Republic of the Philippines
Department of Finance
Securities and Exchange Commission
OFFICE OF THE GENERAL COUNSEL

5 September 2019

SEC-OGC Opinion No. 19-47
Re: Corporate Term of Existing Corporations under the Revised Corporation Code

DU-BALADAD AND ASSOCIATES (BDB LAW)
20th Floor, Chatham House,
1227 Rufino Cor. Valero Sts., Salcedo Vill.,
Makati City

Attention: ATTY. FULVIO D. DAWILAN

Dear Atty. Dawilan:

This refers to your letter dated 17 July 2019 requesting for an opinion on whether the corporate term of your client, The Nielsen Company (Philippines), Inc. (TNC), 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), without any further or positive act of the Company.

In said letter, you stated that TNC's Certificate of Incorporation was issued prior to the effectivity of the RCC and that its corporate term is until 3 November 2020. Hence, your query.

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

xxx

> "**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 supplied)

xxx

It is clear from the above-stated provision that the corporate term of a corporation existing prior to, and which continues to exist upon the effectivity of the RCC shall be deemed perpetual without any further action on the part of corporation. As a matter of fact, this Commission has already issued a previous Opinion[1] raising the same query, which may be applied *in toto* in this case.

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.[2] 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-OGC Opinion No. 19-16 dated 15 April 2019 and addressed to Paner Hosaka & Ypil.
[2] SEC Memorandum Circular 2003-15, No.7