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REGISTRATION FOR ONE PERSON CORPORATIONS TO OPEN NEXT WEEK

The Securities and Exchange Commission (SEC) will start accepting applications for registration of a corporation with a single stockholder on May 6, following the issuance of the pertinent guidelines.

The Commission En Banc on April 25 approved the Guidelines on the Establishment of a One Person Corporation (OPC) under Memorandum Circular No. 7, Series of 2019. The same was published on May 1 on two newspapers of general circulation.

Under the Guidelines, a natural person, trust or estate may form an OPC. The “trust” does not refer to a trust entity, but to the subject being managed by a trustee.

The incorporator, however, shall be a natural person of legal age. If the single stockholder is a trustee, administrator, executor, guardian, conservator, custodian or any other person exercising fiduciary duties, proof of authority to act on behalf of the trust or estate must be submitted at the time of incorporation.

A foreign natural person may put up an OPC, subject to the applicable constitutional and statutory restrictions on foreign participation in certain investment areas or activities.

Meanwhile, banks, non-bank financial institutions, quasi-banks, preneed, trust and insurance companies, public and publicly listed companies, and non-chartered government-owned and/or -controlled corporations cannot incorporate as OPC.

In addition, a natural person, who is licensed to exercise a profession, may not organize as an OPC for the purpose of exercising such profession unless provided under special laws.

“The concept of a one person corporation, along with the other provisions of the Revised Corporation Code of the Philippines, makes doing business in the country easier,” SEC Chairperson Emilio B. Aquino said.

“An OPC offers the agility and complete dominion of a sole proprietorship and the limited liability of a corporation. We encourage everyone to take advantage of this provision to pursue their entrepreneurial aspirations.”

What to submit

Initially, applications shall be filed manually with the SEC Company Registration and Monitoring Department (CRMD) at the ground floor of Secretariat Building in Philippine International Convention Center in Pasay City.

Applications must include a cover sheet, the articles of incorporation of the prospective OPC, and the written consent of the single stockholder's nominee and alternate nominee.

If applicable, an applicant must also submit proof of authority to act on behalf of a trust or estate incorporating as an OPC, and an application to do business under the Foreign Investments Act (FIA) if the single stockholder is a foreign natural person, among others.

How to apply for registration

To proceed with the application process, an applicant will have to reserve a company name first. Initially, all requests for name reservation shall be submitted manually at the Commission's head office in Pasay City.

The CRMD will verify the proposed company name and trade/business names. The applicant may submit a letter of appeal for rejected names, subject to approval of the CRMD appeal officer.

Once the proposed company name is cleared, the applicant will submit the articles of incorporation with the written consent of the nominee and alternate nominee, and other applicable requirements for pre-processing.

The applicant will proceed with the payment of the filing fees, including the name reservation fee and a legal research fee.

Afterwards, hard copies of signed and notarized documents together with the proof of payment of filing fees shall be submitted to the CRMD Receiving Unit. The applicant will then receive a certificate of registration as OPC.

For more definitive guidance, applicants may check the [Guidelines](#), which include the form of the articles of incorporation and a sample acceptance letter of the nominee and alternate nominee, on the SEC website. The [list of requirements and the procedure](#) are likewise available online.

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