



## ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

### In the Matter of:

For Revocation of Certificate of Incorporation for violation of Section 44 of the Revised Corporation Code of the Philippines (R.A. 11232) and Section 6 i (2) of Presidential Decree No. 902-A for serious misrepresentation as to what the corporation can do to the great prejudice of or damage to the general public

### IPC-PHILCOM.PH, INC.

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## ORDER OF REVOCATION

This refers to **IPC-PHILCOM.PH, INC.**, a non-stock corporation registered with the Commission on 11 January 2013 under Company Reg. No. CN201328507 and with registered principal office address at ZSCMST, Fort Pilar Zamboanga City.

The primary purpose of **IPC-PHILCOM.PH** is quoted, as follows:

*"The specific purpose of the organization is to establish a non-profit, non-sectarian, non-political, and tax-exempt (sic). A non-governmental organization for public and charitable purposes. To create a unified front in dealing with private and governmental agencies on problems affecting human rights, economics and social affairs, and guided by the laws of nature, universal justice and respect for dignity of man, muster members of various profession, civic and businessmen/women retired and active peace officers under the legitimate laws, soldiers and other professions of any nations for justice, freedom and democracy to be vested with powers and clothes as natural person with constitutional authority, and inherent basic rights, and to perform other duties and responsibilities as staff officers to assist the government in humanitarian and peace keeping operations, and to augment the local enforcement agencies in its campaign against terrorism, drug abuse prevention and control help prevent and control all types of grafts and corruption and other organized crimes.*

*Likewise to cover a phase of scientific advancement in research programs in the scientific crime investigation and schooling with high tech forensic studies under the criminal justice system. Funding of the organization with generally come from the general membership fees, gifts, donations, and solicitation with grants either*

*government or private institutions and fund raising projects either local national and international as the case so warrants.*

*That this organization is the Philippine Extension Arm of the International Police Commission in Sacramento CA USA 2117115 whose Offices and Personnel are conferred with military rank in order to enforce with the highest and strict discipline in the rank and file of the IPC-PHILCOM.”*

On 3 November 2020, the Commission received a letter from the Philippine Center on Transnational Crime (PCTC), INTERPOL National Central Bureau Manila (NCB-Interpol Manila), reporting to the Commission that a group of private organizations/entities using “INTERPOL” as part of their organizations or corporate names are not in any way connected with and much less, deputized by NCB-Interpol Manila, pursuant to Executive Order No. 100 s. 1999 (*Strengthening the Operational, Administrative and Information Support System of the Philippine Center on Transnational Crime*).

According to PCTC, it has received information that said groups have been recruiting members from various sectors of society enticing them with salaries and benefits, and privileges such as issuance of identification cards, badges and grant of a police and military ranks upon payment of certain amount as membership fee.

On 31 August 2021, the Commission issued an Advisory against Paramilitary/Pseudo-Law Enforcement Civic-Oriented Organizations-Associations.<sup>1</sup> In said Advisory, the Commission informed the public that:

*“The Certificate of Registration as a corporation does not grant a license or authority to conduct these paramilitary activities without the approval from the relevant government agencies. These entities or functions are outside the scope that can be conferred by the Revised Corporation Code of the Philippines or by the Commission, nor can their paramilitary/law-enforcement activities can be considered as incidental to or part of their express powers as a corporation.*

*Further, the certificate of registration issued by the Commission cannot confer rights or authority to use the name and logo of the United Nations, Interpol and other international organizations. The use thereof is subject to the consent/authority of these international organizations. Neither can the certificate of incorporation be used to create another form of government, state, or international organization.*

*Considering that these acts and practices blatantly constitutes misrepresentation and could advance fraudulent purposes or can be reasonably expected to cause significant, imminent, and irreparable danger or injury to public safety and welfare, the public is hereby warned that the*

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<sup>1</sup> <https://www.sec.gov.ph/advisories-2021/paramilitary-pseudo-law-enforcement-civic-oriented-organizations-associations/>

*Commission shall not tolerate the use of the corporate vehicle in proliferating these kinds of paramilitary activities/scheme.*

*The Commission shall not hesitate to impose corresponding penalties under the Revised Corporation Code for violations committed by these corporations, without prejudice to liabilities individuals representing these corporations/entities may face for violations of the Revised Penal Code of the Philippines.”*

Based on investigation, it appears that **IPC-PHILCOM.PH.INC.** is conducting the following activities:

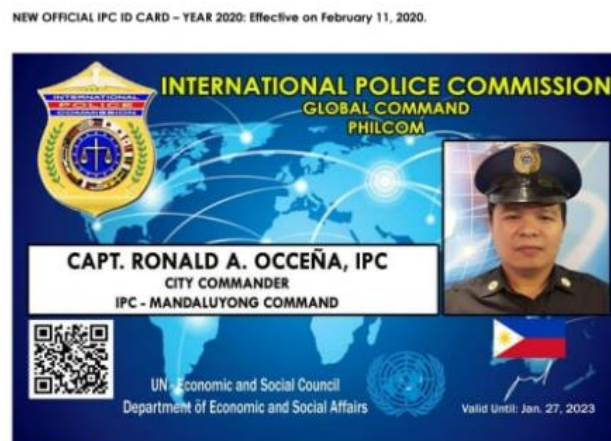
- "1. Appropriation of military ranks to engage in activities or undertakings pertaining to the functions/mandates of the PNP, AFP, INTERPOL, UNITED NATIONS (UN) and its affiliates without any **authority/deputation from these law enforcement agencies and international organizations;**



- "2. The **use and continued use of an unregistered trade name** “International Police Commission”, “PHILCOM”, “Philippine Command” and “Philippine Global Command”.



"3. The appropriation and use of the United Nation's name and logo without written authority to use the same.



On 18 January 2022, the Commission issued a **SHOW-CAUSE ORDER** directing **IPC-PHILCOM.PH** and its Board of Trustees to show cause in writing why its Certificate of Incorporation should not be revoked pursuant to Section 6 (i) (2) of Presidential Decree No. 902-A for serious misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public.

The Show Cause Order further informed them that these activities or functions are outside the scope that can be conferred by the *Revised Corporation Code of the Philippines (Republic Act No. 11232)* or by the Commission, nor can these paramilitary/law-enforcement activities be considered as incidental or part of their express powers as corporations.

On 25 January 2022, the Department received the Answer of IPC-PHILCOM.INC. to the Show Cause Order.

Accordingly, the factual backdrop of this case having been laid, we now resolve the instant proceedings on the basis of available evidence.

Preliminarily, it must be noted that like every SEC registered corporation such as IPC-PHILCOM.PH.INC., a corporation is only allowed to exercise powers inherent to its corporate existence as provided in the Revised Corporation Code of the Philippine and those conferred in its Articles of Incorporation (AOI). In other words, what a corporation can do is necessarily circumscribed by its primary purpose clause in its AOI.

In an opinion,<sup>2</sup> the Commission pronounced that:

*“It is the corporation’s primary purpose clause which confers, as well as limits, the powers which a corporation may exercise and the character of a corporation is usually determined by the objects of its formation and the nature of its business as stated in the articles. The primary purpose of the corporation, as stated in its articles of incorporation, is the first business to be undertaken by the corporation. Hence, the primary purpose determines its classification.”*

Thus, the purpose stated in the Articles of Incorporation need not set out with particularity the multitude of activities in which the corporation may engage. The effect of broad purposes or objects is to confer wide discretionary authority upon the directors and management of the corporation as to the kinds of business in which it may engage. However, ***dealings which are entirely irrelevant*** to the purposes are unauthorized and called ***ultra vires***. The purpose clause of the articles of incorporation indicates the extent as well as the limitations of the powers which a corporation may exercise.

Under Section 6 of Presidential Decree 902-A, the Commission has the power to suspend, or revoke, after proper notice and hearing, the franchise of certificate of registration or corporations, partnerships and associations, on the ground of serious misrepresentations as to what the corporation can do or is doing to the to the great prejudice of or damage to the general public. Likewise, Section 5.1 (m) of the SRC and Section 179 (j) of the RCCP empower the Commission to revoke the franchise or Certificate of Incorporation/registration of corporations registered with it.

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<sup>2</sup> SEC-OGC Opinion No. 11-33 dated 29 July 2011 addressed to Mr. Jesus B. Lapuz.

Under the 2016 Rules of Procedure of the Securities and Exchange Commission, the EIPD shall exercise authority over persons and entities, whether under the primary authority of other Operating Departments, involved in the following:

- xxx "1. Investigations and administrative actions involving the following:
  - c) Selling, offering or transacting unregistered securities by entities without secondary license;
  - d) ultra vires acts committed in violation of the Corporation Code;
2. Petitions for revocation<sup>3</sup> of corporate registration in all cases, except those which fall under the original authority of CRMD;
3. Administrative actions for fraudulent transactions involving securities;
4. Administrative actions for all other violations under PD 902-A, except those cases which fall under the original authority of other Operating Departments; and
5. All other matters involving investor protection filed by the public, referred by self-regulatory organizations, or referred by other Operating Departments after initial evaluation or findings that there is a possible violation of laws, rules or regulations that the Commission implements but do not fall under their respective original authority."

Further, SEC Admin Case No. 11-10-124 entitled *In re: PHILBIO Renewable Energy Resources Corp.*, promulgated on 27 April 2016 provides what constitutes serious misrepresentation, to wit:

"From the foregoing, it is indubitable that PHILBIO misrepresented itself to the public that it can solicit investments despite the fact that it is not one of the purposes of the corporation. Worse, it does not have a license to offer/sell securities. PHILBIO operates an investment-taking scheme which is therefore considered an ultra vires act. These constitute serious misrepresentation as to what the corporation can do or doing to the great prejudice to the general public."

In the case at bar, the Department was tasked to carefully determine whether or not IPC-PHILCOM.PH.INC. has committed serious misrepresentation as to what it can do or is doing to the great prejudice of or damage to the general public, on the basis of available evidence presented.

In the determining the issue, the primary purpose of IPC-PHILCOM.PH.INC.'s AOI as approved by the Commission is reiterated herein as follows:

*"The specific purpose of the organization is to establish a non-profit, non-sectarian, non-political, and tax-exempt. **A non-governmental organization for public and charitable purposes. To create a unified front** in dealing with private and governmental agencies on problems affecting human rights, economics and social affairs, and guided by the laws of nature, universal justice and respect*

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<sup>3</sup> Revocation refers to involuntary dissolution of corporate registration pursuant to Section 138 of the Revised Corporation Code.



for dignity of man, muster members of various profession, civic and businessmen/women retired and active peace officers under the legitimate laws, soldiers and other professions of any nations for justice, freedom and democracy to be vested with powers and clothes as natural person with constitutional authority, and inherent basic rights, and to **perform other duties and responsibilities as staff officers to assist the government in humanitarian and peace keeping operations, and to augment the local enforcement agencies** in its campaign against terrorism, drug abuse prevention and control help prevent and control all types of grafts and corruption and other organized crimes.

Likewise to **cover a phase of scientific advancement in research programs** in the scientific crime investigation and schooling with high tech forensic studies under the criminal justice system. **Funding of the organization with generally come from the general membership fees, gifts, donations, and solicitation with grants either government or private institutions and fund raising projects** either local national and international as the case so warrants.

That this organization is the Philippine Extension Arm of the International Police Commission in Sacramento CA USA 2117115 whose Offices and Personnel are conferred with military rank in order to enforce with the highest and strict discipline in the rank and file of the IPC-PHILCOM.” **(Underscoring ours)**

Corollary to the Articles of Incorporation is the **Certificate of Incorporation issued by the Commission which states that such certificate does not constitute an authority to undertake activities for which other government agencies require a license or permit,** to wit:

*“This Certificate grants juridical personality to the corporation but does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. **Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.**” **(Underscoring ours)***

With this in mind, the Department examined the representations of IPC-PHILCOM.PH in its Reply/Answer, to state:

*“Our organization IPC, is just focused purely on humanitarian activities and helping the community, the society, our poor fellowmen, and Indigenous People, to at least help eradicate poverty through our Livelihood Programs, community service, rescue, relief, and other civic actions within the capability of our officers and members wherein we raise our own funds.”*

In accordance with DSWD’s Administrative Order No 14, Series of 2007 or the ***“Revised Omnibus Rules and Regulations on Public Solicitations”*** in relation to the Solicitation Permit Law, any corporation, organization or association desiring to solicit or receive contributions for charitable and public welfare purposes such as **IPC-PHILCOM.PH.INC**, shall secure a DSWD registration/certification is required to operate as Private Social Welfare and Development Agencies (SWDA).

Pursuant to the request of the Enforcement and Investor Protection Department as to whether **IPC-PHILCOM.PH, INC.** acquired any registration, license or accreditation from DSWD to operate or conduct public solicitations and similar activities in accordance with the Revised Omnibus Rules and Regulations on Public Solicitation, the DSWD in its Certification dated 18

October 2021, certified that **IPC-PHILCOM.PH, INC.** has no record in its SWDA and National Fund Raising Campaign/Public Solicitation databases and therefore has no Registration and License to operate from DSWD.

Thus, it appears therefore that from the time of its incorporation up to the present, **IPC-PHILCOM.PH.INC.** did not secure any registration, license, or accreditation from DSWD to operate as a non-governmental organization engaged in solicitation of funds for charitable and public welfare purposes.

Further, IPC-PHILCOM.PH does not have any deputation from the duly constituted authorities such as the AFP and PNP and PCTC.

In its Answer **IPC-PHILCOM.PH.INC.** said that it is intentionally using the ranks and uniforms and that it is a paramilitary organization, to wit:

*“xxx Regarding wearing uniforms and using ranks, our IPC which was registered in 2013 were already and our past officers practice those since 1966 when **IPC was conceived as a Paramilitary Organization** and that culture was just passed on to us by our old officers throughout our generations that we need to continue as respect to our dearest organization.”*

x x x

*“We always clarify the issues that we are accused of pretending as part of the country’s law enforcement agencies like the AFP and PNP which are by law and in reality, the official soldiers and police of our country. Let this not confuse your honorable agency {SEC} that we perform as our government’s military and police organization like the PNP and AFP, as we are just continuing, respecting and performing the advocacy of IPC that was conceived and registered originally in the Philippines since 1966, and now, we have forty three (43) IPC countries all over the globe, and the major command that we have, which also conducts humanitarian activities is Nevada USA command properly and duly registered in the State of Nevada, USA. All of those Command Countries under the leadership of the IPC Philippine and Global Command are purely humanitarian in nature and non- combatant, as **IPC is termed as a Paramilitary Organization.**” (Emphasis ours)*

It even annexed its Memorandum No. 05 series 2012, which is publicly available in the internet,<sup>4</sup> and cited in its Answer, that it represents to the public, its roster of ranks such as Commanding General, General, Lieutenant General which in the minds of the unwary general public could be confused with ranks being used in military, police organizations or law-enforcement agencies. The said memorandum further mentions that its members can be subject to court martial proceedings.

Based on this admission, IPC-PHILCOM.PH.INC is a pseudo-law enforcement civic-oriented organizations-association and/or force multipliers which should be registered, licensed, or accredited with the PNP and/or concerned agencies. Careful perusal of the Answer and its Annexes are bereft of any evidence that would show proof that IPC-PHILCOM.PH.INC is allowed to conduct such representations to the public, and therefore, at risk of taking advantage of such circumstance to the prejudice of the gullible public.

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<sup>4</sup> <http://ipcgroup.weebly.com/uploads/1/0/6/6/10664646/cm50001.pdf>



IPC-PHILCOM.PH.INC's even justifies the wearing of and utilization military/police-like uniforms, emblems and insignias, to wit:

*"xxx Therefore, that culture of **using ranks and wearing IPC uniforms existed even before.** With us, as the new generation of **IPC officers have no right whatsoever to break that practice, culture and discipline of the IPC organization.** We would like to hereby site excerpts, the definition from Merriam-Webster's Dictionary and Google regarding the using of ranks and emblems, "that not only the military or police organization can use the military rank and the emblems and insignia."*

As to the allegation of use of unregistered tradename or business name, IPC-PHILCOM.PH.INC answered in the following manner:

*"The IPC and INTERPOL are not the same and we never pretend to be part of Interpol. Interpol is another international organization, registered under the name International Criminal Police Organization based on Lyon France with the general mandate of facilitating international police cooperation even where diplomatic relations do not exist between particular countries and share data information and intelligence report to police forces around the globe and like the nature and general mandate of IPC that we can support and cooperate with the local authorities by contributing community intelligence reports that any citizen and any Civil Society Organization must do and are responsible of. **For our clear and honest expression of our practice,** attached herewith is IPC's Memorandum Circular No. 05 series 2012 dated October 1, 2012 with Subject: **Approved Aliases And Or Abbreviation of the IPC Organization.**" (**Underscoring ours**)*

On its face, the Answer and Memorandum No. 05 series 2012 uses the name **"INTERNATIONAL POLICE COMMISSION (IPC)" "INTERNATIONAL POLICE COMMISSION (IPC)-GLOBAL COMMAND" and "INTERNATIONAL POLICE COMMISSION (IPC)-PHILIPPINE COMMAND" and "PHILIPPINE COMMAND"** in its logo, headers and subject title, among others.

Records showed that IPC-PHILCOM.PH.INC disclosed to this Commission thru its Articles of Incorporation that "IPC" is supposed to be an abbreviation of "INTERNATIONAL POLICE COMMISSION." However, despite such disclosure, it is to be noted that **the Commission did not allow IPC-PHILCOM.PH.INC to use the unabbreviated name "INTERNATIONAL POLICE"** in its corporate dealings and correspondence since **the Articles of Incorporation does not contain any provision which allows IPC-PHILCOM.PH.INC to use any tradename or business name.** Further, IPC-PHILCOM.PH.INC. failed to provide the Commission **a written consent for the use of "INTERNATIONAL POLICE" from NCB-INTERPOL Manila and/or the INTERPOL.**

Worse, other than the use of "INTERNATIONAL POLICE," the Commission cannot turn a blind eye on the representations it made to this Department, to wit:

*"Regarding United Nations, Our organization is a Roster Member of the UN with its Department of Economic and Social Affairs {UN DESA} under Consultative Status. Attached herewith are the invites and photos during our organization's attendance at the 68th UN Civil Society Conference on 26 to 28 of August 2019 held in Utah, USA.*

*Moreover, our organization, because of our UN Official Membership and the strength of our global network, we also filed application to become a member of NATO and we were granted positive response granting our organization acceptance of our application, and we were given the NATO Access Code and was pre-approved and on-process by NATO, also attached herewith is our*

*application form and the documents of our application, as member, and the NATO Access Code issued to us {confidential that we covered it with ink}.”*

It must be emphasized that a **written consent is required for the use the name and logo of international organizations such as the United Nations and Interpol.** IPC-PHILCOM.PH.INC, miserably failed to address this concern.

It is also not amiss to state that under SEC Memorandum Circular No. 13, series of 2019 or the *Amended Guidelines and Procedures on the Use of Corporate and Partnership Names*, the following words or phrases cannot be used in corporate or partnership names such as among others:

- “United Nations” or “UN” in full or abbreviated form exclusively by the United Nations and its attached agencies.
- The name of an international governmental organization such as International Criminal Police Organization (INTERPOL) unless when duly authorized or allowed by the Commission.

Taking into consideration the above facts and admissions in the Answer of IPC-PHILCOM.PH. INC., its continuous operation could advance a fraudulent purpose and can be reasonably expected to cause significant, imminent and irreparable danger or injury to the public safety and welfare and can take advantage of the credulity of the public.

Verification from the records of the Commission show that since its incorporation on 11 January 2013 up to the present, IPC-PHILCOM.PH,INC. has **only filed one General Information Sheet (GIS) for the year 2016 and it did not file any financial statements or audited financial statements.**

Records of the Commission further showed that, to date, **IPC-PHILCOM.PH** has not submitted its Mandatory Disclosure Form. Under Section 9.1 and 9.2 of Chapter IX of Memorandum Circular No. 25 series of 2019 or the *Guidelines for the Protection of SEC Registered Non-Profit Organizations from Money Laundering and Terrorist Financing Abuse*, registered non-stock corporations such as IPC-PHILCOM.PH, is required to accomplish a **revised MDF** and submit the same to the Commission through the Anti-Money Laundering Division (AMLD) of this Department or the SEC Extension Office.

Under Section 9.5. of said memorandum provides **that failure to comply with MC No. 25. s. 2019 is a cause for revocation** of the certificate of incorporation of the non-complying non-stock corporation.

Accordingly, incorporation is not a matter of right but a mere privilege granted by the state. The grant being a mere privilege, the **state has the continuing interest in the existence of a corporation** in a sense that this privilege be **acquired only under the conditions of law** including **compliance with the mandatory requirements of the corporation.**

**IPC-PHILCOM.PH**'s Certificate of Registration as a corporation does not grant it a license or authority to conduct paramilitary activities without approval from the relevant government agencies. These activities or functions are outside the scope that can be conferred by the Revised Corporation Code of the Philippines or by the Commission, nor can their paramilitary/law-enforcement activities be considered as incidental to or part of their express powers as a corporation. Further, the certificate of registration issued by this Commission cannot confer rights or authority to use the name and logo of the United Nations, Interpol and other international organizations without their written consent.

Considering that these acts and practices blatantly constitutes *ultra vires* acts and therefore constitute serious misrepresentation that could advance fraudulent purpose or can be reasonably expected to cause significant, imminent and irreparable danger or injury to the public safety and welfare, the issuance of this ORDER is warranted.

Section 44 of the RCCP provides:

**SEC. 44. Ultra Vires Acts of Corporations.** — No corporation shall possess or exercise corporate powers other than those conferred by this Code or by its articles of incorporation and except as necessary or incidental to the exercise of the powers conferred.

**WHEREFORE**, for violation of Section 44 of the Revised Corporation Code of the Philippines (RCC or R.A. 11232) in relation P.D. 902-A and Section 5.1 (m) of the SRC and Section 179 (j) of the RCC, the Certificate of Incorporation and the registration of **IPC-PHILCOM.PH.INC** is hereby **REVOKED**.

Accordingly, let this Order be posted at the SEC website and attached by the Corporate Filing and Records Division of the Company Registration and Monitoring Department (CRMD) to the records of the corporation on file with the Commission. Further, the Information and Communications Technology Department (ICTD) of this Commission is likewise requested to enter the "*revoked*" status of subject corporation in the online database of the Commission.

**SO ORDERED**

Pasay City, 28 March 2022.

  
**OLIVER O. LEONARDO**  
Director