



SEC Memorandum Circular No. 27  
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 operationalize Title XIII, Chapter III of Republic Act No. 11232, or the Revised Corporation Code of the Philippines (RCC), which allows the conversion from an Ordinary Stock Corporation (OSC) to a One Person Corporation (OPC), as well as the conversion from an OPC to an OSC, the Commission resolved to issue the following guidelines:

## PART I

### ORDINARY STOCK CORPORATION TO ONE PERSON CORPORATION

**Section 1.** If a natural person of legal age, a trust, or an estate ("single stockholder") has acquired all of the outstanding capital stocks of an OSC, with the corresponding Certificate Authorizing Registration/ tax clearance having been issued by the Bureau of Internal Revenue, the OSC may apply for its conversion into an OPC, by submitting the following documentary requirements, which shall be processed as an Amendment of the Articles of Incorporation:

- (1) Cover sheet;
- (2) Application for 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>;

---

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

- (3) Original or certified true copy of the document/s effecting the transfer/s of full title / ownership of shares (*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) Certificate Authorizing Registration / tax clearance from the BIR;
- (5) Notarized Secretary's Certificate of No Intra-Corporate Dispute;
- (6) Articles of Incorporation of an OPC, filed in accordance with the SEC Guidelines on the Establishment of a One Person Corporation or such other Guidelines that the Commission may hereafter issue, in the form prescribed by the Commission, which shall comply with and/or contain the following:
  - a) Must be duly prepared, signed and acknowledged or authenticated by the single stockholder and by the corporation's treasurer;
  - b) Provision/article indicating the name/s and address/es of the original incorporator/s of the OSC;
  - c) Provisions/articles 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 in the form prescribed by the Commission;
  - d) Provision/article on nominee and alternate nominee, their names, nationalities, residence addresses, and the extent, coverage, and limitations of their authorities,
  - e) Other details particular to an OPC shall likewise be indicated in accordance with Memorandum Circular No. 07, Series of 2019 or the SEC Guidelines on the Establishment of a One Person Corporation, and/or such other guidelines that the Commission may hereafter issue.

The following shall likewise be added as a new Article in the Articles of Incorporation of the One Person Corporation –

*“Upon issuance by the Securities and Exchange Commission of the Certificate of Filing of Amended Articles of Incorporation, reflecting its conversion into a One Person Corporation, the attached Articles of Incorporation of the Ordinary Stock Corporation shall be deemed superseded.”*

A copy of the latest Articles of Incorporation of the OSC shall be attached to the Articles of Incorporation of the OPC;

- (7) Letter of acceptance of appointment by Nominee and Alternate Nominee;
- (8) Self-appointed Treasurer's Bond, if applicable;
- (9) Name reservation;

- (10) Monitoring clearance from other relevant department of the SEC or from the Compliance Monitoring Division (CMD) of the Company Registration and Monitoring Department (CRMD), 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, and;
- (13) Undertaking to Assume All Liabilities of the Ordinary Stock Corporation, duly executed under oath by the single stockholder of the OPC, if not yet included in the Articles of Incorporation.

**Section 2.** Upon issuance of the Certificate of Filing of Amended Articles of Incorporation by the SEC reflecting the conversion to OPC, the Articles of Incorporation and By-laws of the OSC shall be deemed superseded. The date of issuance of the Certificate of Filing of Amended Articles of Incorporation shall be deemed as the date of approval of the conversion.

**Section 3.** The Certificate of Filing of Amended Articles of Incorporation shall bear and retain the corporation's original SEC Registration Number.

Meanwhile, the name of the corporation shall have an "OPC" suffix in order to reflect its nature as a One Person Corporation.

**Section 4.** 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 5.** 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.

**Section 6.** The amount of fees for (1) Amendment of Articles of Incorporation, (2) Name Reservation, and (3) Legal Research under the Consolidated Schedule of Fees and Charges<sup>2</sup> shall be the applicable fees for an application filed in accordance with Part I (Ordinary Stock Corporation to One Person Corporation) of this guidelines.

---

<sup>2</sup> SEC Memorandum Circular No. 3, series of 2017.

## PART II

### ONE PERSON CORPORATION TO ORDINARY STOCK CORPORATION

**Section 7.** When the shares in an OPC ceases to be held solely by a single stockholder, the OPC may be converted into an OSC 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 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>3</sup>;
- (3) Original or certified true copy of the document/s effecting the transfers of full title / ownership of shares (*i.e.: subscription contracts, deeds of assignment, or any legal document declaring the legal heirs of the single stockholder*);
- (4) Certificate Authorizing Registration / tax clearance from the BIR;
- (5) Articles of Incorporation and Bylaws of an OSC filed in accordance with the requirements provided under Section 14 of the RCC, which shall comply with and/or contain the following:
  - a) Duly prepared, signed and acknowledged or authenticated by the stockholders who voted for their adoption, and by the corporation's treasurer;
  - b) Provision/article indicating the name and address of the original incorporator of the OPC;
  - c) Provisions / articles reflecting the number of directors, their names and addresses, as well as their subscription and payment details, and;
  - d) Other details particular to an OSC shall likewise be indicated in accordance with the provisions of the RCC and guidelines that the Commission has issued and/or may hereafter issue.

The following shall likewise be added as a new Article in the Articles of Incorporation of the Ordinary Stock Corporation –

*“Upon issuance by the Securities and Exchange Commission of the Certificate of Filing of Amended Articles of Incorporation and of Bylaws of this corporation, reflecting its conversion into an Ordinary Stock*

---

<sup>3</sup> Copy of a Notice of Conversion of a One Person Corporation into an Ordinary Stock Corporation is hereto attached as Annex “B”.

*Corporation, the attached Articles of Incorporation of the One Person Corporation shall be deemed superseded."*

A copy of the latest Articles of Incorporation of the OPC shall be attached to the Articles of Incorporation of the OSC.

- (6) Name reservation;
- (7) Monitoring clearance from other relevant department of the SEC or from the CMD of the CRMD, whichever is applicable;
- (8) Endorsement clearance from appropriate government agencies, if applicable;
- (9) Undertaking to Change Corporate Name duly executed under oath by the authorized representative or director of the OSC, if not yet included in the Articles of Incorporation, and;
- (10) Undertaking to Assume All Liabilities of the One Person Corporation, duly executed under oath by all the stockholders of the OSC, if not yet included in the Articles of Incorporation.

**Section 8.** Following the transfer/s of shares in an OPC wherein there becomes at least two (2) stockholders in the OPC, a Notice of Conversion of One Person Corporation into an Ordinary Stock Corporation shall be filed with the Commission within sixty (60) days from such transfer/s of shares. The period for filing the Notice shall be observed even though the conversion will be applied for, or will take place, afterwards.

**Section 9.** For the purpose of submitting the notice required under the immediately preceding section, the date of transfer of shares shall be deemed to be the date that the corresponding Certificate Authorizing Registration/ tax clearance is issued by the Bureau of Internal Revenue.

**Section 10.** If the Notice of Conversion is filed with the Commission beyond sixty (60) days from the transfer of shares, the One Person Corporation may still be approved for conversion into an Ordinary Stock Corporation subject to prior payment of penalty if found liable for violation of Section 132, in relation to Section 158<sup>4</sup> of the Revised Corporation Code.

**Section 11.** Upon issuance by the SEC of the Certificate of Filing of Amended Articles of Incorporation and of Bylaws reflecting the conversion to an OSC, the Articles of Incorporation of the OPC shall be deemed superseded. The date of issuance of the Certificate of Filing of Amended Articles of Incorporation and of Bylaws shall be deemed as the date of approval of the conversion.

---

<sup>4</sup> **Section 158. Administrative Sanctions.** – If, after due notice and hearing, the Commission finds that any provision of this Code, rules or regulations, or any of the Commission's orders has been violated, the Commission may impose any or all of the following sanctions, taking into consideration the extent of participation, nature, effects, frequency and seriousness of the violation:

(a) Imposition of a fine ranging from Five thousand pesos (P5,000.00) to Two million pesos (P2,000,000.00), and not more than One thousand pesos (P1,000.00) for each day of continuing violation but in no case to exceed Two million pesos (P2,000,000.00);

(b) Issuance of a permanent cease and desist order;

(c) Suspension or revocation of the certificate of incorporation; and

(d) Dissolution of the corporation and forfeiture of its assets under the conditions in Title XIV of this Code.

**Section 12.** The Certificate of Filing of Amended Articles of Incorporation and of Bylaws shall bear and retain the corporation's original SEC Registration Number.

Further, the corporation shall not have the "OPC" suffix as part of its corporate name.

**Section 13.** 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.

**Section 14.** The amount of fees for (1) Amendment of Articles of Incorporation, (2) Registration of Bylaws, (3) Name Reservation, and (4) Legal Research, under the Consolidated Schedule of Fees and Charges shall be the applicable fees for an application filed in accordance with Part II (One Person Corporation to Ordinary Stock Corporation) of this guidelines.

### 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, in the following or similar manner –

"KNOW ALL MEN BY THESE PRESENTS:

*The undersigned stockholder/s, of legal age, voluntarily agreed to convert a stock corporation under the laws of the Republic of the Philippines and certify the following".*

**Section 16.** By reason of the nature of these corporations the conversion from an OSC to OPC shall be deemed as optional. On the other hand, the conversion from an OPC to OSC shall be deemed as mandatory, unless when winding-up and dissolution is appropriate.


**Section 17.** Processing of applications for conversion of corporations shall commence only upon receipt by the CRMD, or by any of the SEC Extension Offices nationwide, of the complete documentary requirements enumerated in this guidelines including the proof of payment of the applicable fees. This shall be done manually by the Commission until further notice.

**Section 18.** In case an opposition or dispute arises from the conversions discussed in these guidelines, the aggrieved party may file before the CRMD a verified Petition for Cancellation of the certificate thus issued, on the ground of fraud in the procurement thereof in accordance with the applicable laws and other rules or issuances by the Commission.

**Section 19.** This Memorandum Circular shall amend all issuances, orders, rules, and regulations of the Commission that may be inconsistent with it.

**Section 20.** This Memorandum Circular shall take effect immediately after its publication in a newspaper of general circulation.

Done this 25th day of August 2020, Pasay City. Philippines.

  
**EMILIO B. AQUINO**  
Chairperson

**APPLICATION FOR 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 request from the Securities and Exchange Commission the conversion of 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 Application for 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 -



**NOTICE**

(One Person Corporation to Ordinary Stock Corporation)

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 convert the One Person Corporation into an Ordinary Stock Corporation.

**[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]**, which lawfully ceased to be held solely by **[NAME OF SINGLE STOCKHOLDER]** as a single stockholder.

The list of stockholders of the One Person Corporation as of the date of signing of this Notice of 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 -

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 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 -