



SENATE

S. No. 1280

PREPARED BY THE COMMITTEES ON CONSTITUTIONAL AMENDMENTS AND REVISION OF CODES; AND TRADE COMMERCE AND ENTREPRENEURSHIP, WITH SENATORS ESCUDERO, DRILON, AQUINO IV, ANGARA, ZUBIRI, VILLAR, SOTTO III, VILLANUEVA, BINAY, EJERCITO, GATCHALIAN, GORDON, HONASAN II, HONTIVEROS, LACSON, PACQUIAO, PANGILINAN, PIMENTEL III, POE AND TRILLANES IV AS AUTHORS THEREOF

AN ACT PROVIDING FOR THE REVISED CORPORATION CODE OF THE PHILIPPINES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

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TITLE I

GENERAL PROVISIONS

DEFINITIONS AND CLASSIFICATIONS

SECTION 1. *Title of the Code.* – This Code shall be known as “The Revised Corporation Code of the Philippines”.

1 SEC. 2. *Corporation Defined.* – A corporation is an
2 artificial being created by operation of law, having the
3 right of succession and the powers, attributes and
4 properties expressly authorized by law or incident to its
5 existence.

6 SEC. 3 *Classes of Corporations.* – Corporations
7 formed or organized under this Code may be stock or non-
8 stock corporations. Stock corporations are those which
9 have capital stock divided into shares and are authorized
10 to distribute to the holders of such shares dividends or
11 allotments of the surplus profits on the basis of the shares
12 held. All other corporations are non-stock corporations.

13 SEC. 4. *Corporations Created by Special Laws or*
14 *Charters.* – Corporations created by special laws or
15 charters shall be governed primarily by the provisions of
16 the special law or charter creating them or applicable to
17 them, supplemented by the provisions of this Code, insofar
18 as they are applicable.

19 SEC. 5. *Corporators and Incorporators, Stockholders*
20 *and Members.* – Corporators are those who compose a

1 corporation, whether as stockholders or shareholders in a
2 stock corporation or as members in a non-stock corporation.
3 Incorporators are those stockholders or members mentioned
4 in the articles of incorporation as originally forming and
5 composing the corporation and who are signatories thereof.

6 SEC. 6. *Classification of Shares.* – The classification
7 of shares, their corresponding rights, privileges, or
8 restrictions, and their stated par value, if any, must be
9 indicated in the articles of incorporation. Each share shall
10 be equal in all respects to every other share, except as
11 otherwise provided in the articles of incorporation and in
12 the certificate of stock.

13 The shares in stock corporations may be divided into
14 classes or series of shares, or both. No share may be
15 deprived of voting rights except those classified and issued
16 as “preferred” or “redeemable” shares, unless otherwise
17 provided in this Code: *Provided*, That there shall always be
18 a class or series of shares with complete voting rights.

19 Holders of non-voting shares shall nevertheless be
20 entitled to vote on the following matters:

- 1 1) Amendment of the articles of incorporation;
- 2 2) Adoption and amendment of by-laws;
- 3 3) Sale, lease, exchange, mortgage, pledge, or other
- 4 disposition of all or substantially all of the corporate
- 5 property;
- 6 4) Incurring, creating or increasing bonded
- 7 indebtedness;
- 8 5) Increase or decrease of capital stock;
- 9 6) Merger or consolidation of the corporation with
- 10 another corporation or other corporations;
- 11 7) Investment of corporate funds in another
- 12 corporation or business in accordance with this Code; and
- 13 8) Dissolution of the corporation.

14 Except as provided in the immediately preceding
15 paragraph, the vote required under the Code to approve a
16 particular corporate act shall be deemed to refer only to
17 stocks with voting rights.

18 The shares or series of shares may or may not have
19 a par value except that banks, trust, insurance, and pre-
20 need companies, public utilities, building and loan