Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila

03 May 2006

SEC-OGC Opinion No. 06-26
Corporations created by special charter

FIREARMS AND EXPLOSIVES DIVISION
PHILIPPINE NATIONAL POLICE
CIVIL SECURITY GROUP
Camp Crame, Quezon City

Attn: **Police Chief Superintendent Arturo G. Cacdac Jr.**
Chief, FED

Sir:

This refers to your letter dated 22 March 2006, informing the Commission of the request of Philippine National Police-Service Stores System (PNP-SSS) for the issuance of License to Deal in Firearms and Ammunition from your office. In your letter to the Commission, you requested certification that the opinion in the letter of Associate Commissioner Julio A. Sulit, Jr. issued on 06 February 1978 is still considered valid.

You disclosed that:

> Pursuant to PD 875, MAJOR GENERAL FIDEL V. RAMOS, then Chief/DG, PC/INP issued the PC/INP SSS Corporate Manual on July 14, 1976 which mentions in page 1 thereof that: *"The PNP-SSS is a government function entity, created by Presidential Decree 875 on January 15, 1976, as amended by Presidential Decree 998 on September 16, 1976. It is government controlled, operating under the administrative management of the Philippine National Police formerly known as Philippine Constabulary/Integrated National Police. This entity is a non-stock organization."*

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The Commission has previously ruled on several occasions[1] that it has no jurisdiction over corporations created by special law. More specifically, the Commission has pronounced that:

> "If a corporation is operating under a special law or charter, it need not register with the Commission in order to acquire a legal personality since the grantee of such special law or charter draws its life not from compliance with a general law (Corporation Code) but from the law creating it. Section 4 of the Corporation Code, quoted hereunder, expressly provides that corporations created by special laws or charters shall be governed primarily by the provisions thereof and only supplemented by the Corporation Code.
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> "*SECTION 4. Corporation created by special laws or charters. – Corporations created by special laws or charters shall be governed primarily by the provisions of the special law or charter creating them or applicable to them supplemented by the provisions of this Code, insofar as they are applicable.*"
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> x x x"[2]

Thus, the pronouncement made by the Commission in the letter of Associate Commissioner Julio A. Sulit, Jr. issued on 06 February 1978, wherein it was stated that since "the establishment of said entity [PC/INP Service Store System] is duly covered by a decree, providing for its creation and operation, it is our view that the same need not be registered with this Commission since it is not a corporation or a partnership but a special entity governed by a special law" is still valid to date.

For your information and guidance.

Very truly yours,

VERNETTE G. UMALI-PACO, CESO II
General Counsel

cc: PSSUPT Alexander C. Ignacio (CESO IV)
Administrator, PNP-SSS

[1] SEC Opinions, letter to Ms. Marietta U. Tan, April 10, 1995; letter to Dir. Ficeto F. Festin, April 10, 1995; letter to Mr. Abdel Aziz Dimapunong, August 26, 1993;
[2] SEC Opinions, letter to Mr. Antonio F. Corrado, March 9, 2000; letter to Hon. Gloria Macapagal-Arroyo, June 3, 1993

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