

The Exercise of the Right to Vote Sequestered Shares: The Case of the Coconut Farmers

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The coconut industry is one of the most lucrative in the Philippines. This is evidenced by the large tracts of Philippine land devoted to coconut production, the number of annual coconut yields, and its export income contribution to the national economy. A third of the country's population is also employed in the coconut industry, and most of them, the coconut farmers, shoulder the burden of the coconut levy.

The Presidential Commission on Good Governance's (PCGG) sequestration of the coconut farmers' shares of stock in COCOBANK led to the Supreme Court's pronouncements limiting the PCGG's sequestration powers, beginning with *BASECO v. PCGG*. The important question in this case was the extent of PCGG's control over the sequestered shares. The Supreme Court held that the PCGG may not exercise acts of ownership over the sequestered shares and it only has powers of administration.

Since the 1987 Constitution mandates the protection of property rights, the restriction of the coconut farmers' rights of ownership and the exercise of these rights must first satisfy substantive and procedural requirements, as balanced against the PCGG's mandate of recovering ill-gotten wealth.