

COMPANY REGISTRATION AND MONITORING DEPARTMENT

NOTICE

TO : ALL CONCERNED

**SUBJECT : JOINT CERTIFICATION FOR APPLICATIONS TO
INCREASE CAPITAL STOCK BY WAY OF CASH INFUSION**

Please be advised that the new format for the cover sheet (ANNEX “A”) and joint certification (ANNEX “B”) shall be used by stock corporations organized under Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, for applications to increase authorized capital stock which involve increasing the number of shares only and the consideration for the issuance of shares is CASH (in Philippine pesos) only, filed before the Financial Analysis and Audit Division of the Company Registration and Monitoring Department.

The joint certification shall be submitted in lieu of the separate Certificate of Increase, Directors’ Certificate, Treasurer’s Affidavit, and Secretary’s Certificates on the List of Stockholders, Nonexistence of Intra-Corporate Dispute, and Waiver of Preemptive Rights.

You may download the editable files via:

A. [Cover Sheet](#):

https://docs.google.com/document/d/1xFahiscF9N_PvMsuwwGl7FK1cdOsWgSZ/edit#heading=h.gjdgxs

B. [Joint Certification](#):

<https://docs.google.com/document/d/1VapOnE0ML085pdGnh9h05hUQwYz4Qttr/edit?usp=sharing&oid=100001251167530676454&rtpof=true&sd=true>

ANNEX "A"

COVER SHEET

Application for Increase of Capital Stock

I. Corporate Information of Applicant

1. Name of Corporation: _____
2. SEC Registration Number: _____
3. Principal Office Address: _____

II. Authorized Representative/s of the Corporation

1. Name/s: _____
2. Office Address: _____
3. Email Address: _____
4. Mobile Number: _____

In a meeting duly called and held on _____, the BOD resolved to authorize the above-named person/s to file all the required documents in connection with the Corporation's application for increase in authorized capital stock, to make necessary corrections, if any, to receive the checklist of deficiencies and the incomplete/out-of-date documentary requirement/s, if any, and to act as the representative of the Corporation in all dealings and transactions with the Securities and Exchange Commission (SEC or Commission) regarding the application through the above-given email address and mobile number.

To be accomplished by CRMD Personnel

Assigned Processor	Date	Signature

DOCUMENT I.D.: _____

Received by Corporate Filing and Records Division: _____

Forwarded to:

	Corporate and Partnership Registration Division		
	Corporate Adjudication Division		
	Compliance Monitoring Division		
	Financial Analysis Division		
	Licensing Unit		
	Foreign Investment Registration Station (FIRST)		

ANNEX "B"

CERTIFICATION

(Certificate of Increase, Directors' Certificate, Treasurer's Affidavit, and Secretary's Certificates on the List of Stockholders, on the Nonexistence of Intra-Corporate Dispute, and on the Waiver of Preemptive Rights)

We, the undersigned are, respectively, the duly elected members of the Board of Directors (BOD) as of indicate the date of meeting of the BOD approving the increase of capital stock, which must be within six months prior to date of filing of the instant application, the duly elected Chairperson of the stockholders' meeting, the Secretary of the stockholders' meeting, the Corporate Secretary and the Treasurer of the applicant-corporation, whose corporate information is provided below. We also certify that:

I. Corporate Information of Applicant

1. Name of Corporation: _____
2. Date of Incorporation: _____
3. SEC Registration Number: _____
4. Term of Existence: _____; indicate the date of Securities and Exchange Commission's (SEC or Commission) approval of the Amended Articles of Incorporation (AAI) extending the term of existence, if applicable
5. Number of Directors per Articles of Incorporation (AOI)¹: indicate in words and figures
6. Principal Office Address: _____

7. The Corporation is duly organized and operates under the provisions of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines (RCC).
8. As of the date of stockholders' meeting, the corporation is owned by individuals and/or juridical entities with the following nationalities²:
 - 8.1. Based on the total outstanding shares³ entitled to vote in the election of directors:
 - 8.1.1. Filipino: indicate (in words and figures) the percentage ownership of Filipinos based on the total outstanding shares entitled to vote in the election of directors%; and
 - 8.1.2. Foreign: indicate (in words and figures) the percentage ownership of Non-Filipinos based on the total outstanding shares entitled to vote in the election of directors%.
 - 8.2. Based on the total outstanding shares, whether or not entitled to vote in the election of directors:

¹ If the corporation has amended its AOI, the number of directors must be based on the latest Amended Articles of Incorporation (AAI) as approved by the Securities and Exchange Commission.

² SEC Memorandum Circular No. 8, series of 2013, as upheld by the Supreme Court in *Jose M. Roy III vs. Chairperson Teresita Herbosa*, G.R. No. 207246, 22 November 2016.

³ Total shares of stock issued under binding subscription contracts to subscribers or stockholders, whether fully or partially paid, except treasury shares (Section 173, RCC).

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- 8.2.1. Filipino: indicate (in words and figures) the percentage ownership of Filipinos based on the total outstanding shares, whether or not entitled to vote in the election of directors%; and
- 8.2.2. Foreign: indicate (in words and figures) the percentage ownership of Non-Filipinos based on the total outstanding shares, whether or not entitled to vote in the election of directors%.
9. After the increase in capital stock, the corporation is owned by individuals and/or juridical entities with the following nationalities:
 - 8.3. Based on the total outstanding shares entitled to vote in the election of directors:
 - 8.3.1. Filipino: indicate (in words and figures) the percentage ownership of Filipinos based on the total outstanding shares entitled to vote in the election of directors%; and
 - 8.3.2. Foreign: indicate (in words and figures) the percentage ownership of Non-Filipinos based on the total outstanding shares entitled to vote in the election of directors%.
 - 8.4. Based on the total outstanding shares, whether or not entitled to vote in the election of directors:
 - 8.4.1. Filipino: indicate (in words and figures) the percentage ownership of Filipinos based on the total outstanding shares, whether or not entitled to vote in the election of directors%; and
 - 8.4.2. Foreign: indicate (in words and figures) the percentage ownership of Non-Filipinos based on the total outstanding shares, whether or not entitled to vote in the election of directors%.

II. Approval of Increase in Authorized Capital Stock and Amendment of Articles of Incorporation

1. Approval by the Board of Directors:
 - 1.1. Date of BOD meeting⁴: _____;
 - 1.2. There was a quorum, in accordance with the RCC/By-laws, whereby indicate (in words and figures) the total number directors present during the meeting directors were present during said meeting;
 - 1.3. The increase in authorized capital stock and amendment of articles of incorporation was approved by at least the majority of the number of directors as fixed in the AOI or latest Amended AOI (AAI); and
 - 1.4. The BOD meeting was conducted in accordance with RCC/ By-laws and relevant rules and regulations.
2. Approval by the Stockholders:
 - 2.1 Place of stockholders' meeting: _____;
 - 2.2 Date of stockholders' meeting⁵: _____;

⁴ Date of meeting must be within six months prior to date of filing of the instant application.

⁵ *Id.*

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- 2.3 There was a quorum in accordance with RCC/By-laws, whereby [indicate (in words and figures) the total number of shares represented during the meeting] shares of the [indicate (in words and figures) the total number of outstanding shares] total outstanding shares⁶ were represented during said meeting; and
- 2.4 The increase in Authorized Capital Stock (ACS) and amendment of articles of incorporation was approved by at least two-thirds (2/3) of the outstanding capital stock; and
- 2.5 The stockholders' meeting was conducted in accordance with RCC/ By-laws and relevant rules and regulations.
3. Requirements under Section 37 of the RCC:
- 3.1. The amount of increase in ACS: [indicate in words and figures];
- 3.2. The names, nationalities, and addresses of the persons subscribing are as follows (including the respective amounts subscribed and paid):

Name, Nationality, and Address	Class of Shares	No. of Shares subscribed	Amount Subscribed	Amount Paid	
				At Par	Additional Paid-In Capital (if any) ⁷
Total					

[This table may be accomplished in a separate sheet attached/annexed to this certification, if necessary.]

- 3.4. No bonded indebtedness was increased, incurred, or created as of the stockholders' meeting.
- 3.5. Amount of stock represented at the time of meeting (at par/stated value; in Philippine pesos): [indicate in words and figures].
- 3.6. The Treasurer certifies that at least 25% of the increase in capital stock has been subscribed and at least 25% of the subscribed has been paid in CASH;
4. Requirements under Section 15 of the RCC:

The original and amended articles together, as provided in the attached copy of the AAI, contain all provisions required by law to be set out in the articles of incorporation, and the latest amendment/s thereto are indicated by underscoring the change/s made. Also, the aforesaid copy of the AAI is true and correct.

The amended provisions of the AOI/AAI refer to Article Seven - Increase in ACS:

⁶ See *supra* note 3.

⁷ If subscription and payment is more than the par value of the shares per Articles of Incorporation or latest Amended Articles of Incorporation.

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Class of Shares	Par Value	From		To	
		No. of Shares	Amount	No. of Shares	Amount
Common					
Preferred					
<i>(other class/series of shares if any)</i>					
Total					

[This table may be accomplished in a separate sheet attached/annexed to this certification, if necessary.]

III. List of Stockholders

As of the Stockholders' meeting (approving the increase) on _____, the stockholders of record are as follows:

Name and Nationality	Class of Shares	No. of Shares	Amount Subscribed (at par/stated value)	Amount Paid (at par/stated value)
Treasury Shares (if any)				
Total				

[This table may be accomplished in a separate sheet attached/annexed to this certification, if necessary.]

IV. No Intra-Corporate Dispute (with Undertaking)

To the best of our knowledge, as of the date of execution and notarization of this certificate, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or any claim by any person or group against the board of directors/trustees, individual director/trustee and/or major corporate officer/s of the Corporation as its duly elected and/or appointed director/trustee or officer or vice versa.

If any action or proceeding referred to in the previous paragraph is initiated after the date of this certificate's execution and notarization and before the release of the Certificate of Approval of increase in capital stock, we shall notify the Commission's Financial Analysis and Audit Division (FAAD), by providing the softcopy and hardcopy of a duly notarized secretary's certificate, within three (3) calendar days of receiving notice of filing or pendency of an intra-corporate dispute.

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V. Waiver of Preemptive Rights

In connection with the aforesaid increase in authorized capital stock, all non-subscribing stockholders, per corporate records under the custody of the Corporate Secretary, have waived their respective preemptive rights to subscribe to the issuance of shares under Section 38 of the RCC.

VI. Payment via Cash - the amount is received after the date of meeting approving the increase of authorized capital stock *[Please select and fill-up the applicable paragraph/s]*

- ☐ 1. All cash payments are reflected in the Audited Financial Statements (AFS), or Annual Financial Statements (Annual FS)⁸, whichever is applicable, as of the last fiscal year:

The cash received in the amount of [state in words and figures], representing [indicate whether full or partial] payment to the subscription is reflected in the [indicate whether AFS or Annual FS] as of ____, received by the BIR/SEC. Said amount is reflected in the Statement of Financial Position as [indicate the account title used, e.g. Deposit for Future Stock Subscription] and in the Statement of Cash Flows as Cash Flows from Financing Activities – [indicate the account title used, e.g. Deposit for Future Stock Subscription];

- ☐ 2. All cash payments are not reflected in the AFS, or Annual FS, whichever is applicable, as of the last fiscal year:

- ☐ 2.1. Amount paid is more than ₱50,000,000.00:

- ☐ 2.1.1. Special Audit Report:

The cash received, in the amount of [state in words and figures], representing [indicate whether full or partial] payment to the subscription, is validated by the Special Audit Report rendered by an Independent Certified Public Accountant conducted in accordance with the Guidelines on On Site Verification per SEC Memorandum Circular (MC) 6, Series of 2008, together with the Notarized Management Representation signed under oath by the President/Chief Executive Officer and Treasurer/Chief Finance Officer.

- ☐ 2.1.2. Agreed-upon Procedure Report:

The cash received, in the amount of [state in words and figures], representing [indicate whether full or partial] payment to the

⁸ Certified under oath by the corporation's treasurer or chief financial officer [for corporations with less than Six hundred thousand pesos (₱600,000.00) total assets or total liabilities].

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subscription, is validated by the Agreed-upon Procedure Report rendered by an Independent Certified Public Accountant conducted in accordance with the Guidelines on On Site Verification per SEC Memorandum Circular (MC) 6, Series of 2008, together with the Notarized Management Representation signed under oath by the President/Chief Executive Officer and Treasurer/Chief Finance Officer and covering letter of the external auditor addressed to the Commission.

- ☐ 2.2. Amount paid is ₱50,000,000.00 or less:

The cash received, in the amount of [state in words and figures], as [indicate whether full or partial] payment to the subscription is stated in the notarized Subscription Contract (among the stockholder/s, treasurer and president for the corporation), in accordance with SEC MC No. 11, series of 2016, accompanying the instant application for increase in capital stock.

- ☐ 3. If cash payments are partially reflected in the AFS, or Annual FS, whichever is applicable, as of the last fiscal year:

The cash received in the amount of [state in words and figures], representing [indicate whether full or partial] payment to the subscription is reflected in the [indicate whether AFS or Annual FS] as of _____, received by the BIR/SEC. Said amount is reflected in the Statement of Financial Position as [indicate the account title used, e.g. Deposit for Future Stock Subscription] and in the Statement of Cash Flows as Cash Flows from Financing Activities – [indicate the account title used, e.g. Deposit for Future Stock Subscription].

- ☐ 3.1. The unreflected payment is more than ₱50,000,000.00:

- ☐ 3.1.1. Special Audit Report:

The cash received, in the amount of [state in words and figures], representing [indicate whether full or partial] payment to the subscription, is validated by the Special Audit Report rendered by an Independent Certified Public Accountant conducted in accordance with the Guidelines on On Site Verification per SEC Memorandum Circular (MC) 6, Series of 2008, together with the Notarized Management Representation signed under oath by the President/Chief Executive Officer and Treasurer/Chief Finance Officer.

- ☐ 3.1.2. Agreed-upon Procedures Report:

The cash received, in the amount of [state in words and figures], representing [indicate whether full or partial] payment to the

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subscription, is validated by the Agreed-upon Procedures Report rendered by an Independent Certified Public Accountant conducted in accordance with the Guidelines on On Site Verification per SEC Memorandum Circular (MC) 6, Series of 2008, together with the Notarized Management Representation signed under oath by the President/Chief Executive Officer and Treasurer/Chief Finance Officer and covering letter of the external auditor addressed to the Commission.

☐ 3.2. The unreflected payment is ₱50,000,000.00 or less:

The cash received, in the amount of [state in words and figures], as [indicate whether full or partial] payment to the subscription is stated in the notarized Subscription Contract (among the stockholder/s, treasurer and president for the corporation), in accordance with SEC MC No. 11, series of 2016, accompanying the instant application for increase in capital stock.

VII. Monitoring Clearance

The Corporation's latest due reportorial requirements have been monitored and the Corporation has secured the monitoring clearance with confirmation of payment of penalties, if any, from the Compliance Monitoring Division (CMD) of the Company Registration and Monitoring Department (CRMD).

VIII. Miscellaneous

1. In case of conflict between the information provided in this Certification and those written in other documentary requirements accompanying the instant application for increase of capital stock, the former shall prevail.
2. After the issuance of the checklist of deficiencies, the transaction is deemed terminated and the corporation shall file a new application.
3. Failure to pay the amount of assessed fees prior to the expiration of the Payment Assessment Form (PAF) is deemed abandonment of the instant application, and the corporation shall file a new application for the increase of its authorized capital stock.
4. The following documentary requirements accompanying the instant application for increase of capital stock are in accordance with law, latest version of the SEC's Citizen Charter and rules and regulations:
 - 3.1. Cover Sheet;
 - 3.2. Amended Articles of Incorporation;
 - 3.3. Audited financial statements (AFS);

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- 3.4. Special Audit Report or Agreed-upon Procedures Report per SEC Memorandum Circular No. 6 Series of 2008, if applicable;
 - 3.5. Subscription Contract, if applicable;
 - 3.6. Notarized Certification on payment for, in accordance with the form required by Bangko Sentral ng Pilipinas (BSP), if applicable;
 - 3.7. List of stockholders of record (before and after) as presented and approved by BSP annexed to the Notarized Certification (herein no. 3.6), if applicable;
 - 3.8. Clearance from other departments of the SEC or other government agencies; and
 - 3.9. CRMD Monitoring Clearance.
5. The documentary requirements of the instant application for increase of capital stock, including the annexes to this certification, if any, are authentic and correct.
 6. Due diligence was exercised in verifying that the aforesaid documentary requirements are free from errors and/or misstatements.
 7. We are solely responsible for any errors and misrepresentations in this certificate and other documentary requirements accompanying the instant application for increase of capital stock, and we are liable for any and all disputes, whether arising out of or relating to, or that may arise out of or relate to these documents.
 8. We relieve the SEC from any and all liabilities in the exercise of its ministerial duty in approving this application.
 9. We shall notify the Commission's Financial Analysis and Audit Division (FAAD) of any error in the SEC-issued Certificate of Approval of Increase in Capital Stock and/or the documents presented before the Commission, by providing the softcopy and hardcopy of a duly notarized secretary's certificate, within three (3) working days of receiving the Certificate of Approval of Increase in Capital Stock.
 10. We observed reasonable standards on fair dealing and that this application was filed in good faith and with no intent to defraud or to seek unconscionable advantage.
 11. The Certificate of Approval of Increase in Capital Stock and Certificate of Filing of Amended Articles of Incorporation shall be revoked and the filing fees paid shall be forfeited, in accordance with law, rules and regulations, if the Commission finds that the issuance of stocks for a consideration less than its par or issued value or the issuance of stocks for the consideration other than cash, valued in excess of its fair value, when post audit procedures are conducted. The directors shall likewise be held liable in accordance with Section 64 of the RCC.
 12. If, after approval of the instant application and issuance of the corresponding certificates, the Commission finds that this Certification does not conform to the format prescribed by the Commission, the Certificate of Approval of Increase in Capital Stock and Certificate



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of Filing of Amended Articles of Incorporation shall be revoked and the filing fees paid shall be forfeited, in accordance with law, rules and regulations.

IN WITNESS WHEREOF, we have hereunto set our hands this indicate date of execution, which must be within six months prior to date of filing of the instant application, _____ at _____, Philippines.

(Signature above full name)
Corporate Secretary⁹

(Signature above full name)
Treasurer¹⁰

(Signature above full name)
Director¹¹

(Signature above full name)
Director¹²

Counter-signed:

(Signature above full name)
Chairperson of the Stockholders' Meeting

(Signature above full name)
Secretary of the Stockholders' Meeting

(Insert Notarial Certificate – Jurat or Acknowledgment)

⁹ Duly elected corporate secretary as of this Certificate's date of execution.

¹⁰ Duly elected treasurer as of this Certificate's date of execution.

¹¹ If applicable, add other director/s to comply with the requirement regarding the certification and signatures of a majority of the directors under Sections 15 and 37 of the RCC.

¹² *Id.*



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Sample Format Notarial Certificate (Jurat):

SUBSCRIBED AND SWORN to before me this [indicate date of notarization] at [indicate place of notarization], affiants exhibited to me the following pieces of competent evidence of identity: [indicate details thereof].

[Name of Notary Public]
[Serial number of the commission of the Notary Public]
NOTARY PUBLIC – *[Province/City where commissioned]*
[Expiration date of commission]
[Office address of the Notary Public]
[Roll of Attorney's number]
[Professional tax receipt number and place and date of issuance thereof]
[IBP membership number]

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.