

Philippine Stock Exchange index (PSEi)

5,973.78

▲ 11.79 PTS.

▲ 0.19%

TUESDAY, OCTOBER 31, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P605.50 +P2.50 +0.41%	ACEN ACEN Corp. P5.30 +P0.05 +0.95%	AEV Aboitiz Equity Ventures, Inc. P45.80 -P0.60 -1.29%	AGI Alliance Global Group, Inc. P10.60 +P0.46 +4.54%	ALI Ayala Land, Inc. P27.85 +P1.05 +3.92%	BDO BDO Unibank, Inc. P127.50 -P1.00 -0.78%	BLOOM Bloomerry Resorts Corp. P9.11 +P0.01 +0.11%	BPI Bank of the Philippine Islands P100.50 +P1.60 +1.62%	CNPF Century Pacific Food, Inc. P28.00 -P0.20 -0.71%	CNVRG Converge ICT Solutions, Inc. P8.37 -P0.01 -0.12%
DMC DMCI Holdings, Inc. P9.17 -P0.28 -2.96%	EMI Emperador, Inc. P20.80 ---	GLO Globe Telecom, Inc. P1,760.00 -P9.00 -0.51%	GTCAP GT Capital Holdings, Inc. P549.00 -P3.00 -0.54%	ICT International Container Terminal Services, Inc. P201.20 +P1.70 +0.85%	JFC Jollibee Foods Corp. P205.00 -P4.20 -2.01%	JGS JG Summit Holdings, Inc. P36.75 +P0.85 +2.37%	LTG LT Group, Inc. P8.85 +P0.35 +4.12%	MBT Metropolitan Bank & Trust Co. P52.30 +P0.30 +0.58%	MER Manila Electric Co. P355.00 +P2.80 +0.8%
MONDE Monde Nissin Corp. P8.20 -P0.31 -3.64%	NIKL Nickel Asia Corp. P5.45 +P0.10 +1.87%	PGOLD Puregold Price Club, Inc. P27.10 +P0.20 +0.74%	SCC Semirara Mining and Power Corp. P29.00 -P1.05 -3.49%	SM SM Investments Corp. P801.00 -P4.50 -0.56%	SMC San Miguel Corp. P105.10 +P1.70 +1.64%	SMPH SM Prime Holdings, Inc. P30.00 ---	TEL PLDT Inc. P1,210.00 -P17.00 -1.39%	URC Universal Robina Corp. P109.30 -P0.70 -0.64%	WLCON Wilcon Depot, Inc. P19.80 ---

SEC sets 5-yr deadline for new corporations to start

THE SECURITIES and Exchange Commission (SEC) said that corporations must officially start their business operations within five years of formation, or their incorporation certificate will be revoked.

The SEC released Memorandum Circular (MC) No. 19 on Oct. 26, providing rules for declaring companies delinquent and canceling their registration under sections 21 and 177 of the Revised Corporation Code.

"The guidelines cover corporations which have failed to formally organize and commence their business within five years from the date of their incorporation," the commission said in a statement.

At the same time, the rules apply to "those [corporations] which

have commenced operations but became inoperative for at least five consecutive years, and to corporations which have failed to file their reportorial requirements three times, consecutively or intermittently, within any five-year period," the SEC added.

Under the MC, the SEC said that it will tag a corporation with a "revoked status" the day after the end of the five-year period, and will then issue an order of revocation to the corporation.

Corporations with revoked status may file a petition to lift the order of revocation at any time, the commission noted. Once approved, the SEC will issue an order lifting the delinquent or revoked status of the corporation.

"Petitions of corporations with pending intra-corporate dispute between two or more groups claiming ownership or right over the same, shall only be accepted upon the finality of a court decision resolving the intra-corporate controversy," the SEC said.

The SEC will also issue a show-cause order to corporations that have been continuously inoperative for five years, requiring them to explain why they should not be declared delinquent.

A corporation will be declared delinquent if it fails to justify its continuous inoperation, the commission said. This means the SEC will no longer process transactions such as the corporation's applications for amendment of its articles of incorporation,

amendment of its license, conversion to a one-person corporation, among others.

"A corporation with delinquent status due to continuous inoperation shall have two years from receipt of order of delinquency to resume operations, through the submission of proof of its operations, such as income tax returns, mayor's or business permits, contracts, and receipts for payment of real estate tax, as well as other similar documents," the SEC said.

Corporations, the commission also said, will be placed under delinquent status for failure to file their financial statements and general information sheet for three times, consecutively or intermittently within a period of five years.

— **Revin Mikhael D. Ochave**



FREPIK

How should the Philippine economy sustain growth momentum while bracing from emerging risks?

FIND OUT THE ANSWER AND MORE AT



BusinessWorld

FORECAST 2024

PH RISING: KEEPING THE MOMENTUM

NOVEMBER 22, 2023 • WEDNESDAY • 9AM-6PM • GRAND HYATT MANILA

ENJOY EARLY BIRD RATES!

Register now & get 30% discount.

Visit <https://businessworldforecast.helixpay.ph> for more details.

Scan this code



to register.