

Revisiting the Philippine “Laws” on Corporate Rehabilitation

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This Article, written at the height of the Asian Financial Crisis, tackles the issue of corporate rehabilitation and the various deficiencies which the various laws and government issuances fail to address. The study focuses on Presidential Decree No. 902-A, which recognizes the proper jurisdiction of the Securities and Exchange Commission (SEC) and the reasons the said Decree does not provide the relevant legal basis by which a rehabilitation plan may be enforced against the various stakeholders in the distressed corporation. The Article also examines the gaps in the Insolvency Law which do not allow corporate debtors to obtain a proper discharge at the end of insolvency proceedings. The Author concludes that it is upon the courts, particularly the Supreme Court, which should lead in establishing the guidelines under which a proper rehabilitation plan may proceed, which adequately takes into consideration the rights of the various stakeholders which are not clearly established under the existing laws and issuances on corporate rehabilitation.