

The Corporation Sole in the Philippines

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A corporation sole, governed by Articles 154-159 of the Corporation Law, is a corporation which consists of only one person — a definition which seems to go against the nature of corporations in general. It is thus the purpose of this Article to characterize the corporation sole and analyze and provide solutions to the legal problems it faces, particularly in the areas of police power, eminent domain, and taxation. Comparisons are made to religious societies as a necessary reference for such an analysis.

The discussion begins with a historical background of a corporation sole and then proceeds to a characterization of the corporation sole, with an emphasis on perpetuity as its principal attribute. The Author outlines the procedure for incorporation and details the commencement of the corporation sole's corporate existence and its effects, depending on whether there is a successful, defectively formed, or failed incorporation. He then analyzes temporal properties in light of a corporation sole, discussing its purpose and the extent of ownership and control of the corporation over such. With regard to religious societies with corporations sole in the Philippines, such ownership and administration is vested in the corporation itself, but the ultimate control over such properties belong to the religious society itself. However, as the Author points out, a corporation sole, although seemingly limitless in its power to hold and acquire properties, must not engage in business. The Corporation Law itself provides that the acquisition and possession of such properties must be strictly for the purpose of such religious society.