



SEC Memorandum Circular No. 14
Series of 2017

TO : All Concerned

**SUBJECT : Consolidated 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 and partnership names:

1.
 - a) The corporate name shall contain the word "Corporation" or "Incorporated," or the abbreviations "Corp." or "Inc." respectively;
 - b) 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;
 - c) The corporate name of a foundation shall use the word "Foundation."
 - d) 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 not be identical, misleading or confusingly similar to a 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 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) The Commission may require a registrant to explain to its satisfaction the reason for the use of a person's name;

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

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 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. Notwithstanding the foregoing, the Commission shall, for the protection of the public interest and other justifiable causes, disallow the use of names that, in its judgement, are misleading, deceptive, confusingly similar to a registered name, or contrary to public morals, good customs or public policy.

15. The name of a corporation or partnership that has been dissolved or whose registration has been revoked shall not be used by another corporation, except in meritorious cases as determined by the Commission *En Banc*.

Only expired corporations may apply for re-registration using the same corporate name. 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, and;

- 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.
- 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 expired 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, 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.

- 16.
 - 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.
- 17. At the time of its registration, a corporation or partnership shall submit an affidavit containing an unqualified undertaking to change its name, as originally registered or as amended thereafter, immediately upon receipt of notice or directive from the Commission that another corporation, partnership or person has acquired a prior right to the use of that name or that name has been declared as misleading, deceptive, confusingly similar to a registered name, or contrary to 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.

18. 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.

8 December, 2017 Pasay City, Philippines.


TERESITA J. HERBOSA
Chairperson