

The Practical Implications of *Ponce v. Alsons* in Philippine Commercial Relations: A Closer Look at Section 53 of the Corporation Code

Anna Liza L. Su

48 *ATENEO L.J.* 268 (2003)

SUBJECT(S): *COMMERCIAL LAW*

KEYWORD(S): *CERTIFICATE OF STOCK, CORPORATION CODE*

Under Philippine law, a certificate of stock is tangible evidence of the stock itself and of the various interests therein. While it expresses the contract between the corporation and the stockholder, it is not essential to the existence of a share in stock or the creation of the relation of shareholder to the corporation. This is because the operative act to make one a shareholder, from the point of view of the corporation, is the recording or registration of the issuance or transfer of share in the Stock and Transfer Book of the corporation.

In light of the Court's pronouncement in *Ponce v. Alsons* holding that a written authority is required in order to give rise to a legal obligation on the part of the corporation to issue a certificate of stock, the Comment asserts that the Court should have broadened the discussion by closely scrutinizing the corollary effects of such a doctrine. By the Court's failure to address this aspect and move out from the legal vacuum, the Author opines that the Court failed to call attention to the changes that Section 63 of the Corporation Code must necessarily undergo in the legislative mill so that the fundamental purpose of encouraging commerce may be served.