



Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City
Company Registration and Monitoring Department

In the Matter of:

**For: REVOCATION OF CERTIFICATE OF
REGISTRATION FOR VIOLATION OF
THE CORPORATION CODE AND
SEC RULES AND REGULATIONS ON
REPORTORIAL REQUIREMENTS**

**PHILIPPINE FOREST CORPORATION
SEC Registration No. CS200519117**

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ORDER

WHEREAS, PHILIPPINE FOREST CORPORATION ("*subject corporation*") is a domestic stock corporation registered with the Securities and Exchange Commission ("*this Commission*") on January 24, 2006 under SEC Registration No. CS200519117.

It is a non-chartered government-owned and controlled corporation whose operations are being monitored and supervised by the Governance Commission for Government-Owned or Controlled Corporations ("*GCG*") pursuant to Republic Act No. 10149, also known as "*GOCC Governance Act of 2011*";

WHEREAS, the records of this Commission show that subject corporation failed to submit the following reports within the prescribed period as required by the Corporation Code and prevailing rules and regulations on reportorial requirements:

REPORTORIAL REQUIREMENTS	NOT FILED	FILED LATE
General Information Sheet	2007-2013	----
Financial Statements	2006-2012	----
Stock and Transfer Book	Not Registered	

WHEREAS, Section 141 of the Corporation Code requires every corporation to submit to this Commission its annual reports, such as General Information Sheet and Financial Statements, thus:

"Every corporation, domestic or foreign, lawfully doing business in the Philippines shall submit to the Securities and Exchange Commission an annual report of its operations, together with a financial statement of its assets and liabilities, certified by any independent certified public accountant in appropriate cases, covering the preceding fiscal year and such other requirements as the Securities and Exchange Commission may require."

Such report shall be submitted within such period as may be prescribed by the Securities and Exchange Commission."

WHEREAS, insofar as the operational status of a corporation is concerned, non-filing of reports for at least five (5) consecutive years may be construed as continuous inoperation of the corporation;

WHEREAS, Section 22 of the Corporation Code states that continuous inoperation of a corporation for a period of at least five (5) years is a ground for revocation of its certificate of registration, thus:

"If a corporation does not formally organize and commence the transaction of its business or the construction of its works within two (2) years from the date of its incorporation, its corporate powers cease and the corporation shall be deemed dissolved. However, if a corporation has commenced the transaction of its business but subsequently becomes continuously inoperative for a period of at least five (5) years, the same shall be a ground for the suspension or revocation of its corporate franchise or certificate of incorporation.

This provision shall not apply if the failure to organize, commence the transaction of its businesses or the construction of its works, or to continuously operate is due to causes beyond the control of the corporation as may be determined by the Securities and Exchange Commission."

WHEREAS, on January 14, 2014, this Commission received a letter from GCG, informing that *His Excellency*, President Benigno Aquino III, has approved the abolition of some government-owned and controlled corporations including subject corporation pursuant to his delegated power under Section 5 (a) (6) (11) of Republic Act No. 10149;

WHEREAS, on April 3, 2014, this Commission, through its authorized representative, personally served a show cause letter to subject corporation at its declared principal office address, directing the same to show cause why it should not be penalized for non-compliance with reportorial requirements with a conference set on May 5, 2014. It was warned that failure of its responsible officers to appear during the scheduled conference shall constrain this Commission to institute appropriate action against the same as may be deemed necessary and expedient under the law;

WHEREAS, despite due notice, subject corporation failed to appear during the scheduled conference. Neither did it send a reply stating any reason why it should not be penalized for non-compliance with reportorial requirements nor requested for an extension of time to comply with the show cause letter of this Commission;

WHEREAS, Section 5 (m) of Republic Act No. 8799, also known as "*the Securities Regulation Code*", in consonance with Section 6 (i) of Presidential Decree No. 902-A, as amended, vests this Commission with the authority to revoke, after proper notice and hearing, the certificate of registration of a corporation upon any of the grounds provided by law including the following:

- (4) Continuous inoperation for a period of at least five (5) years; and
- (6) Failure to file required reports in appropriate forms as determined by the Commission within the prescribed period.

WHEREAS, by virtue of SEC Resolution No. 359, Series of 2010, the statutory authority of this Commission to revoke the certificate of registration of a corporation has been delegated to Company Registration and Monitoring Department of this Commission insofar as the following ground is concerned:

"4. If companies fail to file/register for a period of at least five (5) years any of the following:

- i. Financial Statements;*
- ii. General Information Sheets; and*
- iii. Stock and Transfer Book/ Membership Book"*

WHEREAS, considering the failure of subject corporation to file the required reports for at least five (5) consecutive years as well as the directive of the President of the Philippines to abolish the same, this Commission proceeds with the revocation of its certificate of registration;

WHEREFORE, the Certificate of Registration of PHILIPPINE FOREST CORPORATION, approved on January 24, 2006, is hereby **REVOKED** for violation of Section 141 of the Corporation Code and rules and guidelines on reportorial requirements of this Commission.

Accordingly, let a copy of this Order be attached by the Corporate Filing and Records Division of this Department to the records of subject corporation and the "revoked" status be entered in the SEC online database by Information and Communications Technology Department of this Commission.

SO ORDERED.

Mandaluyong City, Philippines. June ³____, 2014.


FERDINAND B. SALES
Director 