NOTICE

TO	**:**	**ALL CONCERNED**
SUBJECT	**:**	**REQUEST FOR COMMENTS ON THE EXPOSURE DRAFT OF THE MEMORANDUM CIRCULAR ON THE REVISED GUIDELINES ON BENEFICIAL OWNERSHIP (BO) DISCLOSURE AND TRANSPARENCY**

The Commission hereby requests comments and/or inputs on the attached draft Memorandum Circular on the Revised Guidelines on Beneficial Ownership (BO) Disclosure and Transparency.

The written comments on the exposure draft must be submitted to the **Anti-Money Laundering Division** of the Enforcement and Investor Protection Department via electronic mail at **eipd-amld@sec.gov.ph. on or before 09 November 2025.**

Please use the attached template when submitting your comments and proposed revisions.

Issued on 10 October 2025 in Makati City, Philippines.

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COMMENTS ON THE DRAFT MEMORANDUM CIRCULAR ON THE REVISED GUIDELINES ON BENEFICIAL OWNERSHIP (BO) DISCLOSURE AND TRANSPARENCY

Name: ____

Company / Organization: ______________________________________

Provision on the Draft Circular	Comments	Proposed Revision

SEC Memorandum Circular No._____
Series of 2025

TO	:	**ALL CONCERNED CORPORATIONS AND REPORTING PERSONS**
SUBJECT	:	**REVISED GUIDELINES ON BENEFICIAL OWNERSHIP DISCLOSURE AND TRANSPARENCY**

WHEREAS, the Commission adheres to Republic Act No. 11032 or "The Anti-Red Tape Act of 2007" which declares the policy of the State to establish effective practices, aimed at efficient turnaround of the delivery of government services and prevention of graft and corruption in the government.

WHEREAS, this Memorandum Circular shall consolidate all the rules and regulations promulgated by this Commission pertaining to the identification, declaration and submission of accurate beneficial ownership information by all corporations registered with the SEC, so that its stakeholders .

WHEREAS, to relieve the public of the burden of filing manually and the cost of its compliance, advance technology and artificial intelligence was utilized in streamlining the filing, collection and storage of the beneficial ownership information.

WHEREAS, to timely provide law enforcement agencies and competent authorities, necessary beneficial ownership information must be available and accessible. This Circular further emphasize to support the conduct of their immediate and diligent investigation and prosecution to enforce the laws of the land, and ensure that their access is uninterrupted and free from delay.

Rule I
GENERAL PROVISIONS

Section 1. *Title*. These Rules shall be known and cited as the ***"Beneficial Ownership Disclosure Rules of 2026"***

Section 2. *Purpose*. These Rules are promulgated to establish a comprehensive regulatory framework for covered entities under the jurisdiction of the Commission to identify accurate beneficial ownership information to the Commission in a timely manner.

Section 3. *Declaration of Policy.* It is hereby the policy of the Commission to:

a. Prevent misuse of corporate vehicles for illicit purposes, combat financial crimes and enhance transparency in public procurement processes through beneficial ownership transparency;

b. Ensure that law enforcement, competent authorities, and other authorized agencies have timely access to adequate, accurate, and up-to-date beneficial ownership information for the fulfillment of their statutory mandates;

c. Implement international standards on beneficial ownership transparency as established by the Financial Action Task Force and other international bodies;

d. Promote corporate governance, protect the integrity of the Philippine Financial System, strengthen the public confidence in the corporate and finance sector and provide appropriate access to beneficial ownership information to the public; and

e. Enhance transparency in public procurement processes and in the use of public funds and resources to prevent corruption, ensure accountability and promote the efficient allocation of public resources.

Section 4. *Scope of Application.* These Rules shall apply to all persons, natural and juridical, under the jurisdiction of the Commission, including but not limited to:

a. All domestic stock and non-stock corporations;

b. Partnerships;

c. Foreign corporations such as:

   i) Regional Operating Headquarters;
   ii) Regional Headquarters of Multinational Companies;
   iii) Representative Offices;
   iv) Branch offices; and
   v) All other foreign corporations licensed to do business in the Philippines

d. One-Person Corporation, whether owned by natural persons, trusts or estates;

e. Incorporators, directors, trustees, officers, and shareholders or members of corporations covered by these Rules;

f. Persons filing applications for incorporation or registration of corporations with the Commission; and

g. All other corporations and legal entities or arrangements subject to the regulation of the Commission pursuant to law, policies or established rules.

Section 5. *Definition of Terms*. For purposes of these Rules, the following terms shall be defined as follows:

a. **Authorized Filer** refers to a person duly designated as such by the reporting entity under relevant SEC rules.

b. **Bearer shares** shall refer to equity securities owned by the person that holds the physical certificate which enables the transfer of ownership of shares of stock by mere delivery of such certificate. It shall likewise refer to instruments that accord ownership in a legal entity to the person who possesses or is the holder of the bearer share certificate.

c. **Bearer share warrants** shall refer to a document that accords entitlement to ownership in a legal person to anyone who possesses the physical bearer share warrant certificate, or any other similar warrants or instruments.

d. **Beneficial Owner** refers to any natural person who ultimately owns or controls or exercises ultimate effective control over a corporation or legal entity.

e. **Beneficial Ownership Registry** refers to the Commission's designated registry for submitting, maintaining, and accessing beneficial ownership information.

f. **Commission** refers to the Securities and Exchange Commission.

g. **Competent Authority** refers to all public authorities with designated responsibilities for combating money laundering and/or terrorist financing including FIUs which have the function of investigating and/or prosecuting money laundering, associated predicate offences and terrorist financing and seizing/freezing and confiscating criminal assets. This includes financial supervisors established as independent non-governmental authorities with statutory powers.

h. **Reporting Entity** refers to any entity described in Section 4 of these Rules that is required to disclose beneficial ownership information.

i. **Data Sharing Agreement** refers to a formal agreement between the Commission and a Law Enforcement Agency, Competent Authority or other government body or agency, or financial institutions or designated non-financial businesses and professions (DNFBPS) considered as covered persons under the IRR of the AMLA which sets forth the terms and conditions for the sharing and use of beneficial ownership information.

j. **Estate** refers to the property, rights, and obligations of a person which are not extinguished by death, considered for purposes of these Rules as a distinct legal entity capable of holding shares in a corporation, including in a One Person Corporation, through its executor or administrator.

k. **General Information Sheet (GIS)** refers to the report required to be submitted by corporations to the Commission containing, among others, basic corporate information and the list of directors, officers, and stockholders or members.

l. **Intermediate Entity** refers to any juridical person or legal arrangement positioned between the reporting corporation and the natural person beneficial owner in a chain of ownership or control.

m. **Legal Owner** refers to a natural or juridical person or entity that holds legal title to shares or membership in a corporation as reflected in corporate records who may or may not be the beneficial owner.

n. **Nominator** shall refer to any person or entity for and on whose behalf another person as incorporator/director/trustee or shareholder.

o. **Nominee** is any natural person who acts for or on behalf of another person as incorporator/director/trustee or shareholder.

p. **One-Person Corporation (OPC)** refers to a corporation with a single stockholder who may be a natural person, trust, or estate, as provided under Title XIII of the Revised Corporation Code.

q. **Reasonable Means of Identification** refers to appropriate measures that a corporation should undertake to identify its beneficial owners, including but not limited to review and updating of corporate records and registers, analysis of shareholder agreements and other contracts, and other reasonable investigative steps based on the specific circumstances of the corporation.

r. **Trust** refers to the fiduciary relationship regarding property which involves the existence of equitable duties imposed upon the holder of the title to the property to deal with it for the benefit of another person, as defined in Article 1440 of the Civil Code.

s. **Politically Exposed Persons (PEP)** refers to an individual who is or has been entrusted with prominent public position with substantial authority over policy, operations or the use or allocation of government-owned resources, a foreign state or an international organization.

Rule II
BENEFICIAL OWNERSHIP IDENTIFICATION AND VERIFICATION

Section 6. *Beneficial Ownership Identification Principles.* Only natural persons shall be recognized as beneficial owners.

6.1. All beneficial owners falling under any of the following categories shall be disclosed and all applicable categories shall be reported. An individual shall be considered a beneficial owner from the time they qualify under any of the following categories below:

1. **Category A (Ownership)** – Natural person(s) owning, directly or indirectly through a chain of ownership, at least twenty percent (20%) of the voting rights, voting shares, or capital of the reporting corporation.

2. **Category B (Contractual Control)** – Natural person(s) who exercise control over the reporting corporation through any contract, understanding, relationship, intermediary, or tiered entity.

3. **Category C (Board Election Power) -** Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.

4. **Category D (Dominant Influence) -** Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.

5. **Category E (Direction of Board) -** Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by a majority of the board members.

6. **Category F (Property Stewardship) -** Natural person(s) acting as stewards of properties of corporations, where such properties are under the care or administration of said natural person(s).

7. **Category G (Nominee Arrangements) -** Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.

8. **Category H (Other Control Mechanisms) -** Natural person(s) ultimately owning or controlling or exercising ultimate effective control through other means not falling under any of the foregoing categories including substantial benefits such as exclusive use of corporate assets, receipt of profits and liquidating dividends, among others.

9. **Category I (Senior Management): -** Natural person(s) exercising control through senior management positions within the reporting corporation. This category is applicable only when no natural person is identifiable under Categories A through H after exhausting reasonable means of identification. If there are multiple persons in the same level of seniority, all such persons shall be identified as beneficial owners.

6.2. This notwithstanding, a notice may be issued by the Commission adjusting the threshold and its application under Category A as may be necessary in line with international standards and practices.

6.3. *Who May Not Be Beneficial Owners.* The following shall not qualify as beneficial owners:

a. Persons acting solely as agents, nominees, trustees, or in similar capacities on behalf of another person who qualifies as a beneficial owner;

b. Persons who hold positions in or exercise control over a corporation solely in their capacity as employees, without any ownership stake and without any ownership stake and without exercising effective control except when the beneficial owner fall under the ambit of category I in the preceding section;

c. Persons authorized to act on behalf of a group of natural persons, such as executors, administrators, or similar legal representatives; and

d. Persons holding shares or exercising control solely in their professional capacity as regulated service providers; provided, that they do not fall under the ambit of category B in the preceding section.

6.4. A corporation may declare as many beneficial owners as they may have which may fall under any of the categories in Section 6.1 of these Rules.

6.5. A single natural person may simultaneously qualify as a beneficial owner under any or all of the categories as defined in Section 6.2 of these Rules.

Section 7. *Special Cases.*

7.1. **One-Person Corporation with Trust or Estate as Single Stockholder**.

A. The following shall be considered as the beneficial owners in an OPC with trusts as their single stockholder:

(i) All beneficiaries with defined beneficial interests in the trust	Category A
(ii) All settlors or grantors who established the trust	Category B / Category E
(iii) Any other natural persons who exercise effective control over the trust	Category B
(iv) All trustees or administrators exercising control over the trust asset.	Category F

B. The following shall be considered as the beneficial owners in an OPC with estates as their single stockholder:

(i) All heirs and legatees with beneficial interests in the estate.	Category A
(ii) Any other natural persons who exercise effective control over the estate.	Category B
(iii) The executor or administrator of the estate	Category F

C. Supporting documentation pertaining to the above declaration by a corporation shall be kept and maintained and made available to the Commission upon request for examination.

7.2. **Partnerships**

It should be understood that all the partners in a partnership shall be deemed as the beneficial owners.

7.3 **Corporation with Tiered Structures**. *Computation for Beneficial Owners of Corporations with Complex Structure.* Where a corporation has a tiered ownership structure involving one or more intermediate entities between the corporation and the ultimate beneficial owners

a. Indirect beneficial ownership can be computed by multiplying ownership percentages at each tier of the corporate structure. (see Annex)

b. This rule shall apply without limit to the number of corporate layers and shall be used to trace ownership through all types of legal entities and arrangements.

c. A natural person shall be identified as a beneficial owner when they exercise effective control at any level of the ownership chain, even if mathematical multiplication of ownership percentages results in less than 20%.

7.3. Cross-Border Ownership Structures. For corporations with ownership structures spanning multiple jurisdictions, the following must be observed:

A) Corporations shall make reasonable efforts to trace ownership through all jurisdictions.

B) The Commission may accept certifications from foreign registries or regulators as supporting evidence.

C) The Commission may enter into information-sharing arrangements with foreign counterparts to request or verify beneficial ownership information.

Section 8. *Duty to Maintain Beneficial Ownership Information as Part of Corporate Records.* Every covered entity shall keep and preserve adequate, timely, and accurate Beneficial Ownership Information as provided by these Rules and shall take reasonable and proactive measures to identify its beneficial owners, and notify them accordingly. This duty is continuing shall form part of the internal record keeping of the covered entity.

For purposes of these rules, the information on Beneficial Ownership is adequate when the Corporation has the complete names, specific residential addresses, dates of birth, nationalities, tax identification numbers, if any, and percentage of ownership, if applicable, of all its Beneficial Owners. It is timely if the beneficial ownership information or any change thereto is promptly reflected on record within three (3) days from the time the information becomes available or is reasonably expected to be available to the Corporation with the exercise of due diligence. Further, it is accurate if the information is correct in all its details.

Section 9. *Duty to Provide Access.* A covered entity shall, upon request by the Commission, provide access to records and documentation supporting beneficial ownership declarations within the period specified in such request.

Section 11. *Record Keeping Requirements*. A reporting entity shall preserve:

a. Beneficial ownership information for at least five (5) years after dissolution or termination of the entity;

b. Records of all changes in beneficial ownership information for at least five (5) years from the date of each change; and

c. Supporting documentation for the same period.

Records shall be maintained in a manner that preserves their integrity and accuracy, allows for prompt retrieval upon request by the Commission and ensures appropriate confidentiality and security.

Rule III
PROHIBITION AGAINST BEARER SHARES AND MANDATORY DISCLOSURE OF NOMINEE ARRANGEMENTS

Section 12. *Prohibition Against the Issuance/Sale/Public Offering of Bearer Shares/Bearer Share Warrants.* No person shall issue, sell or offer for sale or distribution bearer shares and bearer share warrants.

Section 13. *Disclosure and Recording of the Alienation, Sale, or Transfer of Shares*. Except as provided for under any of the rules of the Commission, the alienation, sale or transfer of shares of stock, the date thereof, by whom and to whom made, shall be disclosed and recorded in the Stock and Transfer Book of the issuing corporation within Thirty (30) days from date of such alienation, sale, or transfer, subject to compliance with the requirements for the recording or registration of transfers under applicable regulations. Unless thus disclosed and recorded, the same shall not be binding on the issuer. No transfer or assignment of ownership or rights over shares of stock shall be effective unless the name of the transferee/purchaser/assignee is properly identified and the transaction is recorded in the Stock and Transfer Book or the appropriate registry book of the issuing corporation in accordance with these Guidelines.

Sales or transfers of shares of publicly listed companies through the facilities of the Philippine Stock Exchange are not covered by this Section, without prejudice to the requirement to disclose beneficial ownership information in the Commission's Beneficial Ownership Registry which shall remain applicable to all registered corporations as well as disclosure of beneficial ownership of shares in accordance with pertinent provisions of the 2015 IRR of the SRC.

Section 14. *Mandatory Disclosure of Nominee Arrangements.* – Any nominee incorporator/director/trustee or shareholder must disclose their status as such and the identity of their nominator/s to the Commission. Such disclosure shall include the full names, country of residence, nationality/ies, tax identification number (TIN) or passport number (if without TIN) of the nominator. If the nominator is a corporation, its beneficial owner must be disclosed, if not yet disclosed to the Commission under this rules. If the nominator is a trust, the identities of the trustor/s, trustee/s, and beneficiaries of the trust shall in like manner be disclosed.

Except as otherwise provided under existing laws, rules, and regulations, the incorporators of a corporation shall be disclosed to the Commission, through its online company registration platform, the person or persons on whose behalf the registration of the corporation was applied for. Nominee incorporators or applicants for registration, as well as the nominee directors/trustees and nominee shareholders of the applicant corporation shall in the same manner disclose to the Commission their residence, nationality, and tax identification numbers (TIN), or in the absence of such TIN, the passport numbers of their nominators or principals and the person on whose behalf the corporation was registered. Otherwise, they shall submit to the Commission a declaration that they are not nominee incorporators/nominee applicants/nominee directors/nominee subscribers, if such be the fact, and that they are not acting as such for and on behalf of another person.

Section 15. *Mandatory Disclosure of Nominators/Principals/Persons on Whose Behalf One Act as Director/Trustee/Shareholder of Existing Corporations.* – Except as otherwise provided by law, rules, and regulations, nominee shareholders as well as nominee directors/trustees of registered corporations shall disclose to the Commission, online through a platform provided therefor, their nominators and principals or persons on whose behalf they act as such shareholders/directors/trustees. Such information shall likewise be disclosed to the corporation in which they are or act as nominee shareholders or directors/trustees. The disclosure shall include the full names, country of residence, nationality, and tax identification numbers, or in the absence of such TIN, the passport numbers of their nominators or principals. If the nominator or principal is a corporation, the registered name of the corporation, its country or registration, names of its incorporators and directors, its beneficial owners, its TIN, if any, shall in the same manner be disclosed. If the nominator or principal is a trust, the names, nationality and country of residence, and TIN or passport number of the trustor/s, trustees/s and beneficiary/ies of the trust shall in like manner be disclosed.

Section 16. *Payment of Dividends*. – Except for dividend payments made by publicly listed companies to the PCD Nominee or any similar entity authorized to act as depository and custodian of shares for purposes of trading in the stock exchange and operating under the same rules, no dividends shall be paid to any natural or juridical person who is not the recorded owner in the stock and transfer book of the issuing company for which dividends are being paid.

Section 17. Exemption from Disclosure Requirements – As a general rule, the disclosure requirement prescribed in Section 15 of these guidelines shall not apply to all covered institutions as enumerated under Section 3(a) of the AMLA, as amended, as SEC Memorandum Circular No. 16, Series of 2018 or any amendments thereof. Provided, that the exemption from said disclosure requirement only applies to nominee/trustee arrangements related to products and services offered by Covered Institutions/Persons that are already subject to Customer Identification Requirements and Record Keeping by Supervising Authorities under the AMLA and its applicable Rules and Regulations

SEC Covered Persons having an overall rating of 1 in the Commission's Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Risk Rating System (ARRS) may nonetheless be directed to comply with the disclosure requirements in Section 15 of these Guidelines as part of its close monitoring measures pursuant to SEC Memorandum Circular No. 26, Series of 2020.

Section 18. *Compliance* – The submission to the Commission of the required information under Sections 13, 14 and 15, of this Circular shall be done online in such form and manner as the Commission deems practicable.

Rule IV
INFORMATION AND FILING REQUIREMENTS

Section 19. *Required Information.*

19.1. A covered entity shall disclose the following information for each beneficial owner:

a. Complete name/s (original and transliterated name);

b. Specific residential address;

c. Date of birth;

d. Sex;

e. Nationalities;

f. Mobile number and/or landline;

g. Email address; and

h. Tax identification number or, for foreign individuals without a tax identification number, passport number with issuing country

i. Civil Status;

j. PEP; and

k. Date the individual became a beneficial owner;

19.2. A covered entity shall disclose the following information regarding the beneficial owner's ownership or control:

a. The specific category or categories of beneficial ownership under which the individual qualifies pursuant to Section 6.2;

b. The percentage of ownership or voting rights, where applicable;

c. The specific nature and means of control exercised by the beneficial owner; and

d. The date when beneficial ownership was acquired or established.

Section 20. *Commission's Authority to Request Additional Information.* Pursuant to the power of the Commission under Section 178 of Republic Act 11232, otherwise known as the Revised Corporation Code (RCC), in the exercise of its visitorial powers, and authority to inspect records of corporations, the Commission may require covered entities to produce any documents related to their beneficial ownership declaration as well as the processes on their identification of their beneficial owners. A covered entity shall comply with any request issued by the Commission within the timeframe specified in such request.

Section 21. *Responsible Parties.*

The following persons shall be primarily responsible for ensuring accurate and timely disclosure of beneficial ownership information:

a. For domestic stock and non-stock corporations, the Corporate Secretary or any duly authorized representative;

b. For foreign corporations licensed to do business in the Philippines, the Resident Agent;

c. For one-person corporations: (1) The single stockholder, if a natural person; (2) The trustee, if the single stockholder is a trust; or (3) The administrator or executor, if the single stockholder is an estate;

d. For other entities under the Commission's jurisdiction, their designated legal representatives.

Section 22. Filing Timeline.

22.1. Initial Disclosure

a. For newly registered entities, Beneficial ownership information shall be submitted at the time of incorporation or registration. No certificate of incorporation or license to do business shall be issued until such information is provided.

b. For existing entities, Beneficial ownership information shall be provided with the next General Information Sheet following the effectivity of these Rules.

22.2. Change in Beneficial Ownership. – Any change in beneficial ownership shall be reported within seven (7) calendar days.

Section 23. Beneficial Ownership Registry Submission.

23.1. All beneficial ownership information shall be submitted through the Commission's designated beneficial ownership registry.

23.2. The Commission may authorize physical submission or alternative filing methods of beneficial ownership information, in exceptional circumstances, through official correspondence or advisory.

Rule IV
AUTHORITY OF THE COMMISSION

Section 24. *Authority to Verify.*

24.1. The Commission thru its Enforcement and Investor Protection Department-Anti-Money Laundering Division (EIPD-AMLD), shall have the authority to verify the accuracy, completeness, and timeliness of beneficial ownership information submitted by covered entities.

24.2. The Commission may:

a) Examine the consistency of beneficial ownership information with other corporate records;

b) Require additional documentation to substantiate beneficial ownership claims;

c) Conduct targeted reviews based on risk assessment;

d) Perform audits to assess compliance with these Rules; and

e) Request additional information from other jurisdictions to verify submissions or supporting documents.

f) Pursuant to the provisions of 73 of the RCC and the 53 of the SRC, to enlist the aid of government agencies and the private sector in the verification of beneficial ownership information and issue such orders and directives necessary in pursuit thereof.

Section 25. Access to Beneficial Ownership Information.

25.1 The Commission, while adhering to applicable provisions of the Data Privacy Act and its Implementing Rules and Regulations, shall endeavour to provide timely access to beneficial ownership information to the following:

a) Authorized personnel within the Commission; and

b) Law enforcement agencies, competent authorities, and other government agencies or bodies.

This may involve allowing direct access through the use of APIs (Application Programming Interface).

25.2 Pursuant to its policy aims under Section 3 of these Rules, the Commission may also grant access to the following:

a) "Covered persons" as defined under the Anti-Money Laundering Act;

b) Media organizations whose members and/or employees may held accountable for any wrongdoing, adhering to a journalistic code of conduct or code of ethics; and

c) General public, to the extent allowed by law.

25.3 In line with the existing Data Privacy laws and its implementing rules and regulations, the Commission shall issue appropriate guidelines to ensure that:

a) The access regime is balanced and proportionate; and

b) The information will only be used for lawful purposes.

Whenever allowed by law, such guidelines may provide for exemptions, in exceptional circumstances, where such information would expose the beneficial owner to disproportional risks.

Rule V
PENALTIES AND ENFORCEMENT

SECTION 26. *Penalties.*

I. **Failure to Disclose**. If after due notice and hearing, the Commission finds that the reporting corporation has committed a violation of these Guidelines by failing to disclose, without any lawful cause,, its beneficial ownership in accordance to the provisions thereof, the reporting corporation shall be penalized based on retained earnings (whether appropriated or unappropriated) or fund balance, as follows:

For Stock Corporation with retained earnings of less than Php500,000.00:

1st Violation	Php50,000.00
2nd Violation	Php100,000.00
3rd Violation	Php250,000.00
4th Violation	Php 500,000.00

For Non-Stock Corporations with fund balance of less than Php500,000.00:

1st Violation	Php25,000.00
2nd Violation	Php50,000.00
3rd Violation	Php100,000.00
4th Violation	Php 250,000.00

For Stock Corporations with retained earnings or Non-Stock Corporations with fund balance of Php500,000.00 or more but less than Php5,000,000.00, the penalties shall be twice the amount of the penalties imposed for those with retained earnings or fund balance of less than Php500,000.00.

For Stock Corporations with retained earnings or Non-Stock Corporations with fund balance of Php 5,000,000.00 or more but less than Php10,000,000.00, the penalties shall be thrice the amount imposed for those with retained earnings or fund balance of less than Php500,000.00

The reporting corporation shall also be imposed an additional fine of Php1,000.00 for each day of delay in the submission of beneficial ownership information as a continuing violation, but the additional fine for the continuing violation shall in no case exceed Php2,000,000.00.

I-A. **False Declaration.** The Commission, upon its finding motu proprio or upon referral by a competent authority that a corporation submitted false beneficial ownership information, shall send a Notice and Order to the reporting corporation stating that:

1. The fact of false disclosure of beneficial ownership information; and
2. Giving the corporation fifteen (15) calendar days to comply and submit complete and accurate beneficial ownership information and a written explanation for the false disclosure.

If after fifteen (15) days from receipt by the Corporation of the Notice and Order from the Commission has lapsed without compliance with the abovementioned, or after a finding by the Commission through its Resolution that the corporation indeed submitted false Beneficial Ownership Information, the reporting corporation shall be penalized with a fine of up to Two Million Pesos (Php2,000,000.00), and shall subsequently be dissolved.

II. **Liability of Directors/Trustees and Officers of the Corporation**. If the Commission, after due notice and hearing, finds that the directors/trustees and/or officers of the reporting corporation, without any lawful cause, failed to exercise the due diligence required in ensuring compliance with the requirement to disclose beneficial ownership information in accordance with Section 8 hereof resulting in no beneficial owner(s) as defined herein being timely disclosed in the beneficial ownership registry or in the non-submission of the beneficial ownership information within the prescribed period, the following penalties shall be imposed upon such directors, trustees and/or officers:

1st Violation	Php50,000.00
2nd Violation	Php100,000.00
3rd Violation	Php500,000.00
4th Violation	Php 1,000,000.00

Provided, that if the violation pertains to False Declaration under Section 11 (1-A) of this Circular, the directors, trustees, and officers, found responsible in the commission thereof or in the non-compliance of the related Notice and Order issued therefor shall after due notice and hearing, each be penalized with a fine of up to One Million Pesos and shall be disqualified to be directors, trustees, and officers of any corporations for a period of five (5) years.

The absence of written procedures and policies for obtaining, updating and recording beneficial ownership information and for the timely disclosure thereof to the Commission, as provided in Section 8 hereof, or the lack of Board or Senior Management Oversight to ensure compliance with such policies and procedures, shall be prima facie proof of failure to exercise the due diligence required. Every submission of the GIS without the required beneficial ownership information or every instance of non-submission or late submission of the GIS, arising from the failure to exercise the due diligence required, shall be considered as prima facie violation of the duty to exercise the due diligence required by said directors/trustees and/or officers.

III. **Other imposable penalties**. If, after due notice and hearing, the Commission finds that there is a willful violation of this Circular or related orders of the Commission, or that any person has refused to permit any lawful examination into its affairs, the Commission may, in its discretion, and subject to existing laws and regulations, impose the penalty of suspension or revocation of the certificate of incorporation of the reporting corporation along with other penalties that is within the power of the Commission to impose.

In imposing the foregoing penalties, the Commission shall be guided by the principles of effectiveness, dissuasiveness and proportionality.

The foregoing penalties are without prejudice to the imposition of other applicable penalties as provided under the Revised Corporation Code of the Philippines, the Securities regulation Code, and other rules and regulations of the Commission.

Section 27. Administrative Due Process.

27.1. Imposition of penalties shall be subject to administrative due process.

27.2. The Commission shall:

a) Issue a Notice of Violation specifying the provision allegedly violated;

b) Inform the covered entity of its right to file a explanation;

c) Provide the covered entity fifteen (15) calendar days from receipt to respond to the Notice of Violation;

d) Evaluate all evidence and explanations before rendering a decision; and

e) State the factual and legal bases for any order imposing penalties.

Notices may be issued by the Commission through electronic means, through the SEC portals under SEC Memorandum Circular No. 28.

Section 28. Enforcement Measures.

28.1. Compliance Orders

The Commission may issue Compliance Orders requiring:

(a) Immediate correction of deficiencies in beneficial ownership disclosure;

(b) Implementation of specific remedial measures; and

(c) Enhanced compliance monitoring.

28.2. Settlement of Violations

(a) The Commission may allow settlement of violations of these Rules under terms and conditions that ensure future compliance.

(b) Settlement shall not be available for:

(1) Repeated violations; or after the fourth violation;

(2) Deliberate submission of false information.

28.3. Publication of Non-Compliant Entities

The Commission may publish a list of entities that fail to comply with beneficial ownership disclosure requirements after the completion of due process procedures.

28.4. Whistleblower Referrals

28.4.1. The Commission recognizes the importance of whistleblowers in identifying non-compliance with beneficial ownership disclosure requirements. Such whistleblowers shall be compensated in the manner as may be determined by the Commission.

28.4.2. Persons with knowledge of violations of these Rules may report such violations to the Commission

28.4.3. Information received from whistleblowers shall be evaluated and, where appropriate, used to initiate investigations into potential violations of these Rules.

28.4.4. Protections afforded to whistleblowers under the Commission's Whistleblower Policy shall apply to persons reporting violations of these Rules.

Section 29. *Compliance and Enforcement.* The Commission, through the EIPD-AMLD, shall enforce and monitor compliance with this Circular in coordination with the other Departments of the Commission.

Rule VI
FINAL PROVISIONS

Section 30. Clarificatory Notices. Any clarification with regard to the implementation of this memorandum circular shall be communicated to the public through notices issued by the commission

Section 31. Repealing Clause.

The following issuances are hereby amended or repealed:

a) SEC Memorandum Circular No. 15, series of 2019, as amended by SEC Memorandum Circular No. 10, series of 2022;

b) SEC Memorandum Circular No. 30, series of 2020; and

c) MC 10, s. of 2022

All rules, regulations, orders, circulars, and issuances of the Commission that are inconsistent with this MC, unless otherwise herein indicated are hereby amended and/or repealed accordingly.

Section 29. Transitory Provisions.

29.1. Existing Beneficial Ownership Disclosures

a) Beneficial ownership information previously disclosed to the Commission pursuant to repealed or amended issuances shall remain valid until the covered entity's next submission under these Rules.

b) All covered entities shall ensure that their next beneficial ownership disclosure complies fully with these Rules, regardless of previous submissions.

29.2. Implementation Timeline

a) These Rules shall take effect as provided in Section 25.

b) The Commission shall issue guidelines, templates, and technical specifications to facilitate compliance with these Rules.

c) Notwithstanding the issuance of such guidelines, covered entities shall be bound by the requirements of these Rules from their effectivity date.

Section 30. Separability Clause.

If any provision of these Rules, or the application thereof to any person or circumstance, is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

If any provision of these Rules, or the application thereof to any person or circumstance, is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 31. Effectivity.

These Rules shall take effect fifteen (15) days after publication in two (2) newspapers of general circulation in the Philippines.

Adopted, 1 January 2025.