



**LENDING  
CORPORATION**  
(FREQUENTLY ASKED QUESTIONS)



# What is a Lending Corporation?

A corporation engaged in granting loans from its own capital funds or from funds sourced from not more than 19 persons.



# Are Financing and Lending Corporations the same?

**No.** A financing corporation is primarily organized for the purpose of extending credit facilities to consumers and to industrial, commercial, or agricultural enterprises, by direct lending or by discounting or factoring commercial papers or accounts receivable, or by buying and selling contracts, leases, chattel mortgages, or other evidences of indebtedness, or by financial leasing of movable and immovable property.



# Can a Sole Proprietor / Partnership engage in lending business?

No. Only lending and financing corporations established as a stock corporation can engage in lending business.



# Can a One Person Corporation engage in lending business?

**YES.** While there is no ruling on the matter yet, by law, a One Person Corporation is a stock corporation.



# How to register a Lending Corporation?

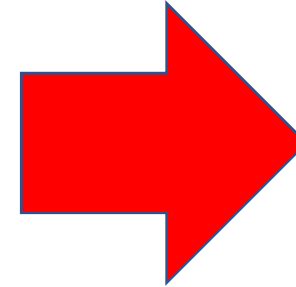
Comply with the requirements in forming an ordinary corporation

Reservation of Name

Submission of incorporation document

Submission of downloadable forms

Payment of Fees



Obtain a Certificate of Authority to engage in lending business from the SEC



# What are the requirements in applying for a Certificate of Authority?

**Duly Notarized Application Form**

**Additional Requirements for FOREIGN Directors and Officers**

**Information Sheet**

**Notarized Bank Certificate of Deposit**

**Valid NBI Clearances of ALL Incorporators AND stockholders**

**Manual on Anti-Money Laundering  
(Board Reso and Sec Cert for its adoption)**

**Note: From the issuance of the Certificate of Authority, the company must operate within 120 days.**



# Who regulates and supervises Lending Corporations?

Lending companies are under the supervision and regulation of the SEC.

However, if the lending company is a subsidiary or affiliate of banks and quasi-banks, it is the BSP that has supervision.



LENDING	FINANCING
<i>As to the GOVERNING LAW</i>	
<b>Republic Act No. 9474</b> or the “Lending Company Regulation Act of 2007”	<b>Republic Act No. 8556</b> or the “Financing Company Act of 1998”
<i>As to the SOURCE OF FUND</i>	
Own or from not more than 19 persons	No specific requirement as to number of persons
<i>As to the REQUIRED MINIMUM PAID-UP CAPITAL</i>	
One Million Pesos	Ten Million Pesos
Different capital requirements apply if the company is located outside a First Class City	

**--- End of Presentation ---**

