may be allowed by the Commission.

Service of pleadings shall be made in accordance with Rule 13, Sections 5 to 9 of the Rules of Court, as amended.

Section 14. Email Transmittal Requirements.

1. **Subject.** The transmittal email shall include, in the subject line, the docket number/s, case title/s, and the name of the pleading being filed, which shall indicate its nature.
2. **Body.** The body of the email shall provide sufficient information to enable the Operating Department, Extension Office, SHP, or the Commission *En Banc* to ascertain: (1) the party or parties filing the pleading; (2) the nature of the pleading; (3) the party or parties against whom relief, if any, is sought; and (4) the nature of the relief sought.

Additionally, the body shall include:

- i. Primary manner of filing, if applicable;
- ii. Filing date; and
- iii. Case details, including: (1) docket number/s, (2) case title/s, (3) name of the filing party, (4) contact number/s of the filer, (5) other email address of the filer, if any, and (6) a list of the documents attached to the transmittal email.

Section 15. Proof of Service. Service shall be proven in the same manner provided under Rule 13, Section 17 of the Rules of Court, as amended.

1 **Section 16. *Completeness of Service.*** The service of pleadings, motions, and other
2 documents shall be deemed complete in accordance with the Rule 13, Section 15 of the
3 Rules of Court, as amended.
4
5

6 **RULE III**
7 **MANNER, COMPLETENESS, AND PROOF OF SERVICE OF PAPERS**
8 **EMANATING FROM THE COMMISSION**
9

10 **Section 17. *Manner of Service.***
11

- 12 a. ***Individuals.*** Decisions, resolutions, orders, and other processes emanating from
13 the Commission under these SEC Rules shall be served by electronic mail to the
14 email address of the person, his/her counsel, or authorized representative
15 provided in the pleadings filed with the Commission.
16

17 If service by electronic mail is not feasible, service shall be made personally, by
18 registered mail or accredited courier in accordance with Rule 13, Sections 5 to 11
19 of the Rules of Court, as amended
20

21 In any case, the decision, resolution, or order may also be served simultaneously
22 through publication in the Commission's website.
23

- 24 b. ***Corporations.*** Service to a juridical person shall be made by electronic mail to its
25 registered email address provided in its SEC Memorandum Circular No. 28, Series
26 of 2020 (SEC MC No. 28-2020) submission. If the juridical person has not yet
27 complied with SEC MC 28-2020 or has not provided an email address, service shall
28 be made to any director, officer or agent thereof available in the Commission's
29 records, including corporate secretaries, by electronic mail; or if not feasible,
30 personally, by registered mail, or by accredited courier.
31

32 In any case, decision, resolution, or order may also be served simultaneously
33 through publication in the Commission's website.
34

- 35 c. ***Foreign Corporations Doing Business in the Philippines.*** Service shall be made
36 through electronic mail to the email address of its resident agent designated in
37 accordance with existing laws for that purpose, as specified in its SEC MC No. 20-
38 28 submission. If there is no such agent, service shall be made to its home office by
39 registered mail or by such other means as the Commission may, in its discretion,
40 deem appropriate.
41

- 42 d. ***Last Known or Registered Address.*** Service shall be deemed effected if
43 transmitted to the last known or registered address, or email address reflected in
44 the records of the Commission.
45

46 **Section 18. *Completeness of Service.*** The service of decisions, resolutions, orders, and
47 other processes, whether by electronic mail, by personal service, or by registered mail or
48 accredited courier, shall be deemed complete in accordance with Rule 13, Section 15 of
49 the Rules of Court, as amended.

Service by publication shall be deemed complete upon publication in the Commission's website.

Section 19. Proof of Service. Proof of service of decisions, resolutions, orders, and other processes shall be governed by Rule 13, Section 17 of the Rules of Court, as amended.

If the service is by publication in the Commission's website, proof of service shall consist of an affidavit of the SEC website administrator, to which affidavit a copy of the publication shall be attached.

RULE IV CONDUCT OF CASE CONFERENCE AND ISSUANCE OF SUBPOENA

Section 20. Case Conference. At any time during the investigation or proceedings and before the rendition of a decision, the Operating Department, Extension Office, SHP, or the Commission *En Banc*, may, at its discretion, issue an order setting the case for conference after the filing of a Verified Answer. The order shall direct the parties and/or their respective counsels to appear before the Hearing Officer on the scheduled date to consider the following matters:

- a. Possibility of an amicable settlement;
- b. Stipulation of facts;
- c. Simplification of the issues;
- d. Obtaining the latest office or residential address of the parties and/or their counsels; and
- e. Such other matters that may aid in the just and speedy disposition of the case.

The conference may be conducted in person or via video conferencing platform, at the discretion of the Operating Department, Extension Office, SHP, or the Commission *En Banc*. Otherwise, the parties shall be directed to submit a position paper in lieu thereof.

Failure of a party to attend the case conference shall be deemed as a waiver of the person's right to present additional arguments and/or evidence. The Operating Department, Extension Office, SHP, or the Commission *En Banc* shall proceed to decide on the matter based on the arguments and the evidence on record.

Section 21. Minutes of Case Conference. The Hearing Officer shall prepare and issue the minutes of the case conference, which may include, among others, the new allegations, claims, and a statement of the legal issues presented for resolution.

1 **Section 22. Termination of Case Conference.** The Hearing Officer may terminate the
2 case conference after determining that the parties failed to settle their differences.

3
4 **Section 23. Subpoena and Examination/Inspection Order.** In the course of any
5 investigation or proceeding, the Commission *En Banc*, the Director of an Operating
6 Department, Extension Office, or Head of SHP, may, *motu proprio* or upon motion, issue
7 any of the following:

- 8
9 a. Subpoena *ad testificandum*;
10
11 b. Subpoena *duces tecum*; and
12
13 c. Examination/Inspection Order.
14

15 **Section 24. Contents of Subpoena and Examination/Inspection Order.** The subpoena
16 shall bear the title of the action, proceeding, or investigation, and shall state the name of
17 the person whose appearance is required, or the name of the custodian of the documents
18 sought. In case of a subpoena *duces tecum*, the subpoena shall contain a reasonable and
19 sufficiently detailed description of the documents or objects to be produced.

20
21 An examination/inspection order shall specify the date and place of the inspection, the
22 names of authorized personnel conducting the inspection including the authority to
23 copy or photograph documents. Additional terms and conditions may be included as
24 deemed necessary under the circumstances.

25
26 **Section 25. Non-Compliance with Subpoenas and Examination/Inspection Order.**
27 Any unreasonable delay or unjustified failure or refusal to comply with the subpoenas
28 and examination/inspection order issued by the Commission shall constitute indirect
29 contempt and may subject the party to the corresponding administrative sanctions.
30
31

32 **RULE V**
33 **JUDICIAL NOTICE OF RECORDS**
34 **FILED BEFORE THE COMMISSION**
35

36 **Section 26. Judicial Notice of the Records Filed Before the Commission.** The
37 Commission *En Banc*, the Operating Departments, Extension Offices, or SHP may, in all
38 actions pending before it, take administrative notice of any information or document that
39 is within the custody and records of the Commission, if the same will facilitate the
40 complete and speedy disposition of the action.
41
42

43 **RULE VI**
44 **SPECIAL HEARING PANEL**
45

46 **Section 27. Creation of Special Hearing Panel.** The Commission *En Banc* may, at its
47 discretion, constitute an SHP to hear and decide cases involving matters that are within
48 the jurisdiction of multiple Operating Departments or Offices. The SHP shall be composed

1 of at least three (3) members from the relevant Operating Departments or Offices, to be
2 headed by a Chairman designated by the Commission *En Banc* who shall have the
3 authority to sign all orders, decisions, resolutions, and processes issued by the SHP.

4
5 All decisions or resolutions shall require the concurrence of the majority of SHP
6 members.

7
8 The EIPD shall serve as the secretariat of the SHP which shall consist of three (3)
9 personnel, including at least one (1) lawyer, shall be designated by the Commission *En*
10 *Banc*.

11
12 The secretariat shall be responsible for the day-to-day operations and administration of
13 the SHP, provide administrative and logistical support thereto, and ensure that its
14 proceedings achieve the objectives of these SEC Rules relating to the speedy and
15 judicious disposition of cases, including docket management and issuance and service of
16 all Orders, Decisions, Resolutions, and such other related processes.

17
18 The Secretariat shall not perform any adjudicatory function or act as a representative of
19 the SHP or any member thereof.

20 21 22 **RULE VII** 23 **ADJUDICATIVE ACTION**

24
25 **Section 28. *How Commenced.*** An adjudicative action shall commence upon the filing of
26 a Petition with the Operating Department, Extension Office, or SHP having jurisdiction
27 over the subject matter, and the payment of the applicable docket fees. Non-payment of
28 the docket fee shall render the Petition as not filed.

29
30 The Petition shall be verified and accompanied by a Certificate of Non-Forum Shopping
31 duly subscribed and sworn to by the Petitioner or the latter's authorized agent.

32
33 The Petition shall contain the names and addresses and/or email addresses of the parties,
34 a concise statement of the material facts and circumstances constituting the causes of
35 action, the issues to be resolved, and the reliefs sought.

36
37 The Petition must be supported by relevant documents, affidavits, and such other
38 evidence as would reasonably tend to establish *prima facie* the truth of the allegations
39 contained therein.

40
41 The Petition shall include the express consent by the petitioner, or his/her counsel, to the
42 electronic service of orders, notices, decisions, resolutions, and other issuances of the
43 Commission, if the petitioner has not submitted the official contact details pursuant to
44 SEC MC No. 28-20.

45
46 All initiatory pleadings must be filed in one (1) original copy, two (2) duplicate copies,
47 and whenever warranted, such number of duplicate copies thereof equivalent to the
48 number of respondents, regardless of the mode of filing.

1 A Motion for Intervention to the adjudicative action, if applicable, may be filed by any
2 party upon a showing that he/she either has a legal interest in the subject matter thereof
3 or may be adversely affected by the decision of the Commission.
4

5 **Section 29. Verification and Certification Against Forum Shopping.** A pleading shall be
6 verified by an affidavit of an affiant or a duly authorized agent, whether through a
7 secretary's certificate or a special power of attorney, which must be attached to the
8 pleading, and shall include the following attestations:
9

- 10 a. The allegations in the pleading are true and correct based on his/her personal
11 knowledge or on authentic documents;
12
- 13 b. The pleading is not filed to harass, cause unnecessary delay, or needlessly increase
14 the cost of litigation; and
15
- 16 c. The factual allegations have evidentiary support or, if specifically identified, are
17 expected to have evidentiary support after a reasonable opportunity for
18 discovery.
19

20 The signature of the affiant or the duly authorized agent shall serve as a certification of
21 the truthfulness of the allegations contained in the pleading.
22

23 If the pleading is verified based only on "information and belief" or upon "knowledge,
24 information and belief," or if it lacks the proper verification, the same shall be considered
25 as unsigned and without legal effect.
26

27 A verified Petition shall also be certified by a sworn statement with the following
28 attestations:
29

- 30 a. The petitioner has not commenced any other action or proceeding involving the
31 same subject matter or issues in any court, tribunal, or agency and, to the best of
32 his/her knowledge, no such other action or proceeding is pending therein;
33
- 34 b. If there is such other pending action or proceeding, a complete statement of the
35 present status shall be disclosed; and
36
- 37 c. If the petitioner subsequently learns that a similar or related action or proceeding
38 has been filed or is pending, he/she shall immediately inform the concerned
39 Operating Department, Extension Office, SHP or the Commission *En Banc* within
40 five (5) days from acquiring such knowledge.
41

42 Failure to comply with the foregoing shall result in the dismissal of the Petition without
43 prejudice. The submission of a false certification or non-compliance with any of the
44 undertakings therein shall constitute indirect contempt of the Commission and may
45 subject the party and/or counsel to the corresponding administrative and criminal
46 sanctions.
47

1 If a party or counsel willfully engages in forum shopping, the Petition shall be summarily
2 dismissed with prejudice and such act shall constitute direct contempt of the
3 Commission.

4
5 **Section 30. How Conducted.**
6

7 a. The Operating Department, Extension Office, or SHP may issue an Order
8 dismissing the Petition on any of the following grounds:

- 9
10 i. It has no jurisdiction over the subject matter of the adjudicative action; or
11 ii. There is a similar or identical case involving the same parties and subject
12 matter filed or pending before the Commission.
13

14 b. Otherwise, the Petition shall be docketed and assigned a case number.
15

16 **Section 31. Summons.** Within five (5) working days from receipt of the Petition, the
17 Operating Department, Extension Office, or SHP shall issue summons which may be
18 served through the following methods:
19

20 a. **Service on Individuals.** Service may be made electronically through the email
21 address indicated in the verified Petition. In the event that no email was provided,
22 summons shall be personally served by handing the same to the respondent and
23 informing them of such fact. If the respondent refuses to receive it, service may be
24 made by leaving the same within his/her view and presence.
25

26 b. **Service on Domestic Private Juridical Entity.** For corporations registered under
27 SEC MC No. 20-28, service may be made electronically by transmitting the same to
28 the corporation's registered email address as specified in its SEC MC No. 20-28
29 submission.
30

31 Otherwise, service may be made by delivering a copy to the corporation,
32 partnership, or association organized under the laws of the Philippines, either
33 through its president, managing partner, general manager, corporate secretary,
34 treasurer, or in-house counsel, wherever they may be found. If none are available,
35 service may be made upon their secretaries or a person who customarily receives
36 correspondence at their principal office.
37

38 If the entity is under receivership or liquidation, service shall be made on the
39 receiver or liquidator.
40

41 c. **Service on Foreign Private Juridical Entity.** If the foreign entity is doing business
42 in the Philippines, service may be made to its resident agent or, in their absence,
43 to any officer, agent, director, or trustee within the country.
44

45 If the foreign entity is unregistered or without a resident agent, service outside of
46 the Philippines may be effected by:
47

- 48 1. Personal service through the appropriate foreign court which has
49 jurisdiction in the country where the entity may be found, or to its last

1 known address with the assistance of the Department of Foreign Affairs
2 (DFA);

3
4 2. Registered mail at the respondent's last known address;

5
6 3. Publication, at least once, in a newspaper of general circulation in the
7 respondent's country or its last known address;

8
9 4. Facsimile;

10
11 5. Electronic means, with proof of service as provided under Rule III, Section
12 20 of these SEC Rules; or

13
14 6. Any other mode as may be directed by the relevant Operating Department,
15 Extension Office, or SHP, in its discretion.

16
17 d. ***Service on Entities Without Juridical Personality.*** Service may be made by
18 publication in the Commission's website, or on any person associated with the
19 entity or in charge of its office or place of business. However, such service shall not
20 bind a person whose connection with the entity ended before the action was filed,
21 provided that due notice was given.

22
23 e. ***Service on Parties whose Whereabouts are Unknown.*** If the identity and/or
24 whereabouts of the respondent(s) is unknown despite diligent inquiry, service
25 may be effected by publication in the Commission's website or in the respondent's
26 last known country of residence or may be found, within ninety (90) calendar days
27 from the commencement of the action, upon order of the relevant Operating
28 Department, Extension Office, or SHP. Costs shall be borne by the petitioner, or the
29 Commission, in *motu proprio* cases.

30
31 f. ***Substituted Service.*** If, for justifiable causes, personal service of summons is
32 unsuccessful after at least three (3) attempts on two (2) separate dates,
33 substituted service may be made:

34
35 1. By leaving a copy at the respondent's residence with a person at least
36 eighteen (18) years of age and of sufficient discretion residing therein;

37
38 2. By leaving a copy at the respondent's principal place of business with a
39 competent person working therein who regularly receives
40 correspondences;

41
42 3. By leaving a copy, if refused entry after making the server's authority and
43 purpose known, with any of the homeowners' association officer,
44 condominium corporation officer, or chief security officer of the
45 community or the building where the respondent may be found; or

46
47 4. By sending a copy through registered mail or private courier to the
48 respondent's last known address.
49

1 **Section 32. *Verified Answer.*** Within fifteen (15) days from receipt of the summons, the
2 respondent shall file his/her verified Answer to the Petition and serve a copy thereof to
3 the petitioner, in accordance with these SEC Rules.

4
5 The verified Answer shall contain the material facts in support of the respondent's
6 defense, accompanied by relevant evidence supporting the same, including affidavits,
7 documents, and other competent proof.

8
9 The verified Answer shall include an express consent by the respondent or his/her
10 counsel to the electronic service of orders, notices, decisions, and other issuances of the
11 Commission and to receive pleadings or other papers from the opposing party or counsel
12 by electronic service, and the designated email address where such electronic service
13 shall be received.

14
15 **Section 33. *Effect of Failure to File a Verified Answer.*** Failure of the respondent to file
16 a Verified Answer within the prescribed period, the Director of the Operating
17 Department, Extension Office, or SHP shall, *motu proprio*, render a decision based on the
18 allegations in the Petition, provided that such allegations are duly supported by the
19 evidence on record.

20
21 In such case, the Commission shall grant only the reliefs specifically prayed for in the
22 Petition, unless the circumstances justify a different or additional remedy under
23 applicable laws or regulations.

24
25 **Section 34. *Provisional Remedy for Issuance of Ex Parte Cease and Desist Order.*** If the
26 Petition or Answer contains a prayer for the issuance of an *ex parte* Cease and Desist
27 Order (CDO) under Section 156 of the RCC, the relevant Operating Department, Extension
28 Office, or SHP may issue such CDO against any person who is found to be engaging, or is
29 about to engage, in any act, transaction or practice that is fraudulent or can be expected
30 to cause significant, imminent, and irreparable harm to public safety or welfare.

31
32 The *ex parte* CDO issued shall be effective for a maximum period of twenty (20) days and
33 may be extended for a similar period, after due notice and hearing.

34
35 **Section 35. *Amicable Settlement.*** At any stage of the proceedings, an amicable
36 settlement shall be encouraged provided that it is not prejudicial to public interest or to
37 third parties, or contrary to law, rules, or regulations of the Commission, or against good
38 morals or public policy.

39
40 Any settlement agreed upon by the parties shall be reduced into writing, signed by the
41 parties and/or their counsels, and shall be used as a basis in issuing a judgment based on
42 a compromise agreement.

43
44 **Section 36. *Submission of Position Papers.*** The Operating Department, Extension
45 Office, or SHP may issue an order directing the parties to submit their respective position
46 papers with a copy furnished to the other party/s.

47
48 **Section 37. *Submission of Draft Decision by the Parties.*** Each party shall prepare and
49 submit a proposed draft decision, with a copy furnished to the opposing party, addressing

1 all issues identified during the proceedings for determination. The draft decision shall
2 reflect the party's preferred findings of fact, conclusions of law, and proposed dispositive
3 orders.

4
5 The relevant Department, Office, Extension Office or SHP may use the draft decisions as
6 an aid in drafting its final decision. The submission of a draft decision shall not bind the
7 Department, Office, Extension Office or SHP, who shall retain full discretion to accept,
8 reject, or modify any portion of the parties' proposed findings and conclusions.

9
10 **Section 38. *Rendition of Judgment.*** The Director of the Operating Department or the
11 Extension Office, or the Head of the SHP shall render judgment upon submission of the
12 case for decision.

13
14 A case shall be deemed submitted for decision upon the issuance of an order to that effect
15 by the Operating Department, Extension Office, SHP, or upon the filing of the last pleading
16 permitted under these SEC Rules, or the lapse of the period allowed for such submission.

17
18 No motion for reconsideration shall be allowed, and the filing of the same shall not toll
19 the period for filing an appeal.

20 21 22 **RULE VIII** 23 **ADMINISTRATIVE ACTION**

24
25 **Section 39. *How Commenced.*** An administrative action shall be commenced upon:

- 26
27 a. The issuance by the relevant Operating Department, Extension Office, or SHP of a
28 Formal Charge upon finding that there are sufficient grounds that warrant the
29 commencement of an administrative action.

30
31 The Formal Charge shall narrate the ultimate facts constituting the offense,
32 specifying the provisions of the law, rule, or regulation violated. The Formal
33 Charge shall be accompanied by copies of the documentary evidence, and/or
34 sworn statements or affidavits executed by the witness(es), if any, and a directive
35 to file a verified Answer. Upon issuance of the Formal Charge, the case shall be
36 docketed for purposes of adjudication; or

- 37
38 b. The issuance by Operating Departments, Extension Offices, or SHPs of an *ex-parte*
39 CDO.

40
41 **Section 40. *Verified Answer to the Formal Charge.*** Within fifteen (15) days from receipt
42 of the Formal Charge, the respondent shall file a verified Answer which shall be
43 accompanied by documents, affidavits of witnesses, if any, and such evidence which are
44 necessary to support his/her defense. Defenses not pleaded are deemed waived.

45
46 **Section 41. *Effect of Failure to File a Verified Answer.*** If the respondent, his/her
47 counsel, or duly authorized representative, fails to submit a verified Answer, the case
48 shall be deemed submitted for decision and the Operating Department, Extension Office,

1 or SHP shall proceed to decide on the matter based on the arguments and the evidence
2 on record.

3
4 **Section 42. *Rendition of Judgment.*** After the case is submitted for decision, the Director
5 of the Operating Department or Extension Office, or the Head of the SHP shall render
6 judgment upon submission of the case for decision.

7
8 A case shall be deemed submitted for decision upon the issuance of an order to that effect
9 by the Operating Department, Extension Office, or SHP or upon the filing of the last
10 pleading permitted under these SEC Rules, or the lapse of the period allowed for such
11 submission.

12
13 No motion for reconsideration shall be allowed, and the filing of the same shall not toll
14 the period for filing an appeal.

15 16 17 **RULE IX** 18 **SETTLEMENT OFFERS**

19
20 **Section 43. *Settlement Offers.*** Any person or entity under investigation or the
21 respondent in any proceeding may, at any time, propose in writing an offer of settlement.
22 No settlement offer will be allowed after an order, decision, or resolution resolving the
23 case has become final and executory, or if the case involving the matter subject thereof is
24 already pending with the courts.

25
26 No settlement offer for the following violations will be accepted:

- 27
28 a. Non-filing of required reports;
29
30 b. Late filing of required reports;
31
32 c. Cases involving the Foreign Investments Act of 1991;
33
34 d. Fines for violation of the RCC; and
35
36 e. Violations of the Revised Penal Code and special laws.

37
38 **Section 44. *Form and Contents of Settlement Offer.*** The Settlement Offer shall state that
39 it is being made pursuant to Section 55 of the SRC, incorporating the provisions of Rules
40 55.1.3.4 and 55.1.3.5 of the 2015 SRC-IRR, and signed by the person making the offer, or
41 if the proposer is a juridical person, a copy of the board resolution or a secretary's
42 certificate attesting to its approval shall be attached thereto.

43
44 **Section 45. *Where Filed.*** The proposer shall file the offer for settlement with the Director
45 of the EIPD, simultaneously tendering the amount offered.

46
47 The EIPD Director shall consider and evaluate the offer taking into consideration the
48 criteria set forth under Rule 55.1.3 of the 2015 SRC-IRR.

1 The EIPD Director shall present its recommendation(s) to the Commission En Banc;
2 Provided, however, that if the recommendation is unfavorable, the offer shall not be
3 presented to the En Banc unless the proposer requests in writing within five (5) days
4 from receipt of the denial of the offer.

5
6 **Section 46. *Action of the Commission En Banc.***
7

8 (a) If the Commission rejects the offer of settlement, the proposer shall be notified of
9 the Commission's action, and the offer of settlement shall be deemed withdrawn.
10 The rejected offer shall not constitute part of the record in any proceeding against
11 the proposer; provided, however, that rejection of an offer of settlement does not
12 affect the continued validity of waivers under Rule 55.1.3.5 of the SRC-IRR;
13

14 (b) Final acceptance by the Commission of any offer of settlement will occur only upon
15 the issuance of a summary of findings, and an order of the Commission and shall
16 become effective only upon public disclosure thereof on the Commission's
17 website. The Order may be made without a determination of guilt or innocence of
18 the proposer.
19

20 The Commission may likewise require the proposer to make an admission of guilt
21 or stipulate facts as part of the condition for the acceptance of the settlement offer
22 and/or to disgorge illegal gains.
23

24 The acceptance of the offer shall become effective upon disclosure of the same in
25 the Commission's website.
26

27 The Order shall state the period within which the proposer must fully comply with
28 the terms and conditions of the settlement offer, in the absence of the period
29 stated, the proposer is given fifteen (15) days from receipt of the Order to fully
30 comply with the Order.
31

32 **Section 47. *Effect of Failure to Comply.*** In the event that the proposer fails to comply
33 with the terms and conditions set forth in the Order, the offer for settlement shall be
34 considered as withdrawn and the investigation or proceedings against the proposer shall
35 be reinstated.
36
37

38 **RULE X**
39 **REDUCTION OF ADMINISTRATIVE PENALTY**
40

41 **Section 48. *Reduction of Administrative Penalty.*** In meritorious cases, and whenever
42 allowed under existing laws, rules, regulations, orders, or issuances, the Operating
43 Department, Extension Office, or SHP may recommend to the Commission *En Banc* the
44 reduction of the originally assessed and imposed administrative penalty. No reduction in
45 administrative penalty shall be effective and implemented unless approved by the
46 Commission *En Banc*.
47

1 In case the request for reduction of penalty is denied by the relevant Operating
2 Department, Extension Office, or SHP, such denial shall be final and shall not toll the
3 running of the period to appeal.

4
5 **Section 49. *Payment of Penalty by Installment.*** The relevant Operating Department,
6 Extension Office, or SHP may, upon recommendation to, and approval by the Commission
7 *En Banc*, allow the payment of administrative penalty(ies) in installments, if justified by
8 the circumstances and allowed under existing laws, rules, or regulations.

10 11 **RULE XI** 12 **CEASE AND DESIST ORDER**

13 14 **A. General Provisions**

15
16 **Section 50. *How Commenced.*** An Operating Department, Extension Office, or SHP, either
17 *motu proprio* or upon a complaint filed before it, may issue a CDO without the necessity
18 of a prior hearing, upon a finding that the grounds for the issuance of the CDO provided
19 under Sections 53.3 and 64 of the SRC, Section 156 of the RCC, or the FCPA are present.

20
21 **Section 51. *Effect of the Issuance of a CDO.*** The CDO is immediately executory upon its
22 issuance until the same is lifted by the Operating Department, Extension Office, or SHP
23 that issued it.

24
25 **Section 52. *Service of the CDO.*** The CDO shall be served upon the registered address and
26 email address of the corporation, if registered, as provided under SEC MC No. 20-28. The
27 natural persons, if any, who are also the subject of the CDO shall be served in their
28 addresses, if known; otherwise, the same shall be served in the same address and email
29 address as that of the corporation.

30
31 In the event that the service upon the registered address and email address of the
32 registered corporation cannot be made or when the subject entity of the CDO is not
33 registered before the Commission, the CDO shall be deemed served upon its publication
34 in the Commission's website. The date of the service or the posting of the CDO, whichever
35 comes first, shall be the date of receipt of the person/corporation subject of the CDO.

36 37 **B. Revised Corporation Code**

38
39 **Section 53. *Grounds for a CDO under Section 156 of the RCC.*** Whenever the Operating
40 Department, Extension Office, or SHP has reasonable basis to believe that a person has
41 violated, or is about to violate, the RCC, a rule, regulation, or order of the Commission, it
42 may direct such person to desist from committing the act constituting the violation. The
43 CDO issued under Section 156 of the RCC can be issued *ex parte* to enjoin the act or
44 practice which is fraudulent or expected to cause significant, imminent, and irreparable
45 danger or injury to public safety or welfare.

1 The *ex-parte* CDO under this section is valid for a period of twenty (20) days from receipt
2 thereof, unless the same has been extended or made permanent after due notice and
3 hearing.

4
5 The CDO issued under this Section shall contain a directive to the person/s against whom
6 it is issued to submit a verified *Motion to Lift* the CDO within five (5) days; otherwise, the
7 Operating Department, Extension Office, or SHP shall proceed to determine whether the
8 CDO will be extended or made permanent before the lapse of the twenty (20)-day period.

9
10 **Section 54. Procedure for the Lifting of the CDO.** The person/s against whom a CDO is
11 issued under this Section shall file a verified *Motion to Lift* to the Operating Department,
12 Extension Office, or SHP within five (5) days from receipt of the CDO or the posting of the
13 CDO in the Commission's website, whichever comes first.

14
15 The Operating Department, Extension Office, or SHP shall resolve the verified *Motion to*
16 *Lift* before the twenty (20)-day period lapses; otherwise, the CDO shall be deemed to have
17 been lifted.

18
19 If no verified *Motion to Lift* has been filed, the Operating Department, Extension Office, or
20 SHP shall resolve whether the CDO should be made permanent and proceed with Section
21 158 of the RCC, if warranted, against whom the CDO has been issued.

22
23 No Motion for Reconsideration of the resolution on the verified *Motion to Lift* shall be
24 allowed. The denial of the *Motion to Lift* may be appealed to the Commission *En Banc*
25 within fifteen (15) days from receipt of the resolution resolving the same.

26 27 C. Securities Regulation Code

28
29 **Section 55. Grounds.** Whenever the Operating Department, Extension Office, or SHP,
30 *motu proprio* or upon a verified complaint, has reasonable basis to believe that a person
31 has engaged in any act or practice, which operates as a fraud on investors or will likely
32 cause grave or irreparable injury or prejudice to the investing public, it may issue a CDO
33 without the necessity of a prior hearing.

34
35 A CDO issued under this Section shall contain a directive to the person/s against whom it
36 is issued to submit a verified *Motion to Lift* the CDO within five (5) days.

37
38 **Section 56. Procedure for the Lifting of the CDO.** The person/s against whom a CDO
39 issued under this Rule shall file a verified *Motion to Lift* to the Operating Department,
40 Extension Office, or SHP within five (5) days from receipt of the CDO, which shall be set
41 for hearing within fifteen (15) days from its filing.

42
43 The Operating Department, Extension Office, or SHP shall resolve the verified *Motion to*
44 *Lift* before the ten (10)-day period lapses from the termination of the hearing.

45
46 If no verified *Motion to Lift* has been filed, the CDO shall automatically be permanent.

1 No Motion for Reconsideration of the resolution on the verified *Motion to Lift* shall be
2 allowed. The denial of the *Motion to Lift* may be appealed to the Commission *En Banc*
3 within fifteen (15) days from receipt of the resolution resolving the same.

4
5 **Section 57. *Ex Parte CDO.*** An *ex parte* CDO may be issued for a maximum period of ten
6 (10) days if the Commission finds that a person has engaged or is about to engage in any
7 act or practice, which violates any provision, rule, or regulation of the SRC, or any rule of
8 an exchange, registered securities association, clearing agency, or other SROs and there
9 is a reasonable likelihood that the person will continue to conduct further or future
10 violations.

11
12 The *ex parte* CDO under this Section shall automatically expire after the lapse of ten (10)
13 days.

14 15 **D. Financial Products and Services Consumer Protection Act**

16
17 **Section 58. *Grounds for a CDO under the FCPA and the SEC FCPA-IRR.*** When in the
18 judgment of the Operating Department, Extension Office, or SHP, the act or practice of a
19 financial service provider, unless restrained, amounts to fraud or a violation of the
20 provisions of the FCPA and/or the SEC FCPA-IRR, or may unjustly cause grave or
21 irreparable injury or prejudice to financial consumers, it may issue a CDO without the
22 necessity of a prior hearing.

23
24 **Section 59. *Procedure for the Lifting of the CDO.*** The person/s against whom a CDO is
25 issued under this Rule shall file a verified *Motion to Lift* to the Operating Department,
26 Extension Office, or SHP within five (5) days from receipt of the CDO or posting of the
27 CDO in the Commission's website, whichever comes first. The Operating Department,
28 Extension Office, or SHP shall resolve the verified *Motion to Lift* expeditiously.

29
30 If no verified *Motion to Lift* has been filed, the CDO issued under this section shall be
31 deemed permanent and final without the necessity of an order.

32
33 No Motion for Reconsideration of the resolution on the verified *Motion to Lift* shall be
34 allowed. The denial of the *Motion to Lift* may be appealed to the Commission *En Banc*
35 within fifteen (15) days from receipt of the resolution resolving the same.

36 37 38 39 40 **RULE XII** 41 **APPEAL TO THE COMMISSION *EN BANC***

42
43 **Section 60. *Subject of Appeal to the Commission En Banc.*** An appeal may be taken to
44 the Commission *En Banc* from a decision, judgment, resolution, or final order of a Director
45 of an Operating Department, Extension Office, SHP, or SRO, which completely disposes of
46 an administrative or adjudicative action.

1 An appeal may likewise be taken from an official act of an Operating Department or
2 Extension Office made in the exercise of its functions.

3
4 No appeal shall be taken from the following:

- 5
6 a. Interlocutory order;
7
8 b. Order disallowing or dismissing an appeal;
9
10 c. Order of Execution;
11
12 d. Order denying a settlement offer;
13
14 e. Order denying a request for reduction of penalty, payment of administrative
15 penalty by installment;
16
17 f. Order dismissing an action without prejudice;
18
19 g. Order dismissing an action due to lack of jurisdiction or authority of the concerned
20 Operating Department, Extension Office, or SHP;
21
22 h. Proceedings tainted with prejudicial error; or
23
24 i. Decision which embodies:
25
26 1. A finding of fact that is manifestly erroneous;
27
28 2. A legal conclusion that is clearly mistaken; or
29
30 3. An exercise of discretion or policy decision that raises an important
31 question of law or fact warranting review of the Commission.
32

33 In such cases, the aggrieved party may instead avail a Petition for *Certiorari* under Rule
34 65 of the Rules of Court, as amended, if applicable.
35

36 **Section 61. *Period of Appeal.*** An appeal to the Commission *En Banc* shall be taken within
37 fifteen (15) days from receipt of the assailed decision, resolution, judgment, or final order.
38

39 In the case of decision, resolution, or final order issued by an SRO, the appeal may be filed
40 within thirty (30) days from receipt thereof.
41

42 **Section 62. *Perfection of Appeal.*** The appeal is perfected upon the submission of the
43 following to the Commission *En Banc*, through the OGC, within the prescribed period:
44

- 45 a. Appeal Memorandum;
46
47 b. Proof of service of a copy of the Appeal Memorandum upon the appellee and the
48 Director of the relevant Operating Department, Extension Office, SHP, or SRO; and
49

- 1 c. Payment of the applicable appeal and other fees.

2
3 **Section 63. Appeal Memorandum; Form and Contents.** The Appeal Memorandum shall
4 contain:

- 5
6 a. The full name, legal capacity, and address of the parties;
7
8 b. The email addresses of the parties, if available;
9
10 c. The material dates indicating the timeliness of the appeal;
11
12 d. A concise statement of the facts alleged, the issues raised, assignment of errors,
13 and applicable legal or jurisprudential grounds;
14
15 e. A copy of the decision, resolution, or order being appealed, with annexes and
16 relevant evidence of record; and
17
18 f. The appellant's or counsel's email address.

19
20 No appeal shall be given due course unless it is verified in the manner prescribed under
21 Rule V, Section 28 of these SEC Rules and accompanied by a Certification of Non-Forum
22 Shopping pursuant to Rule V, Section 28 of these SEC Rules.

23
24 **Section 64. Order to File a Comment.** If the Appeal Memorandum complies with the
25 requirements prescribed by these SEC Rules, the OGC shall issue an order directing the
26 appellee to file a Comment.

27
28 Simultaneously, the concerned Director of the Operating Department, Extension Office,
29 SHP, or SRO may be directed to transmit the complete case records to the Commission *En*
30 *Banc*.

31
32 **Section 65. Comment to Appeal Memorandum.** The appellee shall file with the
33 Commission *En Banc*, through the OGC, one (1) original and two (2) duplicate hard copies,
34 along with an electronic copy, of the Comment to the Appeal Memorandum. The comment
35 shall be filed within fifteen (15) days from receipt of the order to file a comment.

36
37 The comment must include the express consent of the appellee or counsel to the
38 electronic service of all papers and issuances from the Commission *En Banc* and the
39 designated email address for such purpose.

40
41 Failure to file the Comment within the prescribed period shall be deemed a waiver
42 thereof.

43
44 **Section 66. When Appeal is Deemed Submitted for Decision.** The Appeal shall be
45 deemed submitted for Decision upon:

- 46
47 a. Filing of the last allowable pleading; or
48
49 b. Expiration of the period to file such pleading.

Section 67. *Disposition of the Appeal.* The Commission *En Banc* may:

- a. Affirm, reverse, or modify the decision, resolution, or final order under appeal; or
- b. Remand the case for further proceedings.

Such disposition shall be based on the records of the case and the parties' submissions.

Only one (1) Motion for Reconsideration, as provided under Rule XIII of these SEC Rules, of the Decision of the Commission *En Banc*, as filed by the same party, shall be entertained.

Section 68. *Minute Resolution.* The Commission *En Banc* may, at its discretion and if warranted by the arguments and evidence on record, resolve an Appeal by way of Minute Resolution.

A Minute Resolution shall be deemed an affirmation of the appealed decision, resolution, judgment, or order.

RULE XIII MOTION FOR RECONSIDERATION

Section 69. *Motion for Reconsideration.* A party may file a motion for reconsideration of a judgment or resolution rendered by the Commission *En Banc* within fifteen (15) days from notice thereof, with proof of service on the adverse party.

No second motion for reconsideration of a judgment or final resolution by the same party shall be entertained.

Section 70. *Grounds.* A Motion for Reconsideration shall be based on any of the following grounds:

- a. Newly discovered evidence which could not, with reasonable diligence, have discovered and produced during the proceedings and which, if admitted, would probably alter the results;
- b. The decision is not supported by the evidence on record;
- c. Errors of law or irregularities have been committed prejudicial to the interest of any party; and
- d. Fraud, accident, mistake, or excusable negligence which ordinary prudence could not have guarded against and by reason of which such aggrieved party has probably been impaired of their rights.

1 **Section 71. *Opposition to Motion for Reconsideration.*** Within fifteen (15) days from
2 receipt of the Motion for Reconsideration, the opposing party shall file an opposition
3 thereto and serve a copy thereof upon the party who filed the Motion for Reconsideration.
4

5 **Section 72. *Stay of Execution.*** The pendency of a Motion for Reconsideration filed on
6 time and by the proper party shall stay the execution of the judgment or final resolution
7 sought to be reconsidered unless the Commission *En Banc*, for good reasons, shall
8 otherwise direct.
9

10
11 **RULE XIV**
12 **DECISIONS, FINAL ORDERS, RESOLUTIONS, AND ENTRY THEREOF**
13

14 **Section 73. *Final and Executory Judgments and Final Orders.*** If no appeal or motion
15 for reconsideration, as the case may be, is filed within the period prescribed in these SEC
16 Rules, the judgment or final order rendered by the Commission *En Banc*, the Director of
17 the Operating Department or Extension Office, or the Head of the SHP shall become final
18 and executory.
19

20 Upon the expiration of the appeal period or period for the filing of a motion for
21 reconsideration, the Commission *En Banc*, the Director of the Operating Department or
22 Extension Office, or the SHP, shall cause the entry of judgment or final order in the Book
23 of Entries of Judgments.
24

25 Each Operating Department and Extension Office, SHP, and the Commission *En Banc*,
26 through the OGC, shall keep and maintain its own Book of Entries of Judgments.
27

28 **Section 74. *Issuance of Judgments and Final Orders.*** – All judgments and final orders
29 shall be duly signed by the Commission *En Banc*, the Director of the Operating
30 Department or Extension Office, or the members of SHP, as the case may be, and shall be
31 officially served to the parties concerned.
32
33

34 **RULE XV**
35 **EXECUTION**
36

37 **Section 75. *Execution of Judgments and Final Orders.***
38

- 39 a. A Writ of Execution shall be issued as a matter of course for a decision, resolution,
40 or final order that disposes of an administrative action or proceeding, which has
41 become final and executory.
42
43 b. A Writ of Attachment may be issued by the Commission to enforce payment of
44 fees, administrative fines, and other dues collectible by the Commission.
45

46 **Section 76. *Immediately Executory Effect of Certain Orders.*** CDOs, suspension and
47 revocation orders of secondary licenses, takeover orders, decisions or orders directing
48 the calling of regular meeting and/or election, and such other decisions, resolutions, or

1 final orders which are presently, or may hereafter be expressly declared, or clearly
2 intended to be, immediately executory, shall take effect upon issuance or promulgation.
3 They shall not be stayed by the filing of an appeal, or a petition for *certiorari*, as the case
4 may be, unless a restraining order or injunctive relief is issued by the Court of Appeals or
5 the Supreme Court.

6
7 **Section 77. *Validity of a Writ of Execution or Writ of Attachment.*** The Writ of Execution
8 or Writ of Attachment shall be valid for five (5) years from its issuance. In case of partial
9 satisfaction, the Commission *En Banc* or the Director of the relevant Operating
10 Department or Extension Office, or SHP may, *motu proprio* or upon motion, issue an
11 updated Writ reflecting the amount collected and the outstanding balance.

12
13 **Section 78. *Implementation of a Writ of Execution or Writ of Attachment.*** Upon the
14 issuance of a Writ of Execution or Writ of Attachment, the Commission *En Banc*, the
15 Director of the relevant Operating Department or Extension Office, or SHP, may request
16 an appropriate Commission officer, personnel, or sheriff, or pursuant to Section 5.1 (h) of
17 the SRC, enlist other duly authorized government agents or personnel having jurisdiction
18 over the area where the principal office or business of the losing party is located or where
19 the real or personal properties of the latter are to be found, to implement the Writ.

20 21 22 **RULE XVI** 23 **CONTEMPT PROCEEDINGS** 24

25 **Section 79. *Contempt.*** The Commission *En Banc*, or the Director of the Operating
26 Department or Extension Office, or SHP, may cite or declare a person in contempt in the
27 course of an administrative or adjudicative action, in accordance with the provisions of
28 these SEC Rules.

29
30 **Section 80. *Direct Contempt; Grounds and Penalty.*** A person may be held in direct
31 contempt for misbehavior committed in the presence of, or so near, the Commission *En*
32 *Banc*, the concerned Operating Department, Extension Office, or SHP, as to obstruct or
33 interrupt the proceedings. Acts constituting direct contempt include, but are not limited
34 to:

- 35
36 a. Refusal to comply with lawful orders;
37
38 b. Acts of disrespect or offensive behavior toward the Commission or its
39 proceedings; or
40
41 c. Any act that disrupts the orderly conduct of hearings or conferences.
42

43 Direct contempt may be adjudged summarily and punished with a fine not exceeding
44 Thirty Thousand Pesos (P30,000.00).
45

46 **Section 81. *Indirect Contempt; Grounds and Penalty.*** – A person may be cited for
47 indirect contempt, either *motu proprio* or upon petition, after notice and hearing, for acts
48 described under Rule 71 of the Rules of Court, as amended. These may include:
49

- a. Failure or refusal to comply with a lawful order, resolution, decision, or subpoena issued by the Commission;
- b. Improper conduct that tends to degrade the authority of the Commission or obstruct the administration of justice; or
- c. Such other acts analogous to the foregoing.

If found guilty of indirect contempt, the person shall be punished with a fine not exceeding Thirty Thousand Pesos (P30,000.00).

Where the indirect contempt arises from unjustified failure or refusal to comply with any lawful order, decision, resolution, or subpoena issued by the Commission, and such conduct constitutes a clear and willful defiance, a daily fine of One Thousand Pesos (P1,000.00) may be imposed until full compliance is effected.

Rule XVII

MISCELLANEOUS PROVISIONS

Section 82. *Electronic Evidence.* – The Rules on Electronic Evidence, as amended, shall govern evidence of the said nature submitted to the Commission.

Section 83. *Computation of Time.* – Unless otherwise expressly provided by law, rule, or regulation requiring strict interpretation, the computation of any period of time prescribed or allowed under these SEC Rules shall exclude the first day and include the last day of the period.

If the last day falls on a Saturday, Sunday, or a legal holiday, the deadline for filing shall be deemed to fall on the next working day immediately following such date.

Unless otherwise specifically stated, all references to “days” mentioned in these SEC Rules shall be construed as calendar days.

Section 84. *Transitory Provision.* – These SEC Rules shall apply only to cases initiated after their effectivity. Pending matters or proceedings commenced under prior Rules, except actions seeking the reduction of penalties, shall continue to be governed by those Rules, unless the application of these SEC Rules is practicable and will promote just, speedy, and efficient resolution of such cases. In all other instances, these SEC Rules shall apply.

Decisions, resolutions, or final orders of the Commission *En Banc*, Director of the Operating Department or Extension Office, or SHP that became final and executory prior to the effectivity of these SEC Rules shall be executed in accordance with the provisions herein.

Section 85. *Repealing and Separability Clause.* – The 2016 Rules of Procedure of the Securities and Exchange Commission are hereby repealed in their entirety. All other existing rules, circulars, procedures, practices, orders or portions thereof that are

1 inconsistent with these SEC Rules are likewise repealed, amended, or modified
2 accordingly.

3
4 If any provision of these SEC Rules is declared unconstitutional, invalid, or illegal, such
5 declaration shall not affect the validity and enforceability of the remaining provisions.

6
7 **Section 86. Effectivity.** – These SEC Rules shall take effect fifteen (15) days after their
8 publication in a newspaper of general circulation. The Commission Secretary shall
9 immediately transmit three (3) certified true copies of these SEC Rules to the University
10 of the Philippines Law Center, and one (1) certified true copy each to the Honorable
11 Department of Finance and the Supreme Court of the Philippines.

12
13 *- nothing follows -*