

[Act No. 2792, February 18, 1919]

AN ACT TO AMEND CERTAIN SECTIONS OF THE CORPORATION LAW, ACT NUMBERED FOURTEEN HUNDRED AND FIFTY-NINE, PROVIDING FOR THE PUBLICATION OF THE ASSETS AND LIABILITIES OF CORPORATIONS REGISTERING IN THE BUREAU OF COMMERCE AND INDUSTRY, DETERMINING THE LIABILITY OF THE OFFICERS OF CORPORATIONS WITH REGARD TO THE ISSUANCE OF STOCK OR BONDS, ESTABLISHING PENALTIES FOR CERTAIN THINGS, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Section nine of Act Numbered Fourteen hundred and fifty-nine, as amended by section two of Act Numbered Eighteen hundred and thirty-four, is hereby further amended to read as follows:

"SEC. 9. The Director of the Bureau of Commerce and Industry shall not file the articles of incorporation of any stock corporation unless accompanied by a sworn statement of a treasurer elected by the subscribers showing that at least twenty per centum of the entire capital stock has been subscribed, and that at least twenty-five per centum of the subscription has been either paid to him in actual cash for the benefit and to the credit of the corporation, or that there has been transferred to him in trust and received by him for the benefit and to the credit of the corporation property the fair valuation of which is equal to twenty-five per centum of the subscription: *Provided*, That it shall be the duty of the Director of the Bureau of Commerce and Industry, immediately after the filing of the articles of incorporation of a corporation, to publish, at the expense of said corporation, the assets and liabilities of the same once in a newspaper of general circulation in the locality where the corporation is domiciled, if any, or in default thereof in a newspaper of general circulation in the city of Manila."

SEC. 2. Section sixteen of Act Numbered Fourteen hundred and fifty-nine is hereby amended to read as follows:

"SEC. 16. No corporation organized under this Act shall create or issue bills, notes, or other evidence of debt for circulation as money, and no corporation shall issue stock or bonds except in exchange for actual cash paid to the corporation or for property actually received by it at a fair valuation equal to the par value of the stock or bonds so issued; and in case of disagreement as to their value, the same shall be presumed to be the assessed value or the value appearing in invoices or other commercial documents, as the case may be; and the burden of proof that the real present value of the property is greater than the assessed value or value appearing in invoices or other commercial documents, as the case may be, shall be upon the corporation.

"Any officer of any corporation consenting to the issuance of stock or bonds in exchange for property valued in excess of its real fair cash