

Utilizing an Integrative Analytical Framework to Extract Negotiable Instruments Law Principles

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Legal developments in the Philippines have changed the paradigm on permitting corporations to engage in profit maximization by all means available. The Code of Corporate Governances has raised the stakes of the corporation's accountability to the public. Thus, although the board of directors is mandated to maximize the profit of the corporation, it likewise assumes certain responsibilities to different constituencies or stakeholders, who have the right to expect that the institution is being run in a prudent and sound manner. Under this new paradigm, it appears that the instances where the veil of corporate fiction may be disregarded have been expanded and are no longer limited to instances of fraud, alter ego scenarios, or equity considerations.

An examination of the case *MR Holdings, Ltd. v. Bajar* shows that the Supreme Court will apply the Code, in ruling on issues involving Corporate Law. The Comment propounds that *MR Holdings* illustrates the Court's judicial policy permitting the setting up of corporate structures that will allow corporations to limit their liabilities. Analyzing the Court's ruling vis-à-vis piercing the corporate veil cases, the Author hails the decision of the Court as being valuable for its clear enunciation of the concepts of foreign corporations doing business and its adherence to earlier case law in the adjudication of the issue of piercing the veil of corporation fiction.

The Author, however, notes the Court's hesitation in applying the principle of piercing the veil of corporation fiction to avoid interference with private enterprise. The Author therefore calls for a re-examination in light of the mandate of the Code of Corporate Governance.