



NOTICE

TO : ALL INTERESTED PARTIES

SUBJECT : REQUEST FOR COMMENTS ON THE PROPOSED
AMENDMENTS TO THE GUIDELINES AND PROCEDURES
ON THE USE OF CORPORATE AND PARTNERSHIP NAMES

Pursuant to Section 179 of Republic Act No. 11232, otherwise known as the Revised Corporation Code, the Securities and Exchange Commission intends to issue Amended Guidelines and Procedures on the Use of Corporate and Partnership Names.

Hence, the Commission is inviting all interested parties, market participants and the investing public to submit their views, comments and inputs to the proposed amendments.

Commenters may submit, not later than **29 March 2019**, their views, comments and inputs electronically to **Assistant Director Sampaguita R. Ladrado**, through email address : **srladrado@sec.gov.ph**

The draft SEC Memorandum Circular is attached for reference.

The proposed amendments are highlighted.

March 15, 2019.



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SEC MEMORANDUM CIRCULAR NO. _____
Series of 2019

TO : All Concerned

**SUBJECT : AMENDED GUIDELINES AND PROCEDURES ON THE USE
OF CORPORATE AND PARTNERSHIP NAMES**

To keep abreast with developments in business and information technology in the country, the Commission is adopting the following guidelines and procedures in the registration of corporate and partnership names:

1. a) The corporate name shall contain the word "Corporation" or "Incorporated," or the abbreviations "Corp." or "Inc." respectively;

b) A One Person Corporation shall indicate the letters "OPC" either below or at the end of its corporate name; and

The OPC bearing the name of the single incorporator/director shall be allowed provided the name contains descriptive word indicating the nature of business.

c) The partnership name shall bear the word "Company" or "Co." and if it is a limited partnership, the word "Limited" or "Ltd.". A professional partnership name may bear the word "Company," "Associates," or "Partners," or other similar descriptions;

d) The corporate name of a foundation shall use the word "Foundation."

e) The corporate name of all non-stock, non-profit corporations, including non-governmental organizations and foundations, engaging in microfinance activities shall use the word "Microfinance" or "Microfinancing"; provided that said corporations shall state in the purpose clause of their Articles of Incorporation that they shall conduct microfinance operations pursuant to Republic Act No. 8425 or the Social Reform and Poverty Alleviation Act.

2. A term that describes the business of a corporation in its name should refer to its primary purpose. If there are two such terms, the first should refer to the primary purpose and the second to the secondary purpose.

3. ***a) No corporate name shall be allowed by the Commission if it is not distinguishable from that already reserved or registered for the use of another corporation, or if such name is already protected by law, or when its use is contrary to existing law, rules and regulations;***

A name is not distinguishable even if it contains one or more of the following:



- a) *The word “corporation”, “company”, “incorporated”, “limited”, “limited liability”, or an abbreviation of one of such words; and*
- b) *Punctuations, articles, conjunctions, contractions, prepositions, abbreviations, different tenses, spacing or number of the same word or phrase.*

b) The name shall not be identical, misleading or confusingly similar to a corporate or partnership name registered with the Commission, or with the Department of Trade and Industry, in the case of sole proprietorships;

c) If the name applied for is similar to that of a registered corporation or partnership, the applicant shall add one or more distinctive words to the proposed name to remove the similarity or differentiate it from the registered name;

However, the addition of one or more distinctive words shall not be allowed if the registered name is coined or unique unless the board of directors or majority of the partners of the subject corporation or partnership gives its consent to the applied name.

d) Punctuation marks, spaces, signs, symbols, and other similar characters, regardless of their form or arrangement, shall not be acceptable as distinguishing words for purposes of differentiating a proposed name from a registered name.

e) A name that consist solely of special symbols, punctuation marks or specially designed characters shall not be registered.

4. Business or trade name which is different from the corporate or partnership name shall be indicated in the articles of incorporation or partnership. A company may have more than one business or trade name.

5. A trade name or trademark registered with the Intellectual Property Office may be used as part of the corporate or partnership name of a party other than its owner if the latter gives its consent to such use.

6. a) The full name or surname of a person may be used in a corporate or partnership name if he or she is a stockholder, member or partner of the said entity and has consented to such use; if the person is already deceased, the consent shall be given by his or her estate;

b) The Commission may require a registrant to explain to its satisfaction the reason for the use of a person’s name;

c) The meaning of initials used in a name shall be stated by the registrant in the Articles of Incorporation, Articles of Partnership or in a separate document signed by an incorporator, director or partner, as the case may be.

7. The name of an internationally known foreign corporation, or something similar to it, cannot be used by a domestic corporation unless it is its subsidiary and the parent corporation has consented to such use;



However, a name written in a foreign language, even if registered in another country, shall not be registered if the name violates good morals, public order or public policy, or has an offensive or indecorous meaning in any of the country's official languages or major dialects.

8. The name of a local geographical unit, site or location cannot be used as corporate or partnership name unless it is accompanied by a descriptive word or phrase. e.g. Pasay Food Store, Inc.
9. Pursuant to existing laws, the following words and phrases can be used as corporate or partnership name in the manner enumerated below:
 - a) "Finance Company," "Financing Company," "Finance and Leasing Company," and "Leasing Company," "Investment Company," "Investment House"— by entities engaged in the financing or investment house business. (R.A. 8556 and Pres. Decree 129);
 - b) "Lending Company" and "Lending Investor"— by lending companies (R.A. 9474), or "Pawnshop" – by entities authorized to operate pawnshops (P.D. 114);
 - c) "Bank," "Banking," "Banker," "Savings and Loan Association," (R.A. 8367) "Trust Corporation," "Trust Company" or words of similar meaning – by entities engaged in the banking or trust business (R.A. 8791);
 - d) "United Nations," "UN," in full or abbreviated form – exclusively by the United Nations and its attached agencies (R.A. 226);

The names of other extra territorial bodies and organizations or international governmental organization, such as "International Criminal Police Organization" (INTERPOL), "International Monetary Fund" (IMF), and "International Labour Organization" (ILO), may not be used as part of a corporate or partnership name unless when duly authorized or allowed by the governing body.

ASEAN (protected under Article 6 of the Paris Convention for the Protection of Industrial Property, adopted in 1883 and revised in Stockholm in 1967)

- e) Bonded" – by entities with licensed warehouses (R.A. 247), and;
 - f) "SPV-AMC" – by corporations authorized to act as special purpose vehicle (R.A. 9182).
10. The practice of a profession regulated by a special law which, among others, provides for the permissible use of the profession's name in a firm, partnership or association shall govern the use of the name, e.g. "Engineer" or "Engineering" (R.A. 1582), "Architect" (R.A. 9266), or "Geodetic Engineer" (R.A. 8560).

Notwithstanding the limitations mentioned above, any association registered by entities engaged in the listed activities may use the profession's name, e.g. Association of Engineers of the Philippines, Inc.

11. Unless otherwise authorized by the Commission, the words and phrases enumerated below can be used only by the entities mentioned:



- a) "Investment(s)" or "Capital" – by entities organized as investment house or investment company;
- b) "Capital" – by entities organized as investment house, investment company or holding company;
- c) "Asset/Investment/Fund/Financial Management," or "Asset/Investment/Fund/Financial Adviser," or any similar words or phrases – by entities organized as investment company adviser or holders of investment management activities (IMA) license from the Bangko Sentral ng Pilipinas;
- d) "National," "Bureau," "Commission," "State," and other words, acronyms, abbreviations that have gained wide acceptance in the Philippines – by entities that perform governmental functions;
- e) "Association" and "Organization" or similar words which pertain to non-stock corporations – by entities primarily engaged in non-profit activities, and;
- f) "Stock Exchange/Futures Exchange/Derivatives Exchange," "Stock Broker/Securities Broker/Derivatives Broker," "Commodity/Financial Futures Merchant/Broker," "Securities Clearing Agency/Stock Clearing Agency," "Plans" or any similar words or phrases – by entities organized as an exchange, broker dealer, commodity futures broker, clearing agency, or pre-need company under the Securities Regulation Code (R.A. 8799).

12. Pursuant to Republic Act 10530, or "*The Act Defining The Use and Protection Of The Red Cross, Red Crescent and Red Crystal Emblems*", the use of the words "red cross", "red crescent", or "red crystal" or their translation in any official language and dialect cannot be used or registered as part of a corporate or partnership name, unless with the consent of the Philippine Red Cross.

13. The enumeration in paragraphs 10, 11 and 12 are not exclusive and may increase or decrease depending on future legislative issuances or administrative orders of the appropriate or duly authorized government offices.

14. Notwithstanding the foregoing, the Commission shall, for the protection of the public interest and other justifiable causes, disallow the use of names that, in its judgement, are misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy.

15. *The name of a corporation or partnership whose registration had been dissolved or revoked shall not be used by another corporation or partnership within three (3) years from the date of issuance of certificate of dissolution or from the date of finality of the revocation order unless its use has been allowed at the time of the dissolution or revocation by the stockholders, members or partners who represent a majority of the outstanding capital stock or membership, as the case may be.*

No application for re-registration of the dissolved or revoked corporation, shall be processed by the Commission unless the application is accompanied by the following documents:



- i. Board Resolution, executed and signed under oath by the previous/hold-over board of directors/trustees of the dissolved/revoked corporation, attesting that:***
 - a) the applicant for re-registration is a new corporation intending to use the name of the dissolved/revoked corporation (specially identifying the corporate name and registration number);***
 - b) that the use of name for re-registration is approved by the majority vote outstanding capital stock or general membership or partners;***
 - c) that it includes a statement in the articles of incorporation that the new corporation is using the name of the dissolved/revoked corporation;***
 - d) that the dissolved/revoked corporation has no pending intra-corporate controversy pending before the Court or any tribunal;***
 - e) that it will undergo or undergoing liquidation process; and***
 - f) that no property real or personal/tangible and intangible of the dissolved/revoked corporation shall be transferred to the re-incorporated entity.***

Upon approval of the re-registration, the certificate of registration to be issued to the new corporation shall indicate its new SEC registration number and pre-generated Tax Identification Number (TIN) as confirmation that the same is a separate and distinct entity from the dissolved/revoked corporation.

16. Former corporate name which was the subject of amendment shall not within a period of five (5) years from the approval of amendment be use unless with written consent from the previous user/owner (through Director's Certificate, Secretary Certificate or Partnership Resolution, as the case may be)

17. Names of absorbed corporation may not be used unless the consent of the surviving constituent corporation is obtained in the form of Directors Certificate or Secretary Certificate.

- 18. a) The reservation or notice of availability of a name shall not constitute an approval of the use of such name or an application for a change of name;***
- b) No erasures, changes, modifications or alterations on a name reservation form shall be allowed, and;***
- c) Appeals from or opposition to the approval of corporate and partnership names of new companies, or complaints against proposed new names of existing companies or partnerships, shall be resolved by the Company Registration and Monitoring Department (CRMD). The decisions of CRMD may be appealed to the Commission *En Banc* through the Office of the General Counsel.***



19. At the time of its registration, a corporation or partnership shall submit an affidavit containing an unqualified undertaking to change its name, as originally registered or as amended thereafter, immediately upon receipt of notice or directive from the Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy. The affidavit shall be signed by at least two incorporators or partners in the form prescribed by the Commission. This affidavit shall not be required if the undertaking is already included as one of the provisions of the Articles of Incorporation or Partnership of the registrant.

20. This Memorandum Circular amend all issuances, orders, rules and regulations of the Commission that may be inconsistent with it, and shall take effect immediately.

_____ March, 2019 Pasay City, Philippines.

EMILIO B. AQUINO
Chairperson