Republic of the Philippines
Department of Finance
Securities and Exchange Commission

OFFICE OF THE GENERAL COUNSEL

April 15, 2019

SEC-OGC Opinion No. 19-16
Re: Corporate Terms of Existing Corporations under the Revised Corporation Code

PANER HOSAKA & YPIL
502 Pacific Center Building
33 San Miguel Avenue
Ortigas Center, Pasig City

Attention: ATTY. EMMANUEL S. YPIL

Gentlemen:

This refers to your letter dated 28 February 2019 requesting an opinion on whether the corporate term of Victorias Milling Company, Inc. (VMC) has already been deemed amended to that of perpetual existence pursuant to Republic Act No. 11232 or the Revised Corporation Code of the Philippines (RCC).

You stated that VMC's certificate of incorporation was issued prior to the effectivity of the RCC, and that its corporate term is until April 25, 2019. Given this situation, you ask whether the corporate term of VMC is now perpetual without need of any positive act on the part of the corporation.

We answer in the affirmative. Paragraph 2, Section 11 of the RCC provides:

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> "**Corporations with certificates of incorporation issued prior to the effectivity of this Code, and which continue to exist, shall have perpetual existence, unless the corporation, upon a vote of its stockholders representing a majority of its outstanding capital stock, notifies the Commission that it elects to retain its specific corporate term pursuant to its articles of incorporation.** Provided, That any change in the corporate term under this section is without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code." (Emphasis ours)

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It is clear from the above provision that the corporate term of a corporation existing prior to, and which continues to exist upon the effectivity of the RCC shall be automatically deemed perpetual without any further action on the part of the corporation.

It shall be understood that the foregoing opinion is rendered based solely on the facts and circumstances disclosed and relevant solely to the particular issue raised therein. It shall not be used in the nature of a standing rule binding upon the Commission in other cases or upon the courts whether of similar or dissimilar circumstances.[1] If, upon further inquiry or investigation, it will be disclosed that the facts relied upon are different, this opinion shall be rendered void.

Please be guided accordingly.

CAMILO S. CORREA
General Counsel

[1] SEC Memorandum Circular 2003-15, No.7