10 January 2011

SEC-OGC Opinion No. 11-04
Corporate term; Corporations
existing prior to Corporation Code;
Religious corporations

ATTY. FRANCIS DIGNADICE
8th Floor Waltermart Building,
North EDSA, Veterans Village,
Quezon City

Sir:

This refers to your letter dated 22 November 2010 requesting this Commission to render an opinion on whether or not the corporate term of your client is perpetual, or whether or not it merely has a corporate term of fifty (50) years.

Your request is based on the following facts as stated in your letter:

Your client, Grace Bible Church, Inc. ("Grace Bible," for brevity) is a non-stock and non-profit religious organization. It was registered with the Commission on 6 March 1958, twenty-two (22) years before the Corporation Code of the Philippines took effect on 1 May 1980. In its Articles of Incorporation, there is no provision regarding its corporate term. Meanwhile, the Corporation Code provides that a corporation shall exist for a period not exceeding fifty (50) years, thus your query.

We opine as follows:

The corporate term of Grace Bible is perpetual, since there was no corporate term specified in the articles of incorporation of Grace Bible. This was not required under the old Corporation Law, the applicable law when Grace Bible was incorporated. While the present Corporation Code provides a term for corporations in general, this does not apply to religious corporations. The Corporation Code has specific provisions for religious corporations, set out in Title XIII on Special Corporations, particularly on Sections 110 and 116, both of which do not provide for a term of existence of religious corporations, whether classified as corporation sole or religious society.

---

1 This letter was received by this Office on 23 December 2010.
2 Batas Pambansa Blg. 68.
The Commission has already rendered an opinion on this matter in a letter dated October 23, 1995, addressed to The United Evangelical Church of the Philippines. Citing previous opinions, the Commission stated that:

"...the law never intended to limit the corporate life of religious corporations. Hence they may be allowed to exist perpetually.

Therefore, considering that the Articles of Incorporation of the above-named religious corporation do not provide for a limitation of its corporate term, it shall be understood that the corporation intended to exist for an indefinite period. Accordingly, it is still considered as existing."

This Opinion is based solely on the facts disclosed in the query and relevant solely to the particular issues raised therein. It shall likewise be understood that the foregoing shall not be used in the nature of a standing rule binding upon the Commission in other cases or upon the courts. If, upon investigation, it will be disclosed that the facts relied upon are different, this opinion shall be rendered void.

Please be guided accordingly.

VERNETTE G. UMALI-PACO
General Counsel

---