



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

INTERPOLCOM PHILCOM INTELLIGENCE GROUP (IPCIG) INC.

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ORDER OF REVOCATION

This refers to **INTERPOLCOM PHILCOM INTELLIGENCE (IPCIG) INC. (IPCIG for brevity)**, a non-stock corporation registered with the Commission on 9 January 2014 under Company Reg. No. CN201428515 and with registered principal office address at 4th Floor Crissant Condominium Bldg., 270 Commonwealth, Quezon City, Metro Manila, Philippines.

The primary purpose of **IPCIG** is quoted, as follows:

"1. To establish a group of intelligence network in accordance with the by-laws of the organization through coordinating government agencies in preventing and controlling crimes, promote and encourage environment and socio-economic development formed by a group of retired and active servicemen likewise, professional ones.

2. To create a fast and effective intelligence network through different countries internationally and local enforcement unit members of the organization.

3. To prevent and control the uprising problems worldwide likewise transnational organized crime, illegal drugs, human trafficking, prostitution, most wanted local/foreign criminals, corruptions, terrorism, human rights, violation and kidnap for ransom.

4. Funding of the organization will general come from the United Nations organization general membership fee, gifts, donation, and solicitation with grants, either government or private institutions and fund raising projects either local and international.”

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 police and military ranks upon payment of certain amount as membership fee.

On 31 August 2021, the Commission issued an Advisory against Paramilitary/PseudoLaw Enforcement Civic-Oriented Organizations-Associations.¹ 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

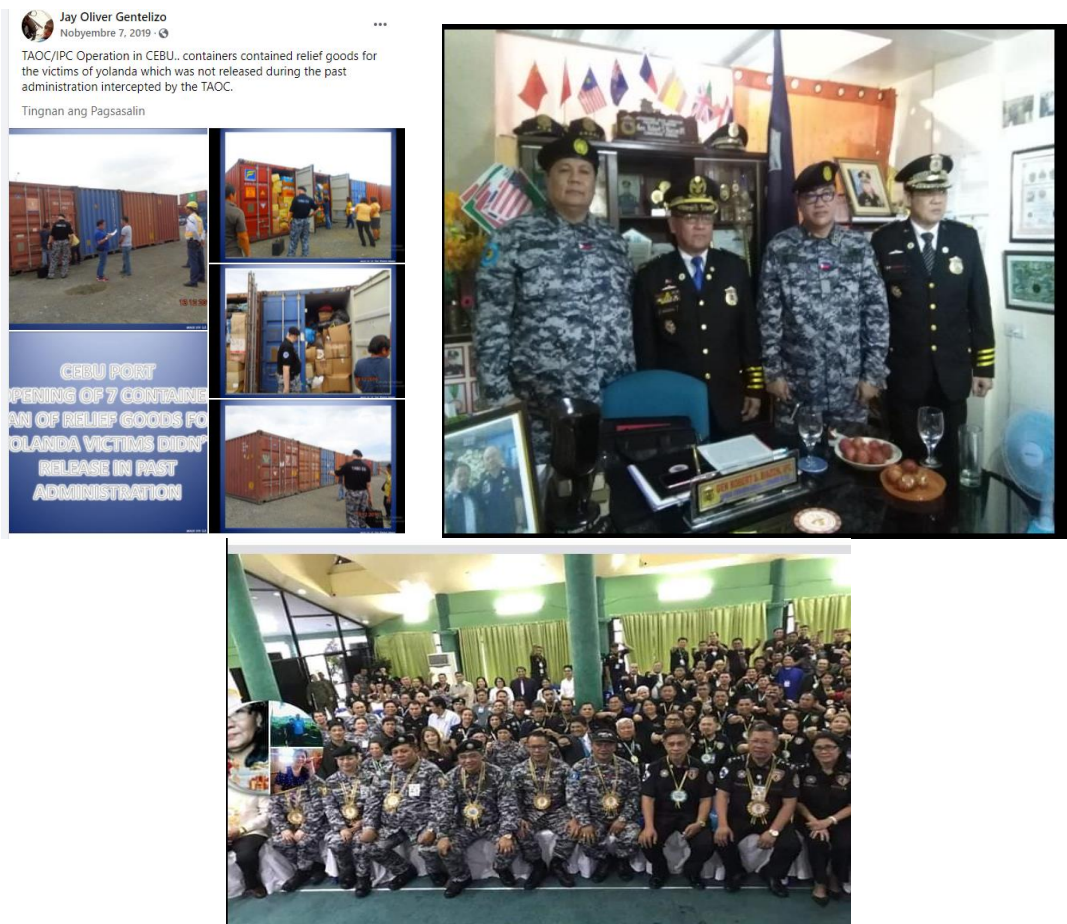
¹<https://www.sec.gov.ph/advisories-2021/paramilitary-pseudo-law-enforcement-civic-oriented-organizationsassociations/>

injury to public safety and welfare, the public is hereby warned that the 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 **IPCIG** 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 affiliate without any **authority/deputation from these law enforcement agencies and international organizations;**



- The **use of an unregistered trade name**, “Transnational Anti-Organized Crime,” “International Police Commission” and “Interpol” despite the issuance of SEC Memorandum Circular No. 9 series of 2018 (*Amendment of Guidelines and Procedure on the Use of Corporate and Partnership*) which states:

“8. The name of an international governmental organization, such as “International Criminal Police Organization” (INTERPOL), “International Monetary Fund” (IMF), and “International Labor Organization” (ILO), may not be used as part of a corporate or partnership name unless duly authorized or allowed by the Commission.”



- 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 **IPCI** 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 **IPCIG** that its identified 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 such paramilitary/law-enforcement activities be considered as incidental or part of its express powers as a corporation.

In this regard, the Department would like highlight the following information:

1. **INTERPOLCOM PHILCOM INTELLIGENCE GROUP (IPCIG) INC.** and another corporation with similar activities, **TRANSNATIONAL ANTI-ORGANIZED CRIME-INTELLIGENCE GROUP (TAOC-IG)** are both located at the **4th Flr. Crissant Bldg., 270 Commonwealth Ave., Quezon City**. The address was reflected as principal address in the 2020 General Information Sheets of **IPCIG** and **TAOC-IG**.
2. **IPCIG** and **TAOC-IG** have almost the same Board of Trustees and Corporate Officers:

NAME	IPCIG	TAOC-IG
1. Galma T. Arcilla	Chairman	Chairman
2. Ma. Consolacion A. Esplana	Corporate Secretary	Corporate Secretary
3. Alice L. Cambaya	Chief Financial Officer	Chief Financial Officer
4. Feliscisimo Burac	OTR	OTR
5. Elvira P. Llantos	OTR	OTH
6. Jovencia Valera	Chief Operating Officer	
7. Willy T. Aguilar		
8. Solomon R. Arcilla	OTR	
9. Albert A. Verba	N/A	President
10. Rocky R. Diaz	N/A	OTH

3. The Department issued two (2) different Show-Cause Orders against **IPCIG** and **TAOC-IG**. Both were personally received on 29 March 2022 by **Ms. Alice Cambaya** as **Chief Financial Officer**.²

Despite the abovementioned facts, **IPCIG** failed to answer the Show Cause letter issued by the Commission.

Thus, by reason of the failure of **IPCIG** to answer the material allegations mentioned in the Show Cause Order, the same is tantamount to a waiver of its opportunity to be heard and to refute the findings therein.

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

² as stated in the 2020 GIS of IPC-IG and TAOC-IG.

Preliminarily, it must be noted that every SEC registered corporation such as **IPCIG** is only allowed to exercise powers inherent to its corporate existence as provided in the Revised Corporation Code of the Philippines 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,³ 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 great prejudice of or damage to the general public. Likewise, Section 5.1 (m) of the Securities Regulation Code (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.

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;*

³ SEC-OGC Opinion No. 11-33 dated 29 July 2011 addressed to Mr. Jesus B. Lapuz.

2. *Petitions for revocation⁴ 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 **IPCIG** 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 **IPCIG**'s AOI as approved by the Commission is reiterated herein as follows:

“1. To establish a group of intelligence network in accordance with the by-laws of the organization through coordinating government agencies in preventing and controlling crimes, promote and encourage environment and socio-economic development formed by a group of retired and active servicemen likewise, professional ones.

⁴ Revocation refers to involuntary dissolution of corporate registration pursuant to Section 138 of the Revised Corporation Code.

2. To create a fast and effective intelligence network through different countries internationally and local enforcement unit members of the organization.

3. To prevent and control the uprising problems worldwide likewise transnational organized crime, illegal drugs, human trafficking, prostitution, most wanted local/foreign criminals, corruptions, terrorism, human rights, violation and kidnap for ransom.

4. Funding of the organization will general come from the United Nations organization general membership fee, gifts, donation, and solicitation with grants, either government or private institutions and fund raising projects either local and international.”

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)*

Based on the available evidence, **IPCIG** was not authorized by any duly constituted authorities such as the Philippine Center on Transnational Crime (PCTC), INTERPOL National Central Bureau Manila (NCB-Interpol Manila) under Executive Order No. 62 dated 15 January 1999, the Armed Forces of the Philippines and the Philippine National Police to conduct activities similar to or pertaining to the functions/mandates of the PNP, AFP, INTERPOL, UNITED NATIONS (UN) and its affiliates despite the avowed purpose of “*through coordinating government agencies in preventing and controlling crimes.*”

Further, examination of the primary purpose of **IPCIG** does not show any logical relation as to the use of uniforms similar to law enforcement authorities to the corporate purpose (intelligence network and social works). These activities do not have any direct and immediate furtherance of the corporation’s activities, nor is it fairly incident to the express powers nor reasonably necessary to their exercise.

Pursuant to the request of the Enforcement and Investor Protection Department as to whether **IPCIG** 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 **IPCIG** 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.

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 **IPCIG**, shall secure a DSWD registration/certification to operate as Private Social Welfare and Development Agencies (SWDA).

Thus, it appears therefore that from the time of its incorporation up to the present, **IPCIG** 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. It did not provide any evidence that it can operate as a social welfare and development agency and/or accredited to conduct social works as required under Section 23 of R.A. 10847⁵ which amended R.A. 1575⁶ and the Republic Act Nos. 4373^a or the Social Work Law.

However, despite such non-registration with the DSWD, **IPCIG’s** financial statements showed that it has received donation for the years 2019 and 2020, to wit:

Year	Amount
2020	25,000.00
2019	75,905.00

With regard to the issue of use of an unregistered corporate name, i.e., **“Transnational Anti-Organized Crime”**, **“International Police Commission”** and **“Interpol”** and the appropriation of the United Nation’s name and logo and its affiliate, United Nation Economic and Social Council (UN-ECOSOC), below are documents and posts examined and seen by the Department:



⁵ An Act Lowering the Age Requirement for Applicants taking the Board Examination for Social Workers, Providing for Continuing Social Work Education, and Upgrading the Sundry Provisions relative to the Practice of Social Work.

⁶ An Act to Amend Republic Act Numbered Four Thousand Three Hundred Seventy-Three, Entitled “An Act to Regulate the Practice of Social Work and the Operation of Social Work Agencies in the Philippines and for Other Purposes”

Using the logo embodying the words “*Transnational Anti-Organized Crime*”, “*International Police Commission*” and “*Interpol*” misleads the unwary public that **IPCIG** is a subdivision/affiliate of a law enforcement agency and worse, that it is an affiliate of the United Nation Economic and Social Council (UN-ECOSOC). Note that the list of non-governmental organizations in consultative status with the Economic and Social Council (UN-ECOSOC)⁷ does not show the name “**INTERPOLCOM PHILCOM INTELLIGENCE GROUP (IPCIG) INC.**”

Please be informed 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.

Taking into consideration the above facts 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.

Records of the Commission further showed that, to date, **IPCIG** 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 **IPCIG** are required to accomplish a **revised MDF** and submit the same to the Commission through the Anti-Money Laundering Division (AMLDD) 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 maintained only under the conditions of law including compliance with the mandatory requirements for corporations.

IPCIG'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 its 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

⁷ <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N21/055/43/PDF/N2105543.pdf?OpenElement>

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 a 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 **INTERPOLCOM PHILCOM INTELLIGENCE GROUP (IPCIG) 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, 26 May 2022.


OLIVER O. LEONARDO
Director