

ADVISORY

Subject : SEC Memorandum Circular No. 16

Headnote : Reducing the Number of Incorporators to Two (2) from previous Five (5)

Date : August 5, 2019

On July 30, 2019, the Securities and Exchange Commission (SEC) issued Memorandum Circular No. 16 promulgating the “**Guidelines on the number and qualifications of incorporators under the New Corporation Code**”. The guidelines was enacted for the proper and clear implementation of Section 10 of Republic Act No. 11232 also known as the **Revised Corporation Code of the Philippines** which allows any person, partnership, association, or corporation, singly or jointly with others, but not more than fifteen (15) in number, to organize a corporation for any lawful purpose or purposes. It also introduced the concept of “One Person Corporation” that allows a single person to form a corporation.

MC No. 16-19 provides guidelines specifically on the following matters

- 1) **Number of incorporators** – Allowing Two (2) or more persons from previous five (5), but not more than fifteen (15) to form a corporation.
- 2) **Definition of incorporators**
- 3) **Qualifications of incorporators**
- 4) **Partnerships as incorporators**
- 5) **Domestic corporations or associations as incorporators**
- 6) **Foreign corporations as incorporators**
- 7) **Signatories of the Articles of Incorporation**
- 8) **Designation of incorporators as directors or trustees**
- 9) **Foreign nationals in the Articles of Incorporation**
- 10) **Additional requirements for certain corporations**
- 11) **Processing of applications for registration**

For your reading pleasure, attached herewith is the abovementioned signed SEC Memorandum Circular No.16.



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