Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 13
Series of 2019

TO : **All Concerned**

SUBJECT : **Amended Guidelines and Procedures on the Use of Corporate and Partnership Names**

To keep abreast with developments in business and information technology in the country, the Commission is adopting the following guidelines and procedures in the registration of corporate, one person corporate and partnership names:

1. a) The corporate name shall contain the word "Corporation" or "Incorporated," or the abbreviations "Corp." or "Inc." respectively;

   b) In the case of a One Person Corporation, the corporate name shall contain the word "OPC" either below or at the end of its corporate name;

   c) The partnership name shall bear the word "Company" or "Co." and if it is a limited partnership, the word "Limited" or "Ltd.". A professional partnership name may bear the word "Company," "Associates," or "Partners," or other similar descriptions;

   d) The corporate name of a foundation shall use the word "Foundation";

   e) The corporate name of all non-stock, non-profit corporations, including non-governmental organizations and foundations, engaging in microfinance activities shall use the word "Microfinance" or "Microfinancing"; provided that said corporations shall state in the purpose clause of their Articles of Incorporation that they shall conduct microfinance operations pursuant to Republic Act No. 8425 or the Social Reform and Poverty Alleviation Act.

2. A term that describes the business of a corporation in its name should refer to its primary purpose. If there are two such terms, the first should refer to the primary purpose and the second to the secondary purpose.

3. a) The name shall be distinguishable from other corporate or partnership name registered with the Commission, or with the Department of Trade and Industry, in the case of sole proprietorships;

   b) If the name applied for is similar to that of a registered corporation or partnership, the applicant shall add one or more distinctive words to the proposed name to remove the similarity or differentiate it from the registered name;

   However, the addition of one or more distinctive words shall not be allowed if the registered name is coined or unique unless the board of directors or

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majority of the partners of the subject corporation or partnership gives its consent to the applied name.

c) Punctuation marks, spaces, signs, symbols, and other similar characters, regardless of their form or arrangement, shall not be acceptable as distinguishing words for purposes of differentiating a proposed name from a registered name.

d) A name that consist solely of special symbols, punctuation marks or specially designed characters shall not be registered.

4. Business or trade name which is different from the corporate or partnership name shall be indicated in the articles of incorporation or partnership. A company may have more than one business or trade name.

5. A trade name or trademark registered with the Intellectual Property Office may be used as part of the corporate or partnership name of a party other than its owner if the latter gives its consent to such use.

6. a) The full name or surname of a person may be used in a corporate or partnership name if he or she is a stockholder, member or partner of the said entity and has consented to such use; if the person is already deceased, the consent shall be given by his or her estate;

b) A single stockholder of a One Person Corporation (OPC) may use his/her name; provided, that said name shall be accompanied with descriptive words aside from the suffix OPC.

The single stockholder may also use the name of another person provided consent was given by the said person or if deceased, his estate. Provided that the name shall be accompanied by the descriptive words other than the suffix OPC.

c) The Commission may require a registrant to explain to its satisfaction the reason for the use of a person's name;

d) The meaning of initials used in a name shall be stated by the registrant in the Articles of Incorporation, Articles of Partnership or in a separate document signed by an incorporator, director or partner, as the case may be.

7. The name of an internationally known foreign corporation, or something similar to it, cannot be used by a domestic corporation unless it is its subsidiary and the parent corporation has consented to such use.

However, a name written in a foreign language, even if registered in another country, shall not be registered if the name violates good morals, public order or public policy, or has an offensive or indecorous meaning in any of the country's official languages or major dialects.

8. The name of a local geographical unit, site or location cannot be used as corporate or partnership name unless it is accompanied by a descriptive word or phrase. e.g. Pasay Food Store, Inc.

9. Pursuant to existing laws, the following words and phrases can be used in the corporate or partnership name in the manner enumerated below:

a) "Finance Company," "Financing Company," "Finance and Leasing Company," and "Leasing Company," "Investment Company," "Investment House" by entities engaged in the financing or investment house business (R.A. 8556 and Pres. Decree 129);

b) "Lending Company" and "Lending Investor" by lending companies (R.A. 9474), or "Pawnshop" by entities authorized to operate pawnshops (P.D. 114);

c) "Bank," "Banking," "Banker," "Savings and Loan Association" (R.A. 8367), "Trust Corporation," "Trust Company" or words of similar meaning by entities engaged in the banking or trust business (R.A. 8791);

d) "United Nations," "UN," in full or abbreviated form exclusively by the United Nations and its attached agencies (R.A. 226);

e) Bonded" by entities with licensed warehouses (R.A. 247);

f) "SPV-AMC" by corporations authorized to act as special purpose vehicle (R.A. 9182);

g) The name of an international governmental organization, such as "International Criminal Police Organization" (INTERPOL), "International Monetary Fund" (IMF), and "International Labour Organization" (ILO) may not be used as part of a corporate or partnership name unless when duly authorized or allowed by the Commission"; and

h) ASEAN (protected under Article 6*ter* of the Paris Convention for the Protection of Industrial Property, adopted in 1883 and revised in Stockholm in 1967).

10. The practice of a profession regulated by a special law which, among others, provides for the permissible use of the profession's name in a firm, partnership or association shall govern the use of the name, e.g. "Engineer" or "Engineering" (R.A. 1582), "Architect" (R.A. 9266), or "Geodetic Engineer" (R.A. 8560).

Notwithstanding the limitations mentioned above, any association registered by entities engaged in the listed activities may use the profession's name, e.g. Association of Engineers of the Philippines, Inc.

11. Unless otherwise authorized by the Commission, the words and phrases enumerated below can be used only by the entities mentioned:

a) "Investment(s)" or "Capital" by entities organized as investment house or investment company;

b) "Capital" by entities organized as investment house, investment company or holding company;

c) "Asset/Investment/Fund/Financial Management," or "Asset/Investment/Fund/Financial Adviser," or any similar words or phrases by entities organized as investment company adviser or holders of investment management activities (IMA) license from the Bangko Sentral ng Pilipinas;

d) "National," "Bureau," "Commission," "State," and other similar words, acronyms, abbreviations that have gained wide acceptance in the Philippines by entities that perform governmental functions;

e) "Association" and "Organization" or similar words which pertain to non-stock corporations by entities primarily engaged in non-profit activities; and

f) "Stock Exchange/Futures Exchange/Derivatives Exchange," "Stock Broker/Securities Broker/Derivatives Broker," "Commodity/Financial Futures Merchant/Broker," "Securities Clearing Agency/Stock Clearing Agency," "Plans" or any similar words or phrases by entities organized as an exchange, broker dealer, commodity futures broker, clearing agency, or pre-need company under the Securities Regulation Code (R.A. 8799).

12. Pursuant to Republic Act 10530, or "*The Act Defining The Use and Protection Of The Red Cross, Red Crescent and Red Crystal Emblems*", the use of the words "red cross", "red crescent", or "red crystal" or their translation in any official language and dialect cannot be used or registered as part of a corporate or partnership name, unless with the consent of the Philippine Red Cross.

13. The enumeration in paragraphs 10, 11 and 12 are not exclusive and may increase or decrease depending on future legislative issuances or administrative orders of the appropriate or duly authorized government offices.

14. The name of a corporation or partnership that has been dissolved or whose registration has been revoked shall not be used by another corporation or partnership within five (5) years from the approval of dissolution or five (5) years from the date of revocation, unless its use has been allowed at the time of the dissolution or revocation by the stockholders, members or partners who represent a majority of the outstanding capital stock or membership of the dissolved corporation or partnership, as the case may be.

No application for re-registration of the expired corporation, however, shall be processed by the Commission unless the application is accompanied by the following documents:

i. Board Resolution, executed and signed under oath by the hold-over board of directors/trustees of the expired corporation, attesting that:

a) the applicant for re-registration is a new corporation intending to use the name of the expired corporation (specially identifying the corporate name and registration number);

b) the re-registration is approved by the majority vote of the directors or trustees and the vote of the stockholders representing the majority of the outstanding capital stock or membership;

c) they shall include a statement in the articles of incorporation of the new corporation that the same is using the name of the expired corporation; and

d) if applicable, they will no longer file a petition to set aside the order of revocation.

ii. Latest General Information Sheet of the expired corporation, stamped "received" by the Commission; and

iii. Affidavit, executed under oath by the hold-over corporate secretary, attesting that:

a) there are no properties owned by the dissolved/revoked corporation due for liquidation, or in case there are properties owned by the expired corporation,

no property is transferred to the new corporation or, in case of stock corporations, used for subscription payment without undergoing corporate liquidation process;

b) there is no pending intra-corporate dispute or claim involving the expired corporation (**provision from mc no. 14 2017); and

c) that the expired corporation has no derogatory information with the Commission at the time of its application for re-registration.

Upon approval of the re-registration, the certificate of registration to be issued to the new corporation shall indicate its new SEC registration number and pre-generated Tax Identification Number (TIN) as confirmation that the same is a separate and distinct entity from the expired corporation.

15. A corporate or partnership name, which was previously used but become the subject of amendment, shall not be re-registered or used by another corporation or partnership for a period of three (3) years from the date of the approval of the adoption of the new corporate or partnership name.

An earlier period may be allowed for the registration or use of the former corporate or partnership name provided that the corporation or partnership, which previously owned the used corporate or partnership name, gives its consent. The requirement to wit, as:

For Corporations:

a) Directors/Trustees' Certificate approved by the majority of the Directors/Trustees approving the use of the former name by another corporation or partnership; and

b) Secretary Certificate of non-existence of intracorporate dispute from the Corporation that use the former corporate name.

For Partnerships:

a) Partnership's Resolution approved by the majority of the Partners approving the use of the former name by another corporation or partnership.

For One Person Corporations:

a) The consent of the sole stockholder or, in cases of incapacity or death, his/her designated nominee, given in a notarized instrument and countersigned by the Corporate Secretary.

16. Names of absorbed/constituent corporation may not be used unless it is the surviving corporation intending to use the said absorbed/constituent corporate name. Provided, however, that another corporation may use the names of absorbed/constituent corporation if consent of the surviving corporation is obtained such as:

a) Directors' Certificate of the surviving corporation permitting the usage of the said absorbed/constituent corporation by another corporation; and

b) Secretary's Certificate of non-existence of intracorporate dispute of the Corporation from the Surviving Corporation.

17. a] The reservation or notice of availability of a name shall not constitute an approval of the use of such name or an application for a change of name;

b) No erasures, changes, modifications or alterations on a name reservation form shall be allowed; and

c) Appeals from or opposition to the approval of corporate and partnership names of new companies, or complaints against proposed new names of existing companies or partnerships, shall be resolved by the Company Registration and Monitoring Department (CRMD). The decisions of CRMD may be appealed to the Commission *En Banc* through the Office of the General Counsel.

18. At the time of its registration, a corporation or partnership shall submit an affidavit containing an unqualified undertaking to change its change the name 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. The affidavit shall be signed by at least two incorporators or partners in the form prescribed by the Commission. This affidavit shall not be required if the undertaking is already included as one of the provisions of the Articles of Incorporation or Partnership of the registrant.

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

21 June, 2019 Pasay City, Philippines.

EMILIO B. AQUINO
Chairperson