

REVISED
**CORPORATION CODE
OF THE PHILIPPINES**

A Short Introduction

2019

Timoteo B. Aquino
Maria Margaret Bernadette A. Aquino

REVISED CORPORATION CODE OF THE PHILIPPINES

A Short Introduction

TIMOTEO B. AQUINO

Professor of Law and Pre-Bar Review and MCLE Lecturer

Ll.B, San Beda College of Law (Valedictorian,

Class 1988 and 8th Place, 1988 Bar Examinations)

*Author and Co-Author: Reviewer on Civil Law, Torts and Damages,
Philippine Corporate Law Compendium, Essentials of Insurance Law,
Essentials of Credit Transactions and Banking Law, Notes and Cases on
Negotiable Instruments Law and Banking Law, Reviewer on Commercial
Law, Essentials of Transportation and Public Utilities Law,
Fundamentals of Banking Law, Fundamentals of Negotiable
Instruments Law, Fundamentals of Obligations and Contracts,
Revised Rules on Summary Procedure: Revisited, Handbook on Summary
and Small Claims Procedure and Bouncing Checks Law*

MARIA MARGARET BERNADETTE A. AQUINO

A.B. Political Science, Silliman University (Summa Cum Laude)

Ll.B, Silliman University College of Law (Magna Cum Laude)

Former Assistant Vice President, Legal Department

and International Banking Department,

Philippine National Bank; Former Corporate Secretary,

PNB General Insurers, Inc.;

*Former Professor/Instructor, Arellano University Law Foundation,
Silliman University Graduate School and College of Arts & Sciences;*

Co-Author, Fundamentals of Banking Law,

Fundamentals of Negotiable Instruments Law,

Fundamentals of Obligations and Contracts

2019 Edition



Published & Distributed by

REX Book Store

856 Nicanor Reyes, Sr. St.

Tel. Nos. 736-05-67 • 735-13-64

1977 C.M. Recto Avenue

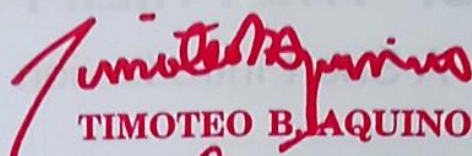
Tel. Nos. 735-55-27 • 735-55-34

Manila, Philippines

www.rexpublishing.com.ph

Philippine Copyright 2019

by


TIMOTEO B. AQUINO



MARIA MARGARET BERNADETTE A. AQUINO

ISBN 978-621-04-0088-5

No portion of this book may be copied or reproduced in books, pamphlets, outlines or notes, whether printed, mimeographed, typewritten, copied in different electronic devices or in any other form, for distribution or sale, without the written permission of either of the authors except brief passages in books, articles, reviews, legal papers, and judicial or other official proceedings with proper citation.

Any copy of this book without the corresponding number and the signature of either of the authors on this page either proceeds from an illegitimate source or is in possession of one who has no authority to dispose of the same.

ALL RIGHTS RESERVED

BY THE AUTHORS

No. **1905**

Reprinted: January 2020

Printed by



REX PRINTING COMPANY, INC.
Typography & Creative Lithography
84 P. Florentino St., Quezon City
Tel. No. 857-77-77

CONTENTS

PREFACE	iii
---------------	-----

CHAPTER 1

GENERAL CONCEPTS: HISTORY OF THE LAW AND INTENT OF CONGRESS

1. History of Philippine Corporate Law	1
1.01. Effect of Repeal.....	2
1.02. Two-Year Compliance Period: Applicability to Existing Corporation.....	3
1.03. Effect on Other Laws	3
2. Effectivity.....	4
3. Legislative History	5
4. Rationale of the Law	6
5. Reform Clusters.....	11
6. Good Corporate Governance Principles	15

CHAPTER 2

THE SPECIFIC CHANGES UNDER THE REVISED CORPORATION CODE

1. General Concepts	17
1.01. Kinds of Corporations	17
1.02. Separate Personality.....	20
1.03. Piercing the Veil of Corporate Fiction and Limited Liability.....	21
1.04. Criminal Liability.....	22
2. Incorporation and Articles of Incorporation	24
2.01. Incorporation and Approval.....	24
2.02. Documentary Requirements for Incorporation.....	25
2.03. Incorporators	26
2.04. Directors.....	28

2.05.	Contents of the Articles of Incorporation	28
2.06.	Corporate Name	32
2.07.	Principal Office	34
2.08.	Perpetual Corporate Term	35
2.09.	Capital	36
2.10.	Distinctions: Contents of Articles of Incorporation	37
3.	Conditions Subsequent	38
3.01.	Failure to Organize and Commence Business	38
3.02.	Delinquent Status for Non-Operation	39
4.	By-Laws	39
5.	Powers of Corporations	40
5.01.	Additional General Powers	40
5.02.	Increase or Decrease Capital Stock; Incur or Increase Bonded Indebtedness	41
5.03.	Sale of All or Substantially All of the Assets	42
6.	Directors/Trustees	42
6.01.	Qualifications	42
6.02.	Independent Directors	44
6.03.	Voting in the Election of Directors	45
6.04.	Vacancies in the Board	45
6.05.	Non-Holding of Election of Directors or Trustees	47
6.06.	Reports to SEC of Election and Non-Holding of Election	48
6.07.	Term of Directors/Trustees	49
7.	Compensation	50
8.	Officers	50
9.	Board Meetings	50
10.	Stockholders'/Members' Meeting	51
10.01.	Date of Regular/Annual Meetings	55
10.02.	Notice of Meeting	56
10.03.	Electronic Notice of Meeting	56
10.04.	Stockholders'/Members of Record	57
10.05.	Quorum in Meetings	58
10.06.	Rules on Waiver of Notice to Stockholders	58
10.07.	Proxy	59

10.08.	Voting through Remote Communications	59
10.09.	Voting Trust	60
11.	Shares	60
11.01.	Consideration for Issuance of Shares	60
11.02.	Certificates	61
12.	Corporate Books and Records	61
12.01.	Required Books and Documents	64
13.	Merger and Consolidation	66
14.	Dissolution	68
14.01.	Withdrawal of Request for Dissolution	74
15.	Liquidation	75
16.	Reportorial Requirements	75
17.	Arbitration for Corporations	76
18.	Foreign Corporations	78
18.01.	Deposit	78
18.02.	Resident Agent	79
19.	Non-Stock Corporation	79

CHAPTER 3

ONE PERSON CORPORATION

1.	Definition	80
1.01.	Limited Liability	81
2.	Articles of Incorporation of OPC	82
3.	Nominees in Case of Death or Incapacity	82
4.	Directors and Officers of OPC	84
5.	Minutes	85
6.	Reportorial Requirements	85
7.	Conversion	86

CHAPTER 4

THE SECURITIES AND EXCHANGE COMMISSION

1.	Express Powers under the RCCP	87
2.	No Injunction from RTC and MTC	88
3.	Visitorial Powers	89
4.	Investigation and Other Powers	90

CHAPTER 5

PENAL PROVISIONS

1.	Specific Penal Provisions	93
2.	Catch-All Penal Provision.....	96

APPENDIX "A"

Republic Act No. 11232 (Revised		
Corporation Code of the Philippines)		103

www.rexestore.com
your online book catalog and book store



05-CM-00103-0



MEMBER

We value your input.

For comments or inquiries, email
The Office of the Chief Operating Officer
at weare@rexpublishing.com.ph
For more info about our products
and services, please visit the following:
www.rexinteractiva.com
www.rexpublishing.com.ph
www.jaxstore.com

ISBN 978-621-04-0088-5



9 786210 400885