



Circular Letter (CL) No.	2023-01
Date:	10 January 2023
Amends:	CL No. 2017-40
Supplements:	CL No. 2014-15

CIRCULAR LETTER

TO : ALL INSURANCE AND PRE-NEED COMPANIES AUTHORIZED TO TRANSACT BUSINESS IN THE PHILIPPINES

SUBJECT : CAP ON PENALTY FOR LATE SUBMISSION OF AUDITED ANNUAL REPORTS FOR THE COMPILATION OF THE OTHER FINANCIAL CORPORATION SURVEY

WHEREAS, in line with the objective of the International Monetary Fund (IMF) and Bangko Sentral ng Pilipinas (BSP) to expand the financial sector database, the Insurance Commission (IC) issued Circular Letter (CL) No. 2017-40 dated 11 August 2017 mandating all insurance and pre-need companies authorized to transact business in the Philippines to submit (a) unaudited quarterly reports and (b) audited annual report for the compilation of the Other Financial Corporations Survey (OFCS);

WHEREAS, OFCS is a tool to provide a comprehensive measure of the claims (assets) and funding sources (liabilities) of non-bank financial institutions or the Other Financial Corporations (OFS) sub-sector;

WHEREAS, CL No. 2017-40 provides that delayed submission of the OFCS reports shall be subject to a penalty of Five Thousand Pesos (Php 5,000.00) for each day of delay;

WHEREAS, the IC issued CL No. 2019-07 dated 18 March 2019 entitled “Guidelines and Grounds for the Reduction of Penalties due to Delays in the Submission of Reportorial Requirements” which provides for a thirty percent (30%) reduction of penalty based on the grounds and procedure provided therein;

WHEREAS, CL No. 2021-70 dated 10 December 2021 was issued to further allow reduction of penalties up to fifty percent (50%);

WHEREAS, the preparation and consolidation of OFCS-Audited Annual Report in CL 2017-40 involve several factors that may not be within the control of the entities concerned;