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SEC DRAFTS GUIDELINES ON REVIVING EXPIRED CORPORATIONS

The Securities and Exchange Commission (SEC) has drafted the guidelines on the revival of corporations whose terms have expired prior to the enactment of Republic Act No. 11232, or the Revised Corporation Code of the Philippines.

The proposed Guidelines on the Revival of Expired Corporations is pursuant to Section 11 of the Revised Corporation Code, which provides for the perpetual existence of corporations.

As part of the shift to a perpetual corporate term, the Revised Corporation Code allows an expired corporation to apply for the revival of its existence, together with all the rights and privileges under its certificate of incorporation and subject to all of its duties, debts and liabilities existing prior to its revival.

“The revival of expired corporations will ultimately benefit our society,” SEC Chairperson Emilio B. Aquino said. “This will translate to more market players competing, introducing innovations and more choices, and creating employment opportunities, among others.”

Under the draft Guidelines, an expired corporation seeking to revive its existence shall file with the Commission a verified petition for revival, in accordance with the SEC Rules of Procedure, and signed by a majority of the board of directors or trustees, the corporate secretary, and corporate treasurer.

The petition must state, among others, that the revival of the corporation was approved by a vote of at least two-thirds of the outstanding capital stock, or members for non-stock corporation; that there is no intra-corporate controversy; and that no third persons nor government agency will be prejudiced by the corporation’s revival.

The corporation shall submit supporting documents such as certificate of incorporation and articles of incorporation; general information sheet; audited financial statements; balance sheet; monitoring clearance from CRMD; tax clearance certificate; and copy of official receipts for the payment of the petition fee and filing fee.

The SEC shall also require a favorable recommendation from the appropriate government agency in the case of banks, banking and quasi-banking institutions, preneed, insurance and trust companies, non-stock savings and loan associations, pawnshops, corporations engaged in money service business, and other financial intermediaries.

The corporation shall then pay a petition fee amounting to P3,030 plus a filing fee for the extension of term of existence, pursuant to SEC Memorandum Circular No. 3, series of 2017.

The Commission En Banc, upon proper showing, shall approve the petition and issue a certificate of revival of corporate existence. The certificate shall provide for perpetual corporate existence unless the corporation states a specific corporate term in its verified petition.

A corporation whose certificate of registration has been revoked and whose corporate term has expired, for reasons other than the non-filing of reports, shall not be allowed to revive its corporate existence.

Meanwhile, a corporation whose certificate of registration has been suspended and whose term of existence has expired may apply for revival, provided it files the proper petition to lift its suspension, which may be incorporated in its petition for revival, and settles the corresponding penalties thereof.

Revival shall also not be applicable to expired or dissolved corporations, which already availed of re-registration.

A revived corporation shall be given a period of not more than two years from the issuance of the certificate of revival to comply with the provisions of the Revised Corporation Code.

Prior to the enactment of the Revised Corporation Code, corporate terms were capped at 50 years. A corporation, however, could extend its existence for periods not exceeding 50 years by amending its articles of incorporation.

Reviving an expired corporation then entailed re-registration, a procedure where an entirely new corporation is organized but under the name of the expired corporation. In re-registration, the Commission issues a new certificate of registration, registration number and tax identification number, among others.

The draft [Guidelines on the Revival of Expired Corporations](#) is available on the SEC website. All interested parties may email their views, comments and inputs to Atty. Fermo B. Avila of CRMD at fbavila@sec.gov.ph not later than 26 April 2019.

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