

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Nov 14, 2024

2. SEC Identification Number

35841

3. BIR Tax Identification No.

000-158-664-000

4. Exact name of issuer as specified in its charter

FILSYN CORPORATION

5. Province, country or other jurisdiction of incorporation

Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

Unit 8 5b/F Pearlbank Centre, 146 Valero st. Brgy. Bel-Air

Postal Code

1227

8. Issuer's telephone number, including area code

8652-5167

9. Former name or former address, if changed since last report

N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
CLASS A COMMON	123,747,707
CLASS B COMMON	49,071,976
PREFERRED	33,426,498

11. Indicate the item numbers reported herein

9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Filsyn Corporation FYN

PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Final Assessment Notice from Bureau of Internal Revenue ("BIR")

Background/Description of the Disclosure

On 26 September 2024, Management of Filsyn Corporation ("Corporation") notified its Board of Directors that it had received from the BIR a Final Assessment Notice / Formal Letter of Demand (FAN/FLD) dated 17 September 2024 for calendar year 2022 on 25 September 2024.

The BIR assessed deficiency taxes, interests, surcharges, and penalties ("Tax Deficiencies") against the Corporation in the total amount of PhP 280,437,440.06, broken down as follows:

1. Final Withholding Tax (FWT) – PhP 178,404,709.37
2. Final Withholding Value Added Tax (FWVAT) – PhP 86,039,553.64
3. Documentary Stamp Tax (DST) – PhP 15,859,177.05
4. Compromise Penalties – PhP 134,000.00

As background, to wipe out the Corporation's deficit, the Corporation restructured its capital accounts and converted its liabilities into equity (Equity Restructuring). Particularly, the Corporation increased its authorized capital stock from PhP 120,000,000.00 to PhP 647,306,477.72. Pursuant to the increase in the Corporation's authorized capital stock, Malaysia Garment Manufacturers (Pte) Ltd (MG) subscribed to 33,426,498 preferred shares of stock in exchange for the conversion of the Corporation's outstanding loan (principal and interest) amounting to PhP 1,419,325,800.00 (Subject Loan) to equity as payment for the subscription, with the excess recorded as Additional Paid in Capital (APIC) to wipe out the Corporation's accumulated deficit (Debt-to-Equity Conversion).

The BIR alleges that the Deed of Assignment for the Debt-to-Equity Conversion resulted in a constructive receipt of income on the part of MG, which should be subject to final withholding tax.

The Corporation is of the position that the Equity Restructuring and Deed of Assignment are separate events, and both are not subject to income tax, VAT, and DST.

The Corporation, through its legal counsel, is taking the appropriate legal steps to assail the assessment on the grounds of lack of factual and legal basis. The Corporation will file a Protest against the FAN/FLD before the 25 October 2024 deadline.

Other Relevant Information

This amendment is to provide additional information related to the disclosure:

The Corporation's legal counsel, Quisumbing Torres (a member firm of Baker McKenzie) ("QT"), filed the Corporation's Protest with Request for Reconsideration and/or Reinvestigation with the Bureau of Internal Revenue ("BIR") Revenue Region 8A on 28 October 2024 ("Protest").

In its Protest, the Corporation argues that the assignment of the Subject Loan in exchange for shares is part of the Debt to Equity Conversion - a capital transaction outside the ordinary course of business that does not result in taxable income, VAT, or DST for Filsyn or MG.

On the same date that QT filed the Corporation's Protest, SyCip Gorres & Velayo ("SGV"), Corporation's tax advisor, also submitted a letter to the BIR to signify its alignment and conformity to the factual and legal arguments of the Protest filed by the Corporation through QT.

The Protest also included the Corporation's request for reinvestigation and to submit additional documents in support of the reinvestigation of the findings of the BIR.

On 11 November 2024, the Corporation received the BIR's letter granting the Corporation's request for reinvestigation. The reinvestigation will require the BIR to reassess its initial findings on the Corporation's Tax Deficiencies and re-examine the strong legal position of QT and SGV on the matter.

The Corporation has 60 days from the date of filing of its Protest, or until 27 December 2024, within which to submit additional documents in support of the reinvestigation.

The Corporation, together with its legal counsel, QT, and its tax advisor, SGV, will work closely to submit documents in support of the BIR's reinvestigation before the aforesaid deadline.

Filed on behalf by:

Name	Apolinario Posio
Designation	Chief Financial Officer

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OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. 14 November 2024
Date of Report (Date of earliest event reported)
2. SEC Identification Number: 35841 3. BIR Tax Identification No. 158-664-300
4. FILSYN CORPORATION
Exact name of issuer as specified in its charter
5. Philippines 6. (SEC Use Only)
Province, country or other jurisdiction Industry Classification Code:
of incorporation
7. Unit 8, 5B The Pearlbank Centre, 146 Valero St. Salcedo Village, Makati City
Address of principal office Postal Code 1227
8. (+632) 8652-5167
Issuer's telephone number, including area code
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Please see attached disclosure made to the Philippine Stock Exchange, Inc. in respect of the filing of the Protest of the Corporation against the Final Assessment Notice issued by the Bureau of Internal Revenue (“**BIR**”) and the BIR's letter granting the Corporation's request for reinvestigation which was received by the Corporation on 11 November 2024.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FILSYN CORPORATION

Registrant

Date: 14 November 2024.


Giovanni C. Laya
Compliance Officer

Filsyn Corporation –
PSE Form 4-30
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