Republic of the Philippines
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

OFFICE OF THE GENERAL COUNSEL

11 November 2009

SEC Opinion No. 09-29
Powers of a Corporation

WOMEN'S HEALTH CARE FOUNDATION
1589 Quezon Avenue, Quezon City

ATTN: **Ms. Helen Agustin-de Guzman, MD**
Project Manager, EMPHASIS-RH

Mesdames:

This refers to your letter dated 07 October 2009 requesting opinion on whether Women's Health Care Foundation ("WHCF") is eligible to receive a European Commission (EC) grant after the revocation of its certificate of registration was set aside by an Order of the Commission.

In your letter, you stated that due to noncompliance with the annual reportorial requirements of the Commission, the certificate of registration of WHCF was revoked by virtue of an Order dated 08 July 2003. Upon the discovery of such revocation, WHCF immediately filed a petition to lift the revocation order. Finding the petition meritorious, the Commission issued an Order[1] dated 20 February 2009 setting aside the Order revoking WHCF's certificate of registration.

You now seek the legal opinion of this Office on whether WHCF is eligible to receive an EC grant.

Section 122 of the Corporation Code provides that:

> "Section 122. Corporate Liquidation. Every corporation whose charter expires by its own limitation or is annulled by forfeiture or otherwise, or whose corporate existence for other purposes is terminated in any other manner, shall nevertheless be continued as a body corporate for three (3) years after the time when it would have been dissolved, for the purpose of prosecuting and defending suits by or against it and enabling it to settle and close its affairs, to dispose of and convey its property and to

[1] SEC En Banc Case No. 12-08-0578.

distribute its assets, but not for the purpose of continuing the business for which it was established. x x x"

However, it must be emphasized that the revocation of WHCF was included in the *en masse* revocation order published by the Commission on 11 July 2003 in the Philippine Daily Inquirer. Pursuant to SEC Circular No. 04, series of 2008, the Commission *en banc* resolved that corporations whose certificates of registration were revoked on 11 August 2003 is given until 11 August 2009, or six (6) years within which to file a petition to set aside the order of revocation with the Commission. Otherwise, the Revocation Order shall become final and executory.

In the case of WHCF, the Order of revocation, having been set aside by the Commission in its Order dated 20 February 2009, is well within the prescribed period. Hence, such Order has not become final and executory. As a consequence of such lifting of revocation, WHCF is thereby restored to its original state as if there was no revocation order, with the capacity to exercise all the powers[2] of a duly registered corporation under the Corporation Code.

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[2] Sec. 36. ***Corporate powers and capacity.*** - Every corporation incorporated under this Code has the power and capacity

1. To sue and be sued in its corporate name;

2. Of succession by its corporate name for the period of time stated in the articles of incorporation and the certificate of incorporation;

3. To adopt and use a corporate seal;

4. To amend its articles of incorporation in accordance with the provisions of this Code;

5. To adopt by-laws, not contrary to law, morals, or public policy, and to amend or repeal the same in accordance with this Code;

6. In case of stock corporations, to issue or sell stocks to subscribers and to sell stocks to subscribers and to sell treasury stocks in accordance with the provisions of this Code; and to admit members to the corporation if it be a non-stock corporation;

7. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations, as the transaction of the lawful business of the corporation may reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;

8. To enter into merger or consolidation with other corporations as provided in this Code;

9. To make reasonable donations, including those for the public welfare or for hospital, charitable, cultural, scientific, civic, or similar purposes: Provided, That no corporation, domestic or foreign, shall give donations in aid of any political party or candidate or for purposes of partisan political activity;

10. To establish pension, retirement, and other plans for the benefit of its directors, trustees, officers and employees; and

11. To exercise such other powers as may be essential or necessary to carry out its purpose or purposes as stated in the articles of incorporation.

Based on the above premises, this Office is of the opinion that WHCF now possesses the eligibility to receive an EC grant.

The foregoing opinion rendered is based solely on the facts disclosed in the query and relevant solely to the particular issues raised therein and shall not be used in the nature of a standing rule binding upon the Commission. If upon investigation, it will be disclosed that the facts relied upon are different, this opinion shall be rendered null and void.

Very truly yours,

VERNETTE G. UMALI-PACO
General Counsel