



# NOTICE

**T O : ALL INTERESTED PARTIES**

**SUBJECT : PROPOSED GUIDELINES FOR THE CONVERSION OF CORPORATIONS EITHER TO ONE PERSON CORPORATION OR TO ORDINARY STOCK CORPORATION**

---

Pursuant to Section 179 (o) of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, in conjunction with Title XIII, Chapter III of the same Code, the Commission intends to issue SEC Memorandum Circular providing for the *Guidelines for the Conversion of Corporations Either to One Person Corporation or to Ordinary Stock Corporation*.

In view of the foregoing, **all interested parties are invited to submit their comments, positions and inputs** on the SEC Memorandum Circular embodying the *Guidelines for the Conversion of Corporations Either to One Person Corporation or to Ordinary Stock Corporation*.

All interested parties may submit their comments, positions and inputs to the Company Registration and Monitoring Department (CRMD), c/o Atty. Darwin C. Sotto, through email address (dcsotto@sec.gov.ph) not later than **03 July 2020**.

Issued on 23 June 2020.

SEC Memorandum Circular No. \_\_\_\_\_  
Series of 2020

TO: All Concerned

SUBJECT: GUIDELINES FOR THE CONVERSION OF CORPORATIONS  
EITHER TO ONE PERSON CORPORATION OR TO ORDINARY  
STOCK CORPORATION

---

In order to effectively implement Title XIII, Chapter III of the Revised Corporation Code which allows conversion from an Ordinary Stock Corporation to a One Person Corporation, as well as conversion from a One Person Corporation to an Ordinary Stock Corporation, the Commission resolved to issue the following guidelines:

#### PART I

#### ORDINARY STOCK CORPORATION TO ONE PERSON CORPORATION

**Section 1.** When a single stockholder acquires all the stocks of an Ordinary Stock Corporation, the Ordinary Stock Corporation may apply for conversion into a One Person Corporation, by submitting the following documentary requirements:

- (1) Cover sheet
- (2) Notice of Conversion of an Ordinary Stock Corporation to a One Person Corporation, signed by the single stockholder who has acquired all of the outstanding shares of the capital stock of an ordinary stock corporation and countersigned by the corporation's corporate secretary in the form prescribed by the Commission<sup>1</sup>
- (3) Original or certified true copy of the document/s effecting the transfer/s (*i.e.: deeds of assignment, or any legal document transferring the shares to the single stockholder*) and, if applicable, a certified true copy of proof of authority to act on behalf of the trust/estate
- (4) Notarized Secretary's Certificate of No Intra-Corporate Dispute
- (5) Articles of Incorporation of a One Person Corporation, duly prepared, signed and acknowledged or authenticated by the single stockholder and by the corporation's treasurer in accordance with the SEC Guidelines on the Establishment of a One Person Corporation or such other Guidelines that the Commission may hereafter issue

---

<sup>1</sup> Copy of a Notice of Conversion of an Ordinary Stock Corporation into a One Person Corporation is hereto attached as Annex "A".

- (6) Letter of acceptance of appointment by Nominee and Alternate Nominee
- (7) Self-appointed Treasurer's Bond, if applicable
- (8) Name reservation
- (9) Nominee's Report on Transfer of Shares of Deceased Single Stockholder
- (10) Endorsement clearance from other relevant department of the SEC or from the Compliance Monitoring Division of the Company Registration and Monitoring Department, whichever is applicable
- (11) Endorsement clearance from appropriate government agencies, if applicable
- (12) Undertaking to Change Corporate Name duly executed under oath by the single stockholder or the sole remaining director, if not yet included in the Articles of Incorporation

**Section 2.** In the Articles of Incorporation of a One Person Corporation to be submitted, the provision/article indicating the name/s and address/es of the original incorporator/s of the ordinary stock corporation shall be retained as is.

Meanwhile, the provisions on the number of directors, their names and addresses, as well as their subscription and payment details shall be modified to reflect the name, address, subscription and payment details of the single stockholder. Other details particular to a One Person Corporation shall likewise be indicated.

**Section 3.** Upon issuance of the Certificate of Filing of Amended Articles of Incorporation by the SEC reflecting the conversion to a One Person Corporation, the Articles of Incorporation and By-laws of the Ordinary Stock Corporation shall be deemed superseded.

**Section 4.** In the Certificate of Filing of Amended Articles of Incorporation that will be issued, the corporation will retain its SEC Company Registration Number, but will have the "OPC" prefix in order to reflect its nature as a One Person Corporation.

**Section 5.** The One Person Corporation converted from an Ordinary Stock Corporation shall succeed the latter and be legally responsible for all the latter's outstanding liabilities as of the date of approval of the conversion.

**Section 6.** The provisions of Title XIII, Chapter III of the Revised Corporation Code shall apply primarily to One Person Corporations, while other provisions of the Code apply suppletorily.

## PART II

### ONE PERSON CORPORATION TO ORDINARY STOCK CORPORATION

**Section 7.** When some or all of the shares in a One Person Corporation ceases to be held solely by a natural person, a trust, or an estate, the One Person Corporation may be converted into an Ordinary Stock Corporation after due notice to the Commission of such fact/s and of such circumstance/s leading to the conversion, and after compliance with all the requirements for a stock corporation, as may be determined by the Securities and Exchange Commission, after an evaluation of the following documentary requirements:

- (1) Cover sheet
- (2) Notice of Conversion of a One Person Corporation into an Ordinary Stock Corporation, signed by all holders of shares of the outstanding capital stock, countersigned by the corporate secretary in the form prescribed by the Commission<sup>2</sup>
- (3) Original or certified true copy of the document/s effecting the transfers (*i.e.: subscription contracts, deeds of assignment, or any legal document declaring the legal heirs of the single stockholder*)
- (4) Articles of Incorporation and Bylaws of an Ordinary Stock Corporation duly signed and acknowledged or authenticated by the stockholders who voted for their adoption, which must be at least a majority of the outstanding capital stock. The corporation's treasurer must likewise sign the Articles of Incorporation.
- (5) Name reservation
- (6) Endorsement clearance from other relevant department of the SEC or from the Compliance Monitoring Division of the Company Registration and Monitoring Department, whichever is applicable
- (7) Endorsement clearance from appropriate government agencies, if applicable
- (8) Undertaking to Change Corporate Name duly executed under oath by the single stockholder or the sole remaining director, if not yet included in the Articles of Incorporation

**Section 8.** The Notice of Conversion of a One Person Corporation into an Ordinary Stock Corporation shall be filed with the Commission within sixty (60) days from the occurrence of the circumstances leading to the conversion into an Ordinary Stock Corporation.

For greater certainty, the circumstances referred to above that would lead to the conversion into an Ordinary Stock Corporation shall pertain to such circumstances culminating in the transfer of shares into two or more transferees

**Section 9.** The reckoning point for the sixty-day period for filing the Notice of Conversion shall commence on:

---

<sup>2</sup> Copy of a Notice of Conversion of a One Person Corporation into an Ordinary Stock Corporation is hereto attached as Annex "B".

- (1) the date of execution of the earliest deed of assignment, or other similar instrument, transferring some shares of the single stockholder to another person or transferring all shares of the single stockholder to several persons, or;
- (2) the date when the nominee or alternate nominee transferred the shares under the name of the legal heirs of the single stockholder as evidenced by a Nominee's Report on Transfer of Shares of Deceased Single Stockholder together with the original or certified true copy of the legal document declaring the legal heirs of the single stockholder.<sup>3</sup>

**Section 10.** Likewise, when some or all of the shares in a One Person Corporation ceases to be held solely by a natural person, a trust, or an estate, the One Person Corporation may be dissolved after due notice to the Commission of such fact/s and of such circumstance/s leading to the dissolution. The Commission may grant the dissolution and after the evaluation of the following documentary requirements:

- (1) Cover sheet
- (2) Notice of Dissolution of a One Person Corporation.
- (3) Original or certified true copy of the document/s effecting the transfers (*i.e.: subscription contracts, deeds of assignment, or any legal document declaring the legal heirs of the single stockholder*)
- (4) Endorsement clearance from other relevant department of the SEC
- (5) Endorsement clearance from appropriate government agencies, if applicable
- (6) BIR Tax Clearance; and
- (7) Affidavit of assumption of liabilities by the new owners of the OPC shares of stocks.

**Section 11.** If the Notice of Conversion/dissolution is filed with the Commission beyond sixty (60) days from the occurrence of the circumstances leading to the conversion/dissolution, the One Person Corporation may still be approved for conversion into an Ordinary Stock Corporation or dissolution subject to penalty of not less than Five thousand pesos (P5,000.00) in accordance with Section 158 of the Revised Corporation Code.

**Section 12.** In the case of conversion, Articles of Incorporation of an Ordinary Stock Corporation to be submitted, the provision/ article indicating the name/s and address/es of the original incorporator/s of the corporation shall be retained as is.

Meanwhile, the provisions on the name and address, as well as the subscription and payment details shall be modified to reflect the number of directors of the Ordinary Stock Corporation, as well as their names, addresses, subscription and

---

<sup>3</sup> Copy of a Nominee's Report is hereto attached as Annex "C".

payment details. Other details particular to Ordinary Stock Corporations shall likewise be indicated.

**Section 13.** Upon issuance by the SEC of the Certificate of Filing of Amended Articles of Incorporation and of Bylaws reflecting the conversion to an Ordinary Stock Corporation, the Articles of Incorporation of the One-Person Corporation shall be deemed superseded.

**Section 14.** In the Certificate of Filing of Amended Articles of Incorporation and of Bylaws that will be issued, the corporation shall bear and retain its former SEC Registration Number.

**Section 15.** The Ordinary Stock Corporation converted from a One-Person Corporation shall succeed the latter and be legally responsible for all the latter's outstanding liabilities as of the date of conversion.

### **PART III**

#### **PROVISIONS COMMON TO BOTH KINDS OF CONVERSION**

**Section 15.** In the Articles of Incorporation of the converted corporation, the signatory/ies thereto must clearly state that they voluntarily agreed to convert the Ordinary Stock Corporation into a One Person Corporation, or the One Person Corporation into an Ordinary Stock Corporation, as the case may be.

**Section 16.** Processing of applications for conversion of an Ordinary Stock Corporation into a One Person Corporation, and of a One-Person Corporation into an Ordinary Stock Corporation, shall commence only upon receipt by the Commission of the complete documentary requirements including the proof of payment of the applicable fees.

**Section 17.** The processing and approval of applications for conversion in accordance with the provisions of the Revised Corporation Code and the foregoing guidelines shall be done by the Company Registration and Monitoring Department of the Securities and Exchange Commission or by any of the Commission's Extension Offices nationwide.

**Section 18.** This Memorandum Circular shall take effect immediately after its publication in a newspaper of general circulation.

\_\_\_\_\_ June 2020. Pasay City

**EMILIO B. AQUINO**  
Chairperson

**Annex "A" – NOTICE OF CONVERSION, OSC-OPC**

**NOTICE OF CONVERSION**

(Ordinary Stock Corporation to One Person Corporation)

I, **[NAME OF SINGLE STOCKHOLDER]**, the sole remaining stockholder of **[NAME OF ORDINARY STOCK CORPORATION]** an ordinary stock corporation, hereby notify the Securities and Exchange Commission of my request to approve the conversion if the said corporation into a One Person Corporation.

**[NAME OF ORDINARY STOCK CORPORATION]**, an ordinary stock corporation duly registered and existing under **[SEC REGISTRATION NUMBER]**, has a total of **[NUMBER OF OUTSTANDING SHARES]** issued and outstanding shares as of **[DATE OF SIGNING]**, all of which have been lawfully acquired by me on the said date from the stockholders enumerated in the following paragraph.

The list of stockholders of the Ordinary Stock Corporation before the transfer/s of shares are as follows:

Names of Stockholders	Number of Shares Subscribed	Date of Transfer	Submitted Proof of Transfer

Signed this **[DATE OF SIGNING]** at **[PLACE OF SIGNING]**.

\_\_\_\_\_  
Sole Remaining Stockholder  
TIN -

I **[NAME OF CORPORATE SECRETARY]**, **[NATIONALITY]**, of legal age, residing at **[RESIDENCE ADDRESS]**, the duly appointed and incumbent Corporate Secretary of **[NAME OF ORDINARY STOCK CORPORATION]**, hereby certify to the Securities and Exchange Commission that the information provided in the Notice of Conversion above are true and correct based on my personal knowledge and on the records of **[NAME OF ORDINARY STOCK CORPORATION]** as of **[ DATE OF SIGNING]**.

Signed this **[DATE OF SIGNING]** at **[PLACE OF SIGNING]**.

\_\_\_\_\_  
Corporate Secretary  
TIN -

**Annex "B" – NOTICE OF DISSOLUTION / CONVERSION (OPC-OSC)**

**NOTICE**

We, the undersigned holders of the outstanding capital stock of **[NAME OF ONE PERSON CORPORATION]**, hereby notify the Securities and Exchange Commission of our intention:

- to dissolve the One Person Corporation, or;
  - to convert the One Person Corporation into an Ordinary Stock Corporation.
- (please check one)*

**[NAME OF ONE PERSON CORPORATION]**, a one person corporation duly registered and existing under **[SEC REGISTRATION NUMBER]**, has a total of **[NUMBER OF OUTSTANDING SHARES]** issued and outstanding shares as of **[DATE OF SIGNING]**, some or all of which have been lawfully ceased to be held by **[NAME OF SINGLE STOCKHOLDER]** as the sole stockholder.

The list of stockholders of the One Person Corporation as of the date of signing of this Notice of Dissolution / Conversion are as follows:

Names of Stockholders	Number of Shares Subscribed	Date of Transfer	Submitted Proof of Transfer

Signed this **[DATE OF SIGNING]** at **[PLACE OF SIGNING]**.

\_\_\_\_\_  
Stockholder  
TIN -

\_\_\_\_\_  
Stockholder  
TIN -

\_\_\_\_\_  
Stockholder  
TIN -

**[NAME OF CORPORATE SECRETARY]**, **[NATIONALITY]**, of legal age, residing at **[RESIDENCE ADDRESS]**, the duly appointed and incumbent Corporate Secretary of **[NAME OF ONE PERSON CORPORATION]**, hereby certify to the Securities and Exchange Commission that the information provided in the Notice above are true and correct based on my personal knowledge and on the records of **[NAME OF ONE PERSON CORPORATION]** as of **[DATE OF SIGNING]**.

Signed this **[DATE OF SIGNING]** at **[PLACE OF SIGNING]**.

\_\_\_\_\_  
Corporate Secretary  
TIN -

**Nominee's Report**  
on Transfer of Shares of Deceased Single Stockholder

I, **[NAME OF NOMINEE / ALTERNATE NOMINEE]**, residing at **[ADDRESS]**, the duly appointed and incumbent Nominee / Alternate Nominee of **[NAME OF ONE PERSON CORPORATION]** a one person corporation duly registered and existing under **[SEC REGISTRATION NUMBER]**, do hereby report that:

Whereas, under the Section 132 of the Revised Corporation Code, in case of death of the single stockholder, the nominee or alternate nominee shall transfer the shares to the duly designated legal heir or estate within seven (7) days from receipt of either an affidavit of heirship or self-adjudication executed by a sole heir, or any other legal document declaring the legal heirs of the single stockholder and notify the Commission of the transfer;

Whereas, on **[DATE OF DEATH OF SINGLE STOCKHOLDER]**, **[NAME OF SINGLE STOCKHOLDER]** the single stockholder of **[NAME OF ONE PERSON CORPORATION]** has died.

Wherefore, on **[DATE OF TRANSFER]** and by virtue of the **[LEGAL DOCUMENT]** dated **[DATE OF EXECUTION OF LEGAL DOCUMENT]**, I thereupon caused the transfer of the shares of **[NAME OF SINGLE STOCKHOLDER]** in **[NAME OF THE ONE PERSON CORPORATION]** to the following legal heirs:

Name of Transferee	Number of Shares

Signed  
this **[DATE OF SIGNING]** at **[PLACE OF SIGNING]**.

\_\_\_\_\_  
Nominee / Alternate Nominee  
TIN -

I **[NAME OF CORPORATE SECRETARY]**, **[NATIONALITY]**, of legal age, residing at **[RESIDENCE ADDRESS]**, the duly appointed and incumbent Corporate Secretary of **[NAME OF ONE PERSON CORPORATION]**, hereby certify to the Securities and Exchange Commission that the information provided in the Nominee's Report above are true and correct based on my personal knowledge and on the records of **[NAME OF ORDINARY STOCK CORPORATION]** as of **[DATE OF SIGNING]**.

Signed this **[DATE OF SIGNING]** at **[PLACE OF SIGNING]**.

\_\_\_\_\_  
Corporate Secretary  
TIN -