31 March 2008

SEC Opinion No. 08-07
“Collection of Association Dues of Condominium Corporations”

DR. ELLEN TAN CU
President
Ace Tower I Condominium Corporation
211 Banawe Street, Brgy. Dona Josefa
Quezon City

Dear DR. TAN CU:

This refers to your letter dated March 07, 2008 requesting opinion as to when a Condominium Corporation should start collecting association dues from unit owners.

The manner and procedure to be followed in the assessment and collection of association dues of condominium corporations are usually embodied in the articles of incorporation, by-laws and in the master deed with declaration of restrictions. This procedure, as thus embodied, shall govern the assessment and collection of association dues, provided that the same is not contrary to applicable laws.

A perusal of the articles of incorporation, by-laws and master deed with declaration of restrictions of Ace Tower I Condominium shows that there are provisions on imposition of membership fee, dues and/or assessment¹. However, there is no provision regarding when the corporation should start collecting the same.

Please be advised that there are no existing laws and rules prescribing when association dues should be collected. Considering that the corporate powers of the corporation shall be exercised, its business shall be conducted and its property shall be controlled by the Board of Trustees², it behooves the board to pass and approve a resolution fixing the date these fees shall be collected if there is no existing board resolution on the matter. However, the assessment and collection of dues of each member should start from the time of membership (i.e. from the time one became a member in accordance with the procedure of application and qualifications for membership as determined by the board³) even if the corporation was registered with the Commission earlier.

For your information and guidance.

VERNETTE G. UMALI-PACO
General Counsel

¹ Article V, Section 3 of the By-laws; Part II, Section 5 of the Master Deed with Declaration of Restrictions
² Section 23, Title III, Corporation Code; Article II, Section 1 of the By-laws.
³ Article V, Section 1 of the By-laws.