

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

04 SEP 15 P4:29

SENATE

S. B. No. 1784

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Introduced by **SENATOR JINGGOY EJERCITO ESTRADA**

EXPLANATORY NOTE

The Corporation Code came into existence in order to provide a legal framework for the establishment, operation, regulation and interaction of corporate entities in an ever changing Philippine commercial horizon.

The onset of the new millennium also heralded the rise of new problems that challenged the legal regime that was in place. The enactment of the New Securities Act only underscored this fact. There is a pressing need to update some of our laws in order to meet the new challenges of the new age.

Thus, this measure seeks to increase the applicable range of penalties for violations of any provision of the Corporation Code so that violators would think twice before violating the same.

Immediate passage of this bill is thus earnestly recommended.


JINGGOY EJERCITO ESTRADA
Senator

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**AN ACT AMENDING SECTION 144 OF BATAS PAMBANSA BLG. 68,
OTHERWISE KNOWN AS THE CORPORATION CODE OF THE PHILIPPINES
BY INCREASING THE RANGE OF PENALTIES FOR VIOLATIONS OF ITS
PROVISIONS AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

- 1 **SECTION 1.** Section 144 of Batas Pambansa Blg. 68, otherwise known as
2 the Corporation Code of the Philippines is hereby amended to read as follows:
3 "Sec.144. Violations of the Code.-Violations of any of the
4 provisions of this Code or its amendments not otherwise
5 specifically penalized therein shall be punished by a fine of
6 not less than **TEN THOUSAND** [one thousand (P1,000.00)]
7 pesos but not more than **ONE HUNDRED THOUSAND** [ten
8 thousand (P10,000.00)] pesos or by imprisonment for not
9 less than **SIX YEARS** [thirty (30) days] but not more than
10 **TWELVE** [five (5)] years, or both, in the discretion of the
11 court. If the violation is committed by a corporation, the
12 same may, after notice and hearing, be dissolved in
13 appropriate proceedings before the Securities and
14 Exchange Commission: Provided, That such dissolution
15 shall not preclude the institution of appropriate action
16 against the director, trustee or officer of the corporation
17 responsible for said violation: Provided, further, That
18 nothing in this section shall be construed to repeal the
19 other causes for dissolution of a corporation provided in
20 this Code."

1 **SEC. 2. *Repeal.*** - All laws or parts thereof inconsistent with this Act are
2 hereby repealed or modify accordingly.

3 **SEC. 3. *Effectivity.*** - This Act shall take effect fifteen days after its
4 publication in at least three newspapers of general circulation.

Approved,