

8 May 2019

SEC REGISTERS COUNTRY'S FIRST ONE PERSON CORPORATION



SEC Commissioner Javey Paul D. Francisco presents the certificate of incorporation of Smart Transportation and Solutions OPC to the incorporator, Mr. Arnulfo H. Divina, as witnessed by (from left to right) Commission Secretary Armando A. Pan, Jr., CRMD Director Gerardo F. Del Rosario, Commissioner Antonieta F. Ibe, CRMD Assistant Director Sampaguita R.H. Ladrido, Commissioner Kelvin Lester K. Lee and Commissioner Ephyro Luis B. Amatong.

The Securities and Exchange Commission (SEC) recently approved the registration of the first one person corporation (OPC) organized under Republic Act No. 11232, or the Revised Corporation Code of the Philippines.

Smart Transportation and Solutions OPC received its certificate of incorporation on May 7, becoming the country's first corporation with a single stockholder. It was organized primarily to establish, operate and manage transportation services, including vehicle rental/ leasing, taxi or shuttle services, and transportation of goods or persons for any person.

To mark the milestone, SEC Commissioners Antonieta F. Ibe, Ephyro Luis B. Amatong, Javey Paul D. Francisco and Kelvin Lester K. Lee personally handed over the certificate of incorporation to Mr. Arnulfo H. Divina, the single stockholder of Smart Transportation and Solutions, within the same day the Commission received the application for registration.

"I had wanted to start a one-person corporation since I read about the initiative of the SEC to introduce such business structure in the Philippines," said Mr. Divina, who also registered an OPC offering business consultancy or management services.

"With the provision on one person corporations, putting up a business has become easier. Entrepreneurs like me would not have to convince four other people to contribute or serve as incorporators, as previously required. It also allows for faster decision-making and affords greater protection to entrepreneurs."

Under the Revised Corporation Code, a natural person, trust or estate may establish an OPC. A foreign natural person may put up such corporation, 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. A natural person licensed to exercise a profession may also not organize an OPC for the purpose of exercising such profession unless provided under special laws.

"The successful incorporation of Smart Transportation and Solutions illustrates how the progressive provisions of the Revised Corporation Code could improve ease of doing business in the country and, thereby, encourage the formation of new businesses," SEC Chairperson Emilio B. Aquino said.

Under the old Corporation Code, a minimum of five incorporators are required to start a corporation. In many cases, one of the incorporators invests 99% of the capital while

the rest only subscribe to a share each for compliance. Alternatively, an entrepreneur would settle for a sole proprietorship and forego the benefit of limited liability that a corporation enjoys.

Prior to the Revised Corporation Code, the SEC also required incorporators, when applicable, to seek endorsement from other government agencies, such as the Land Transportation Franchising and Regulatory Board in the case of a transport business.

The Commission is banking on the progressive provisions of the Revised Corporation Code to unlock the potential of more than a million inactive corporations and partnerships registered with the SEC as of end-2018 along with the 2.5 million active business names registered with the Department of Trade and Industry by March 2019.

The SEC started accepting applications for registration of OPCs on May 6, following the approval of the pertinent guidelines through Memorandum Circular No. 7, Series of 2019, on April 25.

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.

Registering an OPC takes five easy steps: name reservation and verification, pre-processing of articles of incorporation with the necessary attachments, payment of filing fees, submission of signed and notarized documentary requirements, and claiming of the certificate of incorporation.

For the list of requirements and the procedure, applicants are advised to check the [Guidelines on the Establishment of a One Person Corporation \(OPC\)](#), which include the form of the articles of incorporation and a sample acceptance letter of the nominee and alternate nominee, on the SEC website.

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