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APA 7th ed. Bagamasbad, I. D., & del Rosario, Valeriano. (1979). Ateneo Law Journal, 24, 74-79.

Chicago 17th ed. Imelda D. Bagamasbad; Valeriano del Rosario, "," Ateneo Law Journal 24 (1979): 74-79

AGLC 4th ed. Imelda D. Bagamasbad and Valeriano del Rosario, " (1979) 24 Ateneo Law Journal 74

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# SELECTED OPINIONS OF THE MINISTER OF JUSTICE

# Compiled by:

# IMELDA D. BAGAMASBAD, LI.B. '81

### and

# VALERIANO DEL ROSARIO, LI.B. '81

# CIVIL LAW

#### **On Agency**

Where one of the officers of an entity classified as a single proprietorship is also the agent of the owner by virtue of a general power of attorney issued by the latter, the death of such owner does not revoke the power of attorney. As a rule, the death of the principal extinguishes the agency but where the agency has been constituted in the common interest of the principal and his agent, or in the interest of a third person who has accepted the stipulations in his favor, the agency remains in full force and effect even after the death of the principal. (Opinion No. 139, s. 1978, September 8, 1978).

## On Conflict of Laws

Chong Ben Lc and So Bi Ty, two Chinese citizens and residents of the Philippines contracted marriage in the City of Manila. Instead of securing a certificate of legal capacity to marry as required by Art. 66 of the Civil Code of the Philippines, they executed their respective affidavits stating in each that "it has become legally impossible for me to comply with Article 66 of the Civil Code of the Philippines and that I hereby affirm that I have the legal capacity to contract marriage xxx". As the contracting parties are Chinese citizens and since at the time they applied for a marriage license, the People's Republic of China had alredy established its Embassy in the Philippines, it is clear that the affidavits which they executed do not suffice for purposes of complying with the requirements of Article 66 of the Civil Code. (Opinion No. 179, s. 1978, November 17, 1978).

#### **On Credit Transactions**

Article 2244 (14)(a) of the Civil Code of the Philippines provides for the classification, concurrence and preference of credits. The cited Article confers a preference on credits constituted in the form of a duly notarized instrument over credits not so constituted, such preference

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being determined in the order of priority of the respective dates of notarization. The scheme of classification and priority among credits embodied in said Article is basically designed to meet the situation where the value of a debtor's assets is not sufficient to enable him to meet all his maturing obligations, thereby minimizing the potential clash of rights among his creditors. The law, however, could not have intended to include the State itself among the debtors referred to therein, considering that, in this jurisdiction, it is recognized doctrine that the State is always solvent. Thus the provisions of Article 2244 of the Civil Code were not intended to apply and do not apply to the obligations of the Republic. (Opinion No. 138, s. 1978, September 8, 1978).

# COMMERCIAL LAW

#### On Corporation Law

Has the Central Bank of the Philippines legal authority to finance the construction and operation of a Brain and Trauma Center under the Central Bank Act? Under the doctrine of "limited or special capacities" applicable to corporations, a corporation is a creature of law and consequently possesses only such powers as are expressly provided in its charter or the general statute under which it was created, or such powers as are necessary for the purpose of carrying out its express powers and the objects of the corporation. A close examination of the charter of the Central Bank fails to yield any provision which might be invoked as authority for said Bank to undertake the above-described project. True, a corporation also possesses "implied powers," but such powers should relate to the accomplishments of the purpose for which the corporation was formed or to the proper transaction of its authorized business. (Opinion No. 72, s. 1979, August 1, 1979).

# **CRIMINAL LAW**

A memorandum order directed to the Director of Prisons to release immediately all prisoners serving sentence for violation of PD No. 9 which punishes illegal possession of bladed, pointed, or blunt weapons who had, as of the date of said Order, already served one year or more of their respective prison terms, except habitual delinquents as defined under the Revised Penal Code, shall not be limited in its application to prisoners detained at the National Penitentiary but shall also apply to prisoners detained in the city and municipal jails to prevent a miscarriage of justice. (Opinion No. 82, s. 1979, August 13, 1979).

While the Probation Law suspends the principal penalty, it does not suspend the accessory penalty that goes with it. Thus, in a case where a woman government employee was convicted of malversation of public funds and the principal penalty of prision correctional with the accessory penalty of suspension from public office was imposed on her, the penalty of suspension subsists. Hence, she cannot be reinstated to her position upon the termination of the probation period. The final discharge of the probationer shall not operate to restore to him all civil rights lost or suspended as a result of his conviction. (Opinion No. 1, s. 1979, January 3, 1979).

# POLITICAL LAW

#### On the Revised Administrative Code

While the President of the Philippines is the official authorized to conclude foreign loans, credits and indebtedness in behalf of the Republic of the Philippines, he may designate a representative and clothe him with authority to do the formal act of signing the agreement. Thus, where in a credit agreement executed between the Republic of the Philippines and a foreign bank, only the signature of the Minister of Finance appears in the document, his signature is in pursuance of the authority duly conferred upon him by the President of the Philippines and the said credit agreement is deemed to have been duly authorized, executed and delivered by the Republic of the Philippines and constitutes a legal, valid and binding obligation of the government, enforceable in accordance with its terms. (Opinion No. 85, s. 1979, August 17, 1979).

To determine whether a government employee is national or local, apply the service test. The source of funds from which his salary is paid or the office or the officer who fixes his salary are not the proper criteria. If he renders service as an official of the national government or a branch thereof, he is an employee of the national government. (Opinion No. 61, s. 1979, June 18, 1979).

The amount of allowances (medical, transportation, subsistence, hospital fees) that may be granted to a government employee who suffers injury while in the course of duty is that which is "necessary". In determining what is necessary, resort may be had to the prevailing rule in compensation cases that where the law does not contain any limitation as to the period during which the employer may pay for medical or hospital services, the liability on the part of the employer exists for as long as such services are required to cure or relive the injured employee from the effects of his injury. Therefore, the employer concerned may only authorize the payment of necessary hospital fees incurred in connection with the employee's illness or injury. Such payment is subject to the availability of funds and the usual accounting and auditing procedure. (Opinion No. 111, s. 1978, July 20, 1978).

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May the President of the Philippines reorganize a government office or offices through an executive order? The U.S. Congress has at various times authorized their President to reorganize executive agencies and redistribute functions; acts of reorganization made by the latter pursuant to such statutes, by means of executive orders, have been held to be within the authority of the President thus granted. In the Philippines, several reorganization laws have similarly empowered the President to restructure the government machinery and to effect the same by executive order from time to time. In cases where the law authorizing reorganization shall be effected, Sec. 63 of the Revised Administrative Code furnishes the legal authority to effect the reorganization through the vehicle of an executive order. (Opinion No. 175, s. 1978, November 8, 1978)

Where a practising lawyer has been appointed as a government lawyer and has qualified therein as such, his right to engage in private law practice ceases by operation of law and he thereby becomes disqualified to continue representing his former clients. This would be subject, however, to the provisions of PD No. 543 which authorizes the District Judge and the Circuit Criminal Court Judge to designate municipal judges and lawyers in any branch of the government service to act as counsel-de-oficio for the indigent accused in places where there are No available practicing lawyers. (Opinion No. 71, s. 1979, July 17, 1979).

The term "executive branch of the national government" is suil a proper term under the existing parliamentary system of government. While a parliamentary system of the government is characterized by a fusion of executive and legislative functions in one body which is the "Parliament", whereas the term "executive branch" refers to a presidential form of government, the fact remains that there is still in the present set-up an executive hierarchy — of which the Prime Ministeris the head — which is charged with the enforcement and administration of the laws enacted by the legislative body. For organizational purposes, therefore, there is an "executive branch" of the government which is charged with the lawmaking body. (Opinion No. 26., s. 1979, March 15, 1979).

#### **On Constitutional Law**

A non-stock, non-profit religious corporation organized under the laws of the State of Delaware, U.S.A., may be allowed to establish a branch in the Philippines for the purpose of translating the Holy Bible into different dialects as well as printing and distributing the same without violating the constitutional requirement that all forms of mass media should be owned by Filipino citizens or by associations or corporations owned by Filipino citizens (Art. XV, Sec. 7(1)). The reason behind this are that: First, the proposed activity of said corporation is too limited in scope, being confined to the mere translation of only one. book, the Holy Bible, and cannot be placed within the same class as publications or other instruments of mass media like newspapers and periodicals that deal with matters of general interest and, accordingly could be effective means of shaping public opinion. Second, the constitutional provisions speaks of "ownership and management of mass media" and therefore implies that it is directed at the business of operating the various means of disseminating information to the public. The applicant corporation, however, is banned from importing a new printing press or equipment and instead, is obliged to utilize printing facilities already existing in the Philippines. Finally, a restrictive interpretation of the phrase "mass media" is urged by the accepted principle in statutory construction suggesting strict interpretation of laws that are restrictive and in derogation of common right especially those involving the free exercise of religious profession and worship which carries with it the right to disseminate religious information. (Opinion No. 159, 2. 1978, October 6, 1978).

A member of the National Assembly is prohibited from holding any other office or employment in the Government or any of its subdivision thereof even if the concurrent position being held is that of member of the Provisional Government of Mindanao, and therefore, transitional in character. There can be no question that the Provisional Government of Mindanao is an agency of the Philippine Government for the purpose of administering the 13 autonomous provinces and cities of the region, albeit temporarily. Hence, membership in the said provisional government constitutes the holding of a public office which is prohibited by law. (Opinion No. 178, s. 1978, November 13, 1978).

#### REMEDIAL LAW

#### **On Criminal Procedure**

Unless prosecuting officers, other than those belonging to the Commission on Election, are deputized to conduct the preliminary investigation and to file the information for violation of the Election Code, such acts (i.e., conduct preliminary investigations, file informations and prosecute offenses involving violations of the 1978 Election Code) may be made only by the Commission on Election considering that not only is the COMELEC an independent constitutional body, but is also the agency charged with the implementation of the Election Code. (Opinion No. 163, s. 1978, October 6, 1978).

### TAXATION

Questions as to the legality of a tax ordinance shall be referred for opinion to the Provincial Fiscal or to the City Fiscal, as the case may be. The opinion of the Provincial City or City Fiscal shall be appealable to the Secretary of Justice who shall render an opinion on the matter within sixty days after receipt of the appeal. The authority of the Minister of Justice under this provision of the Local Tax Code is appellate in nature and arises only when the provincial or city fiscal has rendered an opinion which is elevated to the office of the Minister of Justice on appeal. Where, as in the instant case, the provincial fiscal of the province concerned has not rendered an opinion on the legality of the tax ordinance in question, the Minister of Justice cannot render his opinion on the matter. (Opinion No. 87, s. 1979, August 17, 1979).

Tax exemption provisions cannot be applied retroactively. A retroactive application of the tax exemption would result in an absurd situation whereby taxes already paid or spent by the government would have to be refunded by them to the persons or entities which paid the same. This would have the effect of impairing rights already vested and/ or violating contractual obligations already entered into by said local governments prior to the effectivity of the tax law granting the exemption. Tax exemption provisions should, as such, be held strictly against the taxpayer and, if the exemption is not expressly mentioned in the law, it must at least be within its purview by clear legislative intent. (Opinion No. 63, s. 1979, June 20, 1979).