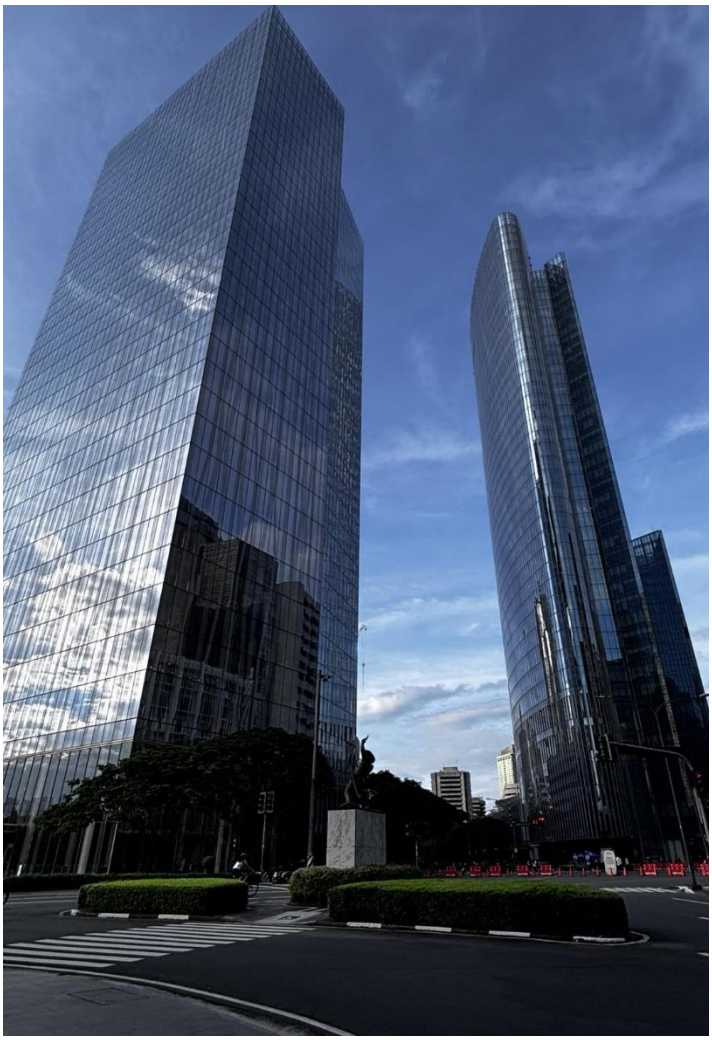
PKF
R.S. Bernaldo & Associates

R.S. Bernaldo & Associates
18/F Cityland Condominium 10
Tower 1, 156 H.V. dela Costa St.,
Ayala North, Makati City,
Philippines 1226

+632 8812-1718 to 22
info@pkfrsbernaldo.com
www.pkfrsbernaldo.com

Newsletter

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The Securities and Exchange Commission (SEC) has issued Memorandum Circular No. 10, series of 2026, Guidelines on the compliances of One Person Corporations (OPCs)

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GUIDELINES ON THE COMPLIANCE OF ONE PERSON CORPORATION

The Securities and Exchange Commission (SEC) has officially released Memorandum Circular (MC) No. 10, 2026, introducing a comprehensive set of updated guidelines specifically for One Person Corporations (OPCs). The new rules are designed to ensure uniform monitoring and enforcement while strengthening transparency under the Revised Corporation Code of the Philippines (RCC).

SECTION 1: INITIAL APPOINTMENT OF OFFICERS

The OPC must appoint its Treasurer, Corporate Secretary, and other Officers, and thereafter submit a Form for Appointment for OPC (FAO) (Annex A) to the Commission **within 20 days** from the approval of its Certificate of Incorporation.

Failure to comply with the initial appointment and timely submission of the FAO shall result in a one-time penalty of ₱10,000.00.

SECTION 2: SUBSEQUENT APPOINTMENT OF OFFICERS

In any instance that the single stockholder appoints an officer, the OPC must notify the Commission by filing the FAO **within 5 days** from any succeeding appointment of its officers.

The Circular imposes increasingly penalties for each successive violation, reflecting the SEC's intent to ensure diligent and timely compliance. The penalty begins at **₱5,000 for the first offense** and culminating at **₱9,000 for the fifth offense.**

SECTION 3: SUBMISSION OF FINANCIAL STATEMENTS

A. General Guidelines on the Submission of Financial Statement (FS) by the OPC

The OPC shall submit the FS in accordance with existing and pertinent circulars and memorandum orders issued or as may be issued by the Commission and file an Annual Financial Statement (AFS) within 120 days from the end of the fiscal year indicated in its Articles of Incorporation (AOI)/FS, and/or subject to the period to be prescribed by the Commission in an annual schedule of filing of AFS. Accordingly, the AFS must conform with the existing rules and regulations, or its amendments set forth by the Securities Regulation Code (SRC) Rule of the Commission.

Any irregularities, misstatements or misrepresentations of the AFS shall be subject to the applicable fines and penalties stated under SEC MC No. 08, series of 2009, "Scale of Fines for Non-compliance with the Financial Reporting Requirements of the Commission" or any issuance of the Commission thereafter.

B. Explanations as Attachment to the FS

The OPC shall file a report annually about the explanations or comments by the president on the qualification, reservation or adverse remarks made by the auditor in the FS, as required pursuant to Section 13 or SEC MC No. 7, Series of 2019, Guidelines on the Establishment of a One Person Corporation (OPC).

C. Self-Dealing and Related Party Transaction of the OPC

The OPC shall file for a disclosure of all its self-dealings and related party transactions entered into by the OPC and the single stockholder. The disclosure must be attached in the AFS/Unaudited Financial Statement (UFS). However, if there has already been substantial disclosure made in the Notes to AFS then said disclosure requirement may already be dispensed.

For purposes of monitoring, all registered OPCs must file their latest due AFS/UFS, in so far as applicable, as basis for the computation of fines/penalties.

SECTION 4: SCALE OF FINES AND PENALTIES FOR LATE AND/OR NON-FILING OF FS

For purposes of clarity, the following terms on the timeliness of submission of reports are

1. **Filed/Submission on Time** means the punctual submission/submitting of the reportorial requirements, as prescribed by the Commission:

Reportorial Requirements	Period to File/Register
Annual Financial Statement	Within 120 calendar days from fiscal tear-end or as prescribed by the Commission.

2. **Late Filing/Submission** means the submission/submitting of the reportorial requirements which may either be:
    a. Filing after the due date but still **within a year of the prescribed deadline for filing** and the computation of the monthly penalty shall not exceed 12 months; or
    b. Filing **beyond one (1) year from the prescribed period**, in which case the penalty shall be the basic fine for "Non-Filing" and the computation of the monthly penalty shall not exceed 12 months;
3. **Non-Filing** means non-submission of the reportorial requirements and the computation of the monthly penalty shall not exceed 12 months;

For late submissions, the SEC imposes escalating fines for each offense, with the penalty depending on the OPC's retained earnings. The fines range from **₱5,000 for the first offense** up to **₱13,500 for the fifth offense**. In contrast, non-filing results in significantly higher penalties, starting at **₱10,000 for the first offense** and increasing to **₱27,000 for the fifth offense**.

SECTION 5: POSTING OF BONDS

A. Coverage

OPCs whose single stockholder assumes the position of the treasurer shall post a surety bond, or other acceptable form of bond such as cash bond or property bond, in accordance with Section 10 of SEC MC No. 7, Series of 2019, subject to renewal every two (2) years or as may be required upon review of the FS or based on the latest Commission approved Amended Articles of Incorporation (AAI) in instances of approval of an increase of authorized capital stock, as the case may be.

For property bonds, the same must be duly annotated on the corresponding certificate of title to ensure enforceability against the property. A certified copy of the title with annotation shall be submitted to the Commission.

B. Bond Coverage and Certification

The surety bond and other acceptable form of bond shall be computed based on the authorized capital stock of the OPC:

Table A: Bond Coverage

Authorized Capital Stock (ACS)	Bond Coverage
₱0 to ₱1,000,000.00	₱1,000,000.00
₱1,000,000.00 to ₱2,000,000.00	₱2,000,000.00
₱2,000,000.00 to ₱3,000,000.00	₱3,000,000.00
₱3,000,000.00 to ₱4,000,000.00	₱4,000,000.00
₱4,000,000.00 to ₱5,000,000.00	₱5,000,000.00
₱5,000,001.00 and above	Shall be equal to the OPC's amount of ACS

A custodian fee in the amount of ₱5,000.00 shall be charged for every posting of bond.

The OPC must secure its bond from a reputable insurance company, which must be duly registered with and conforms with the prescribed format set forth by the Insurance Commission (IC). The obligee must be named before the SEC and its amount must be compliant to the table of the ACS figures listed above. The original proof of compliance shall be submitted to the CRMD Receiving Unit/ processing Extension Office (EOs). The processing EOs will be responsible for the safekeeping of the submission of the OPC while those processed by the CRMD shall be forwarded to Financial Management Department (FMD) for safekeeping.

Upon evaluation that the bond is compliant, a certification on the posting of bond shall be issued to the OPC by the CRMD – Compliance Monitoring Division (CMD)/EOs.

C. Timeliness of Posting of Bond

The following are the deadlines for posting of bonds in case the single stockholder is the self-appointed treasurer at the time of incorporation.

Table B: Schedule of Posting of Bond

	Initial Posting	Biennial Posting*
Self-Appointed Treasurer at the Time of Incorporation	Within 30 days after the issuance of the Certificate of Incorporation	Subject to renewal every 2 years, or as may be required, upon submission of the FS/ AFS or latest approved AAI, as the case may be.
Single Stockholder Appointed Another Person as Treasurer but Later on Appoints Self as the Treasurer	Within 30 days from the required submission of FAO.	

**The biennial posting of bond is a continuing requirement should the single stockholder of the OPC remains to be its treasurer.*

Non-compliance with the deadlines on posting of bond shall result to the following penalty:

	Initial Posting	Biennial Posting
1st Violation	Basic Fine of ₱10,000.00	Basic Fine of ₱10,000.00
	Surcharge of ₱500.00 per month* of delay	
2nd Violation	-	Basic Fine of ₱10,000.00
		Surcharge of ₱1,000.00 per month* of delay
3rd Violation and Succeeding Violation	-	Basic Fine of ₱10,000.00
		Surcharge of ₱1,500.00 per month* of delay

**A fraction of a month shall be considered a month*

D. Appointment of New Treasurer; Effect on Bond Requirement

The posting of bond will no longer be required when the OPC files an amendment of its FAO reflecting therein the appointment of a new treasurer, other than that of the single stockholder.

In the event that the OPC filed a bond, the OPC may file a written request for the release of its bond (Annex B) through the CRMD-CMD/EO. The outgoing single stockholder must submit a notarized affidavit stating that no creditors or third parties will be adversely affected prior to the withdrawal or release of the bond.

The Commission shall determine if the filed FAO is substantially compliant for the approval of the release of the Bond. Accordingly, the Commission shall process the request for the release of bond. In case of approval, the Commission shall direct the release of bond and transmit the released bond to the OPC through the FMD or through the respective processing EOs. In case of disapproval, the OPC shall comply with the requirements as may be ordered by the Commission.

E. Claims Against Bond

1. Any third party aggrieved may submit a written request to the CRMD-CMD/EO where the bond is in custody.

2. The CRMD-CMD/EO shall order the concerned OPC to comment on the claim and to undertake replenishment should the claim against the bond be granted.

3. The CRMD-CMD/EO shall forward to the company a Notice of Claim Against a Bond, upon which the shall commence an investigation into the allegations to determine the nature and validity of the claim.

4. If the company deems the claim to be valid, or determines that there is no basis for the claim, the OPC shall furnish the CRMD-CMD/EO with a copy of the findings.

If a valid claim is made against the bond, the OPC shall submit proof of replenishment of the bond amount as a condition for the single stockholder to continue serving as treasurer;

otherwise, it shall comply with the requirements and procedure provided under Section 5(D) of this MC.

SECTION 6: COMPLIANCE WITH SEC MC NO. 28 SERIES OF 2020

OPCs incorporated before December 18, 2023 who failed to comply with the provisions of SEC MC No. 28, series of 2020 shall be subjected to a one-time penalty as provided for under the said MC and any amendments thereof.

SECTION 7: BY-LAWS

As provided for under Section 119 of the RCC, submission of by-laws is **not required for OPCs**.

SECTION 8: TRANSITORY PROVISION

1. Existing OPCs with no Filings of Appointment of Officers

All existing registered OPCs with no filings of Appointment of Officers and whose single shareholder who also assumes the position of the treasurer shall be given 30 days from the date of effectivity of this MC to comply with the necessary posting of the bonds, as the case may be. Otherwise, the necessary fines and penalties may be imposed. Additionally, those applicable OPCs who posted the necessary bonds with the Commission are directed to ensure their compliance are still valid and up to date.

2. OPCs Monitored but with No Penalty Imposed

OPCs that have been previously monitored for failure to timely post the required bond or for the late filing of their FAO, but for which no penalties have yet been imposed, shall be assessed a penalty of ₱5,000.00.

Upon payment of the penalty, the OPC shall not be considered as having committed a first offense. Thus, any subsequent violation shall still be treated and penalized as a first offense under the applicable rules.

3. OPCs with Pending Monitoring Applications

OPCs with pending monitoring applications as of the date of effectivity of this MC shall no longer be processed under the previous guidelines. Should such OPCs wish to continue, they must file a new monitoring request and shall be evaluated under the provisions of this MC.

4. Adjustment of the Audit Threshold

Pursuant to Sec. 13 of SEC MC No. 7 Series of 2019, an Audited Annual Financial Statement (AAFS) must be prepared for OPCs **with total assets/ total liabilities of ₱600,000.00 or more**. On the other hand, for OPCs **with total assets/ total liabilities of less than ₱600,000.00**, an UFS may be prepared and certified under oath by the President and the Treasurer. The UFS must also be filed within 120 days from the end of the fiscal year indicated in its AOI, subject to the period to be prescribed by the Commission in an annual schedule of filing of AFS.

Effective for fiscal years ending on or after 31 December 2025, the audit threshold has been adjusted to ₱3,000,000.00 pursuant to SEC MC No. 04, Series of 2026. Only OPCs with total assets or liabilities exceeding ₱3,000,000.00 are now required to submit an AAFS. OPCs at or below this new threshold may submit financial statements accompanied by a Statement of Management's Responsibility (SMR) signed under oath by the President and Treasurer.

Our view:

This structured governance framework ensures consistency across all OPCs, and aligns them with broader corporate governance mandates under the RCC. Before this MC, penalties for OPCs were inconsistent because guidelines varied across earlier circulars, this MC established uniformity and predictability in enforcement, preventing arbitrary implementation and ensuring fairness. The OPCs must now comply with updated report and disclosure requirements which enhance transparency, reduce information irregularity, and strengthen the OPC's accountability to regulators, creditors, and stakeholders.

For the full text of the Circular, refer to the link below.

SEC MC No. 10, series of 2026. Guidelines on the Compliances of One Person Corporations (OPCs)

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Comments and suggestions are welcome.

Editorial Board

- Rose Angeli S. Bernaldo
  Managing Partner
  rose.bernaldo@pkfrsbernaldo.com
- Charmaine S. de Guzman
  Senior Quality Assurance Manager / Quality Assurance Leader
  charmaine.deguzman@pkfrsbernaldo.com
- John Kyle M. Riparip
  Senior Quality Assurance Associate II/ Technical Review Leader
  john.riparip@pkfrsbernaldo.com
- Princess Joverly G. Masabot
  Senior Quality Assurance Associate/ Ethics Leader
  princess.masabot@pkfrsbernaldo.com
- Jean Marsha V. Mesias
  Senior Quality Assurance Associate/ Learning and Training Leader
  jeanmarsha.mesias@pkfrsbernaldo.com
- Keith Frances P. Basan
  Quality Assurance Associate
  keith.basan@pkfrsbernaldo.com
- Angela Gabrielle L. Reyes
  Quality Assurance Associate
  angela.reyes@pkfrsbernaldo.com