



CONSULATE GENERAL OF THE REPUBLIC OF THE PHILIPPINES CHICAGO

PRESS RELEASE

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PRESIDENT DUTERTE ENACTS REVISED CORPORATION CODE TO FURTHER ENHANCE EASE OF DOING BUSINESS IN THE PHILIPPINES



President Rodrigo Roa Duterte leads the ceremonial signing of the Revised Corporation Code and the Universal Health Care Act at the Malacañan Palace on 20 February 20 2019. (Rolando Mailo/Presidential Photo through Philippine News Agency)

Chicago, 6 March 2019 – The Consulate General of the Philippines in Chicago wishes to inform the public and the business community in the U.S. Midwest that on 20 February 2019, President Rodrigo Roa Duterte signed into law the Revised Corporation Code of the Philippines (also known as Republic Act No. 11232).

RA 11232 amends and updates the Corporation Code of 1980. Together with the 2018 Ease of Doing Business Act and a more liberal 2018 Foreign Investment Negative List, the Revised Corporation Code seeks to improve the Philippines' business climate and competitiveness as an investment destination.

Among the notable enhancements are the grant of perpetual existence to corporations, greater protection of corporate names, removal of minimum subscribed and paid-in capital, introduction of the One Person Corporation, and lifting of requirement that majority of directors are Philippine residents. Furthermore, the law is intended to keep up with the Digital Age, allowing attendance in stockholder meetings and voting via remote communication, and implementing an electronic filing and monitoring system.

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Following are more details of the changes:

1. Incorporators – removal of the minimum number of incorporators;
2. Minimum Capital Stock – imposition of a one million Philippine Pesos (Php 1,000,000.00) minimum capital stock on stock corporations. This effectively increases the minimum paid-up capital to Php 62,500.00;
3. Corporate Term – removal of the fifty-year corporate term. This means that unless there is a provision in the Articles of Incorporation with regard to the term of corporate existence, the corporation will exist perpetually unless sooner dissolved;
4. One-Person Corporation – allowance for a single person – whether natural or juridical – to organize and put up a corporation. However, this is subject to the requirement of a minimum capital stock of one million Philippine Pesos (Php 1,000,000.00) to be paid up in a lump sum at the time of the incorporation;
5. Corporate Officers – Chief Executive Officer is made the alternative title to President and Chief Financial Officer is made the alternative title to Treasurer. Also, the inclusion of Compliance Officer as a mandatory corporate officer on top of the President/CEO, Treasurer/CFO, and Corporate Secretary;
6. Board Meetings – Allowance of remote communications methods in attending board meetings subject to provisions of the corporate by-laws;
7. Nationality of a Corporation – formalization of the test in determining the nationality of a corporation, i.e. the control test;
8. Removal of a Member of the Board of Directors or Trustees – empowering the Securities and Exchange Commission (SEC) of the Philippines to remove disqualified members of the Board of Directors or Trustees;
9. Digital Means – the new code introduces provisions that permit the electronic filing of reportorial requirements and attendance in meetings via remote communication or in absentia, among other – practices that were not recognized in the old law.

The full text of the Revised Corporation Code can be downloaded at:
http://www.congress.gov.ph/legisdocs/ra_17/RA11232.pdf. END