

BENEFICIAL OWNERSHIP TRANSPARENCY GUIDELINES

(for Non-Stock Corporations)

MC No. 01, Series of 2021



**Securities and
Exchange
Commission**
P H I L I P P I N E S

OBJECTIVES

1

- TO INFORM NON-STOCK CORPORATIONS ON WHAT THEY NEED TO KNOW REGARDING THE NEW CIRCULAR

2

- TO IDENTIFY THE WHO,WHAT,WHEN,WHERE OF SECTIONS 6 AND 7

3

- TO SHOW A LIVE DEMONSTRATION OF HOW TO USE THE ONLINE PORTAL

DO NOT ISSUE ANY BEARER CERTIFICATES

BEARER SHARES

- Shall refer to equity securities owned by the person or entity that holds the physical certificate which enables the transfer of ownership of shares of stock by mere delivery of such certificate. It shall likewise refer to instruments that **accord ownership in a juridical person** to the person or entity who possesses or is the holder of the bearer share certificate (Sec 2(a))

SECTION 3

- No person or entity shall issue, sell or offer for sale or distribution bearer shares and bearer share warrants



Key Terms

- **Nominee Incorporator/Director/Trustee/Shareholder** – shall refer to any natural person who acts for and on behalf of another person as incorporator/director/trustee or shareholder
- **Nominator/Principal** – shall refer to any person or entity for and on whose behalf another person acts as incorporator/applicant/director/trustee/shareholder



SECTION 6 – INCORPORATOR/FIRST DIRECTORS/TRUSTEES

WHO

**Incorporator
and First
Trustee**

WHAT

1. Whether you are a nominee or not
2. Whether the corporation that was registered was applied on behalf of another person or persons
3. Information regarding your nominator/principal

WHEN

**30 days upon
issuance of
certificate of
registration**

WHERE

**Online Mode –
Accessible
through the
SEC website**

SECTION 7 – NOMINEE SHAREHOLDER/DIRECTOR/TRUSTEES

WHO

Nominee
trustee

WHAT

1. Whether you are a nominee
2. Information regarding your nominator/principal

WHEN

30 days from
the date you
assumed the
role;

30 days from
effectivity of
the Circular

WHERE

Online Mode –
Accessible
through the
SEC website

To the
corporation in
which they are
or act as
nominees

HOW TO USE THE ONLINE PORTAL

1

- **DOWNLOAD** the applicable Beneficial Ownership Transparency Declaration Form and the Consent Declaration Form

2

- **FILL UP** the downloaded forms and **SAVE** as PDF

3

- **UPLOAD** your accomplished forms together with your Valid government-issued ID through the online portal.



SAMPLE



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KEY NOTES FOR SEC 6 AND 7

Confidentiality

- Shall not be uploaded to the Commission's publicly accessible database
- Only available to the SEC and competent authorities for law enforcement and other lawful purposes



KEEP YOUR BENEFICIAL OWNERSHIP RECORDS UP TO DATE

Section 12 – Beneficial Ownership as Part of Corporate Records

- Keep and preserve in your principal office adequate, timely and accurate information relating to your Beneficial Owner or Owners
- Keep complete name, address, birthdate, nationality, tin and passport num of all your Beneficial Owner or Owners
- Reflect any change in relation thereto within 3 days when info becomes available or is reasonably expected to be available with exercise of due diligence
- Make sure that all info is correct in all its details



KEEP YOUR BENEFICIAL OWNERSHIP RECORDS UP TO DATE

BENEFICIAL OWNER

- Shall refer to the natural person or persons who ultimately owns or controls or exercises ultimate effective control over the corporation as defined and required to be disclosed in the General Information Sheet (GIS) pursuant to SEC Memorandum Circular No. 15, Series of 2019 or any amendment thereto.



Beneficial Owner under MC No. 15, Series of 2019

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation. This is without prejudice to ownership thresholds that may be imposed by other regulators.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.



Beneficial Owner under MC No. 15, Series of 2019

- E** Natural person(s) whose directions, instructions or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
- F** Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
- G** Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
- H** Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
- I** Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.





Thank
You

From the Anti-Money Laundering Division of the Enforcement and Investor Protection Department

For any questions, please feel free email us to eipd-amld@sec.gov.ph

Notices regarding webinars and forums are announced through our website:
www.sec.gov.ph



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