

**BDB Law**

DU-BALADAD AND ASSOCIATES

# ADVISORY

SERIES OF 2025

Revised  
Beneficial Ownership  
Disclosure Rules

**SECURITIES AND EXCHANGE COMMISSION**  
**Memorandum Circular No. 15 Series of 2025**  
**December 22, 2025**

**REVISED BENEFICIAL OWNERSHIP DISCLOSURE RULES**

**Coverage**

Applies to all persons, natural and juridical, under the jurisdiction of the Commission, including but not limited to::

- All domestic stock and non-stock corporations;
- Partnerships;
- Foreign corporations such as:
  - i) Regional Operating Headquarters;
  - ii) Regional Headquarters of Multinational Companies;
  - iii) Representative Offices;
  - iv) Branch Offices; and
  - v) All other foreign corporations licensed to do business in the Philippines;
- One-Person Corporations, whether owned by natural persons, trusts, or estates;
- Incorporators, directors, trustees, officers, shareholders or members, and beneficial owners of corporations covered by these Rules;
- Persons filing applications for incorporation or registration of corporations with the Commission; and
- All other corporations and legal entities or arrangements subject to the regulation of the Commission pursuant to law, policies, or established rules.

**Identification and Verification**

- Only natural persons shall be recognized as beneficial owners from the time they qualify under any of the following categories:

<b>Category A</b> (Ownership)	Natural person(s) owning, directly or indirectly at least twenty percent (20%) of the voting rights, voting shares, or capital of the reporting entity.
<b>Category B</b> (Contractual Control)	Natural person(s) who exercise control over the reporting entity through any contract, understanding, relationship, intermediary, or tiered entity.
<b>Category C</b> (Board Election Power)	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the reporting entity.
<b>Category D</b> (Dominant Influence)	Natural person(s) having the ability to exert a dominant influence over the management or policies of the reporting entity.
<b>Category E</b> (Direction of Board)	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the reporting entity are carried out by a majority of the board members.
<b>Category F</b> (Property Stewardship)	Natural person(s) acting as stewards of properties of the reporting entity, where such properties are under the care or administration of said natural person(s).

**SECURITIES AND EXCHANGE COMMISSION**  
**Memorandum Circular No. 15 Series of 2025**  
**December 22, 2025**

<b>Category G</b> (Nominee Arrangements)	Natural person(s) who actually own or control the reporting entity through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
<b>Category H</b> (Other Control Mechanisms)	Natural person(s) ultimately owning or controlling or exercising ultimate effective control through other means not falling under any of the foregoing categories including substantial benefits such as exclusive use of the reporting entity's assets, receipt of profits and liquidating dividends, among others.
<b>Category I</b> (Senior Management)	Natural person(s) ultimately owning or controlling or exercising ultimate effective control through other means not falling under any of the foregoing categories including substantial benefits such as exclusive use of the reporting entity's assets, receipt of profits and liquidating dividends, among others.

- ☑ A corporation may declare as many beneficial owners as it may have, which may fall under any of the categories above.
- ☑ A single natural person may simultaneously qualify as a beneficial owner under any or all of the categories above.
- ☑ The following persons shall not qualify as beneficial owners:
  - i) Acting solely as agents, nominees, trustees, or in similar capacities on behalf of another person who qualifies as a beneficial owner;
  - ii) Holding positions in or exercise control over a corporation solely in their capacity as employees, without any ownership stake and without exercising effective control except when the beneficial owner falls under the ambit of Category I above;
  - iii) Authorized to act on behalf of a group of natural persons, such as executors, administrators, or similar legal representatives not falling under Category F; and
  - iv) Holding shares or exercising control solely in their professional capacity as regulated service providers; provided that they do not fall under the ambit of Category B above.

**Specific Beneficial Ownership Rules: One-Person Corporation**

- ☑ The single stockholder in an OPC shall be considered as a beneficial owner.
- ☑ The following shall be considered as the beneficial owner in an OPC with trusts or estates as their single stockholder:

<b>Trusts or Estates</b>	<b>Category</b>
<i>Trust as a single stockholder</i>	
i) All beneficiaries with the defined beneficial interests in the trust	A
ii) All trustors/settlors/grantors who established the trust	B / E
iii) Any other natural persons who exercise effective control over the estate	B
iv) All trustees or administrators exercising control over the trust asset	F

**SECURITIES AND EXCHANGE COMMISSION**  
**Memorandum Circular No. 15 Series of 2025**  
**December 22, 2025**

<i>Estate as a single stockholder</i>	
i) All heirs and legatees with beneficial interests in the estate	A
ii) Any other natural persons who exercise effective control over the estate	B
iii) The executor or administrator of the estate	F

**Specific Beneficial Ownership Rules: Partnerships**

- A beneficial owner shall be a natural person who meets any of the conditions above, as may be applicable;
- Where a partnership includes corporate partners, each corporate partner shall be required to submit its respective beneficial ownership information.
- In cases of unregistered joint ventures, the corporate partners are still required to disclose their beneficial ownership information, even if the joint venture is not required to disclose its own beneficial owners.

**Specific Beneficial Ownership Rules: Corporation with Tiered Structures<sup>1</sup>**

- Indirect beneficial ownership can be computed by multiplying ownership percentages at each tier of the corporate structure;
- This rule shall apply without limit to the number of corporate layers and shall be used to trace ownership through all types of legal entities and arrangements;
- A natural person shall be identified as a beneficial owner when they exercise effective control at any level of the ownership chain, even if mathematical multiplication of ownership percentages results in less than 20%.

**Specific Beneficial Ownership Rules: Cross-Border Ownership Structures**

- Corporations shall trace ownership through all jurisdictions;
- Certifications from foreign registries or regulators may be accepted as supporting evidence;
- The SEC may enter into information-sharing arrangements with foreign counterparts to request or verify beneficial ownership information.

**Prohibition Against Bearer Shares**

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

**Mandatory Disclosure of Nominee Arrangements**

- On records*

General Rule: The alienation, sale, or transfer of shares of stock, the date thereof, by whom and to whom made, shall be disclosed and recorded in the Stock and Transfer

---

<sup>1</sup> Tiered Structure involve one or more intermediate entities between the corporation and the ultimate beneficial owners

# SECURITIES AND EXCHANGE COMMISSION

## Memorandum Circular No. 15 Series of 2025

### December 22, 2025

(STB) of the issuing corporation within thirty (30) days from date of such alienation, sale, or transfer.

Exception: Sales or transfers of shares of publicly listed companies through the facilities of the Philippine Stock Exchange

#### *On status disclosure*

General Rule: Any nominee incorporator/director/trustee or shareholder must disclose their status as such and the identity of their nominator/s to the SEC.

Exception: Nominee/trustee arrangements related to products and services offered by Covered Institutions/Persons that are already subject to Customer Identification Requirements and Record Keeping by Supervising Authorities under the AMLA and its applicable Rules and Regulations

#### *On dividends*

General Rule: No dividends shall be paid to any natural or juridical person who is not the recorded owner in the STB of the issuing company.

Exception: Dividend payments made by publicly listed companies to the PCD Nominee or any similar entity authorized to act as depository and custodian of shares for purposes of trading in the stock exchange and operating under the same rules

### Information and Filing Requirements

- Required Information for each beneficial owner:
  - i) Complete name/s (original and transliterated name);
  - ii) Specific residential address;
  - iii) Date of birth;
  - iv) Sex;
  - v) Nationalities;
  - vi) Mobile number and/or landline;
  - vii) Email address;
  - viii) Tax identification number or, for foreign individuals without a tax identification number, passport number with issuing country;
  - ix) Civil Status;
  - x) Politically Exposed Persons (PEP); and
  - xi) Date the individual became a beneficial owner
- Required information regarding the beneficial owner's ownership or control:
  - i) The specific category or categories of beneficial ownership under which the individual qualifies as beneficial owner
  - ii) The percentage of ownership or voting rights, where applicable;
  - iii) The specific nature and means of control exercised by the beneficial owner; and
  - iv) The date when beneficial ownership was acquired or established
- Responsible parties for accurate and timely disclosure of beneficial ownership information:

**SECURITIES AND EXCHANGE COMMISSION**  
**Memorandum Circular No. 15 Series of 2025**  
**December 22, 2025**

- i) For domestic stock and non-stock corporations, the Corporate Secretary or any duly authorized representative;
- ii) For foreign corporations licensed to do business in the Philippines, the Resident Agent;
- iii) For one-person corporations: (1) The single stockholder, if a natural person; (2) The trustee, if the single stockholder is a trust; or (3) The administrator or executor, if the single stockholder is an state;
- iv) For other entities under the Commission's jurisdiction, their designated legal representatives.

**☑ Filing Timeline**

Initial Disclosure	Newly - registered entities	At the time of incorporation or registration
	Existing entities	With the next General Information Sheet following the effectivity of these Rules
Change in Beneficial Ownership		Within seven (7) calendar days from the date of the event

- ☑ All beneficial ownership information shall be submitted through the SEC's designated beneficial ownership registry. Physical submission or alternative filing methods of beneficial ownership information may be authorized by the Commission in exceptional circumstances.

**Penalties and Enforcement**

**☑ Failure to Disclose**

**i) For Stock Corporations**

Retained Earnings	1 <sup>st</sup> Violation	2 <sup>nd</sup> Violation	3 <sup>rd</sup> Violation	4 <sup>th</sup> Violation
less than ₱ 500,000.00	₱ 50,000.00	₱ 100,000.00	₱ 250,000.00	₱ 500,000.00
₱ 500,000.00 or more but less than ₱ 5,000,000.00	₱ 100,000.00	₱ 200,000.00	₱ 500,000.00	₱ 1,000,000.00
₱ 5,000,000.00 or more but less than ₱ 10,000,000.00	₱ 150,000.00	₱ 300,000.00	₱ 750,000.00	₱ 1,500,000.00
₱ 10,000,000.00 or more	₱ 200,000.00	₱ 400,000.00	₱ 1,000,000.00	₱ 2,000,000.00

**ii) For Non-Stock Corporations**

Fund Balance	1 <sup>st</sup> Violation	2 <sup>nd</sup> Violation	3 <sup>rd</sup> Violation	4 <sup>th</sup> Violation
less than ₱ 500,000.00	₱ 25,000.00	₱ 50,000.00	₱ 100,000.00	₱ 250,000.00
₱ 500,000.00 or more but less than ₱ 5,000,000.00	₱ 50,000.00	₱ 100,000.00	₱ 200,000.00	₱ 500,000.00
₱ 5,000,000.00 or more but less than ₱ 10,000,000.00	₱ 75,000.00	₱ 150,000.00	₱ 300,000.00	₱ 750,000.00
₱ 10,000,000.00 or more	₱ 100,000.00	₱ 200,000.00	₱ 400,000.00	₱ 1,000,000.00

- iii) Additional fine of ₱ 1,000.00 for each day of delay in the submission of beneficial ownership information as a continuing violation, but the additional fine for the continuing violation shall in no case exceed ₱2,000,000.00.

# SECURITIES AND EXCHANGE COMMISSION

## Memorandum Circular No. 15 Series of 2025

### December 22, 2025

- ☑ The SEC, upon its finding motu proprio or upon referral by a competent authority that a corporation submitted false beneficial ownership information, shall:
  - i) Send a Notice and Order stating the fact of false disclosure of beneficial ownership information;
  - ii) Give the corporation fifteen (15) calendar days to comply and submit complete and accurate beneficial ownership information and a written explanation for the false disclosure;
  - iii) If the fifteen (15) day period has lapsed without compliance, or after a finding by the SEC that the corporation indeed submitted false Beneficial Ownership Information, the reporting corporation shall be penalized with a fine of up to Two Million Pesos (₱2,000,000.00), and may subsequently be dissolved.

- ☑ Liability of Directors/Trustees and Officers of the Corporation

1 <sup>st</sup> Violation	₱ 50,000.00
2 <sup>nd</sup> Violation	₱ 100,000.00
3 <sup>rd</sup> Violation	₱ 500,000.00
4 <sup>th</sup> Violation onwards	₱ 1,000,000.00

For violations pertaining to False Declaration, the responsible directors, trustees, and officers shall, after due notice and hearing, be penalized with ₱ 1,000,000.00 each and shall be disqualified to be directors, trustees, and officers of any corporations for a period of five (5) years.

- ☑ Other imposable penalties
  - i) Suspension or revocation of the certificate of incorporation of the reporting corporation
  - ii) Other penalties that is within the power of the Commission to impose

#### Administrative Due Process

- ☑ The SEC shall:
  - i) Issue a Notice of Violation specifying the provision allegedly violated;
  - ii) Inform the reporting entity of its right to file a explanation
  - iii) Provide the reporting entity fifteen (15) calendar days from receipt to respond to the Notice of Violation;
  - iv) Evaluate all evidence and explanations before rendering a decision; and
  - v) State the factual and legal bases for any order imposing penalties.

#### Enforcement Measures

- ☑ Compliance orders requiring immediate correction of deficiencies in beneficial ownership disclosure, implementation of specific remedial measures, and enhanced compliance monitoring.
- ☑ Settlement of violations under terms and conditions that ensure future compliance. Settlement shall not be available for repeated violations or after the fourth violations and deliberate submission of false information.
- ☑ Publications of non-compliant entities after the completion of due process procedures
  - The Commission recognizes the importance of whistle blowers, who shall be appropriately compensated, in identifying non-compliance with beneficial ownership disclosure requirements.

# SECURITIES AND EXCHANGE COMMISSION

## Memorandum Circular No. 15 Series of 2025

### December 22, 2025

#### Effectivity

The Rules shall take effect on January 01, 2026 after its publication in two (2) newspapers of general circulation in the Philippines.

*Source:*  
*SEC Memorandum Circular No. 15 Series of 2025*  
*December 22, 2025*

Copyright © Du-Baladad and Associates

#### Learn more:

email us at [info@bdblaw.com.ph](mailto:info@bdblaw.com.ph)  
or call +632 8403-2001  
visit us at: [www.bdblaw.com.ph](http://www.bdblaw.com.ph)

\*DISCLAIMER: This is for general information only and is not intended, nor should be construed as a substitute for tax, legal or financial advice on any specific matter.

Du-Baladad and Associates (BDB Law) is a multi-awarded, global tax law firm in the Philippines that offers services around 3 major areas of practice – **tax**, **legal** and **consulting**.

**BDB Law**  
DU - BALADAD AND ASSOCIATES

© 2025 Du-Baladad and Associates. All Rights Reserved.