

## CLIENT ADVISORY BULLETIN NO. 2020-005F

01 December 2020

Gentlemen/Mesdames,

Please be informed that the Securities and Exchange Commission (SEC) has issued *Memorandum Circular (MC) No. 27 s. 2020*<sup>1</sup>, dated October 14, 2020, which prescribes the guidelines for the conversion of corporations either to one-person corporation (OPC) or to ordinary stock corporations (OSC), the pertinent provisions of which are as follows:

	Conversion to OPC	Conversion to OSC
<b>Who may apply</b>	A natural person of legal age, a trust, or an estate which has acquired all of the outstanding capital stocks of an OSC. <sup>2</sup>	When the shares in an OPC ceases to be held solely by a single stockholder, the OPC may be converted into an OSC. <sup>3</sup> A Notice of Conversion of OPC into an OSC shall be filed with the Commission within sixty (60) days from such transfer/s of shares wherein there becomes at least two (2) stockholders in the OPC. 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.
<b>Effectivity of Conversion</b>	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.	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.
<b>New Name of Corporation</b>	The name of the corporation shall have an “OPC” suffix in order to reflect its nature as a One Person Corporation.	The corporation shall not have the “OPC” suffix as part of its corporate name.
<b>Succession</b>	The OPC converted from an OSC shall succeed the latter and be legally responsible for all the latter’s outstanding liabilities as of the date of approval of the conversion.	The OSC converted from a OPC shall succeed the latter and be legally responsible for all the latter’s outstanding liabilities as of the date of conversion.

<sup>1</sup> [MC No. 27 s.2020](#)

<sup>2</sup> Section 1.

<sup>3</sup> Section 7.

<p><b>Opposition or Dispute</b></p>	<p>The aggrieved party may file before the CRMD a verified Petition for Cancellation of the certificate issued, on the ground of fraud in the procurement thereof.</p>	<p>The aggrieved party may file before the CRMD a verified Petition for Cancellation of the certificate issued, on the ground of fraud in the procurement thereof.</p>
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In keeping with our commitment of providing our clients and the public with the best possible service we can, we will continue to provide you with relevant updates on issuances made by the various government agencies during the period of GCQ.

Keep safe.

Thank you very much.

  
 DAMIAN M. PLACIDO, JR.  
 Managing Partner

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