



NOTICE

TO : ALL INTERESTED PARTIES

SUBJECT : REQUEST FOR COMMENTS ON THE PROPOSED GUIDELINES ON THE ESTABLISHMENT OF A ONE ONE PERSON CORPORATION (OPC)

Pursuant to Section 179 of Republic Act No. 11232, otherwise known as the Revised Corporation Code, the Securities and Exchange Commission intends to issue Guidelines on the **Establishment of a One Person Corporation (OPC)**.

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

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

The following documents are attached for guidance and reference: (1) draft SEC Memorandum Circular; (2) draft Articles of Incorporation; (3) Sample Acceptance Letter of the Nominee and Alternate Nominee of the OPC; (4) Form for Appointment of Officers; (5) Sample Form of Notice To Change Nominee/ Alternate Nominee of the OPC

March 15, 2019.



DRAFT

**SEC MEMORANDUM CIRCULAR No. _____
Series of 2019**

TO : ALL CONCERNED

**SUBJECT : GUIDELINES ON THE ESTABLISHMENT OF A ONE PERSON
CORPORATION (OPC)**

x _____ x

In accordance with the power and function of the Securities and Exchange Commission to formulate and enforce standards and policies to carry out the provisions of Republic Act 11232, the Act providing for the Revised Corporation Code of the Philippines (RCC), the following guidelines, rules and regulations in the establishment of a One Person Corporation (OPC) are hereby adopted:

I. Definition and Incorporator

A one person corporation (OPC) is a corporation with a single stockholder, who can only be a natural person, trust or estate.

The incorporator of an OPC being a natural person must be of legal age.

As an incorporator, the “trust” as used by the law does not refer to a trust entity, but as subject being managed by a trustee.

If the single stockholder is a trustee, administrator, executor, guardian, conservator, custodian, or 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.

II. Corporate Name

The suffix “OPC” should be indicated by the one person corporation either below or at the end of its corporate name.

III. Single Stockholder as Director and Officer

The single stockholder shall be the sole director and president of the OPC.



IV. Designation of Nominee and Alternate Nominee

The single stockholder is required to designate a nominee and an alternate nominee named in the Articles of Incorporation in the event of death and incapacity. The written consent of both the nominee and alternate nominee shall be attached to the application for incorporation.

V. Only Articles of Incorporation Needed

The OPC shall file its Articles of Incorporation (AI) in accordance with the requirements of Section 14 of the Revised Corporation Code of the Philippines. The AI must set forth its primary purpose, principal office address, term of existence, names and details of the single stockholder, the nominee and alternate nominee and the authorized, subscribed and paid-up capital and such other matters consistent with law and which may be deemed necessary and convenient.

For facility of registration, applicants may follow the attached sample of the Articles of Incorporation of an OPC.

VI. By-Laws

The OPC is not required to submit and file its By-Laws.

VII. Minimum Capital Stock Not Required

The OPC is not required to have a minimum authorized capital stock except as otherwise provided by special law.

VIII. Officers

Within fifteen (15) days from the issuance of its certificate of incorporation, the OPC shall appoint a treasurer, corporate secretary, and other officers, and notify the SEC thereof within five (5) days from appointment, using the Appointment Form as may be prescribed by the SEC.

The single stockholder may not be appointed as corporate secretary but may assume the role of a treasurer.



IX. Bond Requirement for the Self-Appointed Treasurer

The single stockholder who assumes the position of the Treasurer shall post a surety bond to be computed based on the authorized capital stock of the OPC as shown in the Table below:

Amount of Surety Bond based on the Authorized Capital Stock (ACS) as follows:			
ACS			Surety Bond Coverage*
P 1.00	to	P 250,000.00	P 250,000.00
250,001.00	to	500,000.00	500,000.00
500,001.00	to	750,000.00	750,000.00
750,001.00	to	1,000,000.00	1,000,000.00
1,000,001.00	to	1,250,000.00	1,250,000.00
1,250,001.00	to	1,500,000.00	1,500,000.00
1,500,001.00	to	1,750,000.00	1,750,000.00
1,750,001.00	to	2,000,000.00	2,000,000.00
2,000,001.00	to	2,250,000.00	2,250,000.00
2,250,001.00	to	2,500,000.00	2,500,000.00
2,500,001.00	to	2,750,000.00	2,750,000.00
2,750,001.00	to	3,000,000.00	3,000,000.00
3,000,001.00	to	3,250,000.00	3,250,000.00
3,250,001.00	to	3,500,000.00	3,500,000.00
3,500,001.00	to	3,750,000.00	3,750,000.00
3,750,001.00	to	4,000,000.00	4,000,000.00
4,000,001.00	to	4,250,000.00	4,250,000.00
4,250,001.00	to	4,500,000.00	4,500,000.00
4,500,001.00	to	4,750,000.00	4,750,000.00
4,750,001.00	to	5,000,000.00	5,000,000.00
P 5,000,001.00 and above = Amount of surety bond coverage shall be equal to the OPC's ACS.			
* Subject to renewal every two (2) years or as may be required, upon review of the annual submission of the Audited Financial Statements / Financial Statements certified under oath by the company's President and Treasurer.			

X. Change of Nominee or Alternate Nominee

The single stockholder may, at any time, change its nominee and alternate nominee by submitting to the Commission the names of the new nominees and their corresponding written consent. The Articles of Incorporation need not be amended.

Attached is the sample form for the Notice of the Change of nominee and alternate nominee.

XI. Incapacity or Death of the Single Stockholder

In case the single stockholder becomes incapacitated, the nominee can take over the management of the OPC as director and president. At the end of the incapacity, the single stockholder can resume the management of the OPC.



In case of death or permanent incapacity of the single stockholder, the nominee will take over the management of the OPC until the legal heirs of the single stockholder have been lawfully determined and the heirs have agreed among themselves who will take the place of the deceased.

XII. Reportorial Requirements

The OPC must submit the following documents within the period required by the SEC:

- a) annual audited financial statements within 120 days from the end of its fiscal year as indicated in its Articles of Incorporation;
- b) a report on all explanations or comments by the president on the qualification, reservation or adverse remarks made by the auditor in the financial statements;
- c) a disclosure of all self-dealings and related party transactions entered into between the OPC and the single stockholder; and
- d) other reports as the SEC may require.

XIII. Who are not allowed to form OPCs

Banks, non-bank financial institutions, quasi-banks, pre-need, trust, insurance, public and publicly listed companies, non-chartered government-owned-and controlled corporations (GOCCs) cannot incorporate as OPC.

A natural person who is licensed to exercise a profession may not organize as an OPC for the purpose of exercising such profession except as otherwise provided under special.

XIV. Foreign National

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

This Memorandum Circular shall take effect immediately after its publication in a newspaper of general circulation



Secretariat Building, PICC, Pasay City.

___ March 2019.

EMILIO B. AQUINO
Chairperson



Articles of Incorporation
of

_____ OPC
(Name of One Person Corporation)

The undersigned, of legal age, voluntarily form a One Person Corporation (OPC) under the laws of the Republic of the Philippines and certify the following:

First: That the name of the one person corporation shall be: _____ OPC;

Second: That the purpose or purposes for which such corporation is incorporated are: (If there is more than one purpose, indicate primary and secondary purposes);

Third: That the principal office of the corporation is located in the City/Municipality of _____ Province of _____, Philippines;

Fourth: That the corporation shall have perpetual existence or a term of _____ years from the date of issuance of the certificate of incorporation;

Fifth: That the name, nationality, and residence address of the single stockholder/director/president of the corporation is:

Name	Nationality	Residence
_____	_____	_____

(If the single stockholder is a trust or an estate)

Fifth: That the name, nationality and residence address of the (trustee, administrator, executor, guardian, conservator, custodian, or other person exercising fiduciary duties) is:

Name	Nationality	Residence
_____	_____	_____

(To attach proof of authority to act on behalf of the trust or estate)



Sixth: That the names, nationalities and residence addresses of the nominee and alternate nominee are as follows:

Name	Nationality	Residence
Nominee: _____	_____	_____
Alternate Nominee: _____	_____	_____

Seventh: That the authorized capital stock of the corporation is _____Pesos (P_____), divided into _____ shares with the par value of _____PESOS (P_____) per share.

(In case all the shares are without par value):
That the capital stock of the corporation is _____shares without par value.

(In case some shares have par value and some are without par value):
That the capital stock of said corporation consists of _____ shares, of which _____ shares have a par value of _____ PESOS (P_____) each, and of which _____ shares are without par value.

Eighth: That the number of shares of the authorized capital stock above-stated has been subscribed and paid as follows:

Name of Subscriber	Nationality	No. of Shares Subscribed	Amount Subscribed	Amount Paid
_____	_____	_____	_____	_____

Ninth: a) That as self- appointed treasurer of the One Person Corporation, I will act as such until after the successor is duly elected and qualified; that as Treasurer, I acknowledge to have received in the name and for the benefit of the corporation, all subscriptions, contributions or donations paid or given by the subscriber, who certifies the information set forth in the seventh and eighth clauses above, and that the paid-up portion of the subscription in cash and/or property for the benefit and credit of the corporation has been duly received.

OR



b) That within fifteen (15) days from the issuance of its certificate of incorporation, the One Person Corporation shall appoint a treasurer and notify the Commission thereof within five (5) days from appointment.

Tenth: That as One Person Corporation, I undertake to change the name of the corporation immediately upon receipt of notice from the Commission that another corporation, partnership or person has acquired a prior right to the use of such name, that the name has been declared not distinguishable from a name already registered or reserved for the use of another corporation, or that it is contrary to law, public morals, good customs or public policy.

Eleventh: That no transfer of stock or interest which shall reduce the ownership of Filipino citizens to less than the required percentage of capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of the corporation, and this restriction shall be indicated in all stock certificates issued by the corporation.

Twelfth: That the fiscal year of the corporation shall begin on the first day of January and shall end on the last day of December of each year.

(If not stated in the AI, it is understood that the fiscal year of the corporation is the calendar year.)

IN WITNESS WHEREOF, I have hereunto signed these Articles of Incorporation this _____ day of _____, 20_____ in the City/Municipality of _____, Province of _____, Republic of the Philippines.

(Name and signature of the incorporator/OPC)

(Name and signature of Treasurer of single stockholder if self-appointed)

(Nominee and Alternate Nominee need not sign the Articles of Incorporation but written consent of the Nominee and Alternate Nominee shall be attached to the application for incorporation. Such consent may be withdrawn in writing any time before the death or incapacity of the single shareholder)



**SAMPLE OF ACCEPTANCE LETTER OF THE NOMINEE
and ALTERNATE NOMINEE OF THE ONE PERSON CORPORATION**

Date:

To _____ (name of the One Person Corporation)
Address

Dear Ms./Mr. _____:

I am writing to confirm acceptance of the offer to be your designated nominee (or alternate nominee) in compliance with the requirement of the Revised Corporation Code of the Philippines for the purpose of registering your One Person Corporation with the Securities and Exchange Commission.

As we discussed, I have understood the extent and limitations of my authority as the nominee (or alternate nominee) in the event I am called to manage the affairs of the One Person Corporation.

Thank you.

Very truly yours,

(name of nominee or alternate nominee)

Note: The nominee and alternate nominee can sign their names in the same letter as acceptance of their nomination.



FORM FOR APPOINTMENT OF OFFICERS

FOR THE YEAR _____

ONE PERSON CORPORATION

===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME:	DATE OF REGISTRATION:
BUSINESS/TRADE NAME:	Fiscal Year End:
SEC REGISTRATION NUMBER:	Email Address:
COMPLETE BUSINESS ADDRESS:	
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN:	Corporate Tax Identification Number:
	Telephone Number

OFFICERS' INFORMATION

NAME/ CURRENT RESIDENTIAL ADDRESS	NATIONALITY	GENDER	OFFICER/ POSITION	TAX IDENTIFICATION NUMBER

NOTE: USE ADDITIONAL SHEET IF NECESSARY

Certified correct:

(NAME OF THE SINGLE STOCKHOLDER/PRESIDENT)
(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in _____ on _____ by affiant who personally
appeared before me and exhibited to me his/her competent evidence of identity consisting of _____
issued at _____ on _____.

NOTARY PUBLIC



**SAMPLE FORM OF NOTICE TO CHANGE NOMINEE/
ALTERNATE NOMINEE OF THE OPC**

Date: _____

**The Securities and Exchange Commission
Company Registration and Monitoring Department
Secretariat Building, PICC, Pasay City**

Gentlemen:

In compliance with the requirement of Section 126 of the Revised Corporation Code of the Philippines, the undersigned hereby notifies the Securities and Exchange Commission that there is a change in the nominee and alternate nominee as indicated in the Articles of Incorporation of _____, OPC under SEC Reg. No. _____.

May I therefore submit the names of the new nominees and their written consent, as follows:

<u>Name of the Nominee</u>	<u>Nationality</u>	<u>Residence Address</u>
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<u>Name of the Alternate Nominee</u>	<u>Nationality</u>	<u>Residence Address</u>
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I consent to my appointment as Nominee: _____
(Signature of the Nominee)

I consent to my appointment as Alternate
Nominee: _____
(Signature of the Alternate Nominee)

Certified Correct: _____
(Name of Single Stockholder/President)

SUBSCRIBED AND SWORN TO before me in _____ on _____ by the above-named individual/s who personally appeared before me and exhibited to me his/her/their competent evidence of identity consisting of _____ issued on _____.

NOTARY PUBLIC