

9 August 2019

## **SEC REGISTERS FIRST ORDINARY CORPORATION WITH LESS THAN 5 INCORPORATORS**



*Securities and Exchange Commission (SEC) Chairperson Emilio B. Aquino, together with Commissioners Antonieta F. Ibe, Ephyro Luis B. Amatong and Javey Paul D. Francisco, presents the certificate of incorporation of Markable Solutions Phils, Inc. to PJS Corporate Support, Inc. (CSI) Chief Executive Officer Rachelle Guinto-Lambuson, Operations Associate Edalyn F. Bonayog and External Liaison Associate Arnel L. Parcon along with PJS Law Partner Virginia B. Viray. Markable Solutions, with the help of CSI and PJS Law, becomes the first ordinary corporation organized by less than five incorporators under Republic Act No. 11232, or the Revised Corporation Code of the Philippines.*

*Page 1 of 3*



The Securities and Exchange Commission (SEC) has approved the registration of the first corporation formed pursuant to the recently issued Guidelines on the Number and Qualifications of Incorporators under the Revised Corporation Code.

On August 8, the Commission issued the certificate of incorporation of Markable Solutions Phils, Inc., the first ordinary corporation with less than five incorporators under Republic Act No. 11232, or the Revised Corporation Code of the Philippines.

Markable Solutions was incorporated by American nationals Reshma Sinha Nigam (founder) and Anil Kumar Nigam, and Indian national Radhika Melethil Vivekanandan for the primary purpose of providing general business process outsourcing services and information products and services.

"When I was looking to expand, I wanted to move to a country that would welcome foreigners, where English would be widely spoken and the workforce would be educated, motivated, and quality conscious," Markable Solutions President Reshma Nigam noted.

"The Philippines met my criteria but what surprised me was how easy it was to do business here. The entire process from filing the application to receiving the certification was completed within seven days. We cannot thank the SEC, CSI, and our lawyers, PJS Law, enough for the pleasant surprise."

Citing the Revised Corporation Code, Ms. Nigam added: "I think this new law will see a spurt of new foreign investments in the country which will be excellent for the Philippine economy. I cannot wait to have other foreign companies enjoy the same experiences I had in doing business here."

Batas Pambansa Blg. 68, or the Corporation Code of the Philippines, previously required "any number of natural persons not less than five but not more than fifteen (15)" to come together and form a corporation.

Under Section 10 of the Revised Corporation Code of the Philippines, "any person, partnership, association or corporation, singly or jointly with others but not more than fifteen (15) in number, may organize a corporation for any lawful purpose or purposes."

On July 31, the Commission issued Memorandum Circular No. 16, Series of 2019, to provide the Guidelines on the Number and Qualifications of Incorporators under the Revised Corporation Code. The circular took effect upon its publication on August 1.



“The Guidelines strengthens the Revised Corporation Code’s provisions aimed at improving the ease of doing business and thereby encouraging entrepreneurship and investment in the country,” SEC Chairperson Emilio B. Aquino said.

“Among others, the Guidelines allows for the creation of ordinary corporations by only two incorporators, which may now be composed of partnerships, corporations or associations aside from natural persons.”

Under the Guidelines, two or more persons, but not more than 15, may form a corporation. The Commission earlier issued guidelines on the establishment of a One Person Corporation, which is considered as a special corporation.

The incorporators may be composed of any combination of natural persons, SEC-registered partnerships, SEC-registered domestic corporations or associations in good standing as well as foreign corporations.

Partnerships, corporations or associations, however, will have to appoint natural persons who shall sign the articles of incorporation of the corporation being formed.

An individual who signs the articles of incorporation on behalf of an incorporator, which is not a natural person, may not be named as a director or trustee in the articles of incorporation, unless he/she is also an owner of at least one share of stock or a member of the corporation being formed.

The inclusion of foreign nationals in the articles of incorporation shall be subject to the applicable constitutional, statutory, and regulatory restrictions, as well as conditions, with respect to foreign participation in certain investment areas or activities.

Meanwhile, banks, banking and quasi-banking institutions, preneed, insurance and trust companies, nonstock savings and loan associations, pawnshops, and other financial intermediaries will have to secure favorable recommendations from the appropriate government agency before they could incorporate.

Applications for registration in accordance with the new provisions of the Revised Corporation Code shall be processed manually by the Commission’s Company Registration and Monitoring Department and Extension Offices until further notice.

The [Guidelines on the Number and Qualifications of Incorporators](#) is available on the SEC website.

END