

[REPUBLIC ACT NO. 7798, August 25, 1994]

AN ACT AMENDING SECTION 25 OF BATAS PAMBANSA BLG. 232, OTHERWISE KNOWN AS THE "EDUCATION ACT OF 1982"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 25, Chapter 3 of the Education Act of 1982 is hereby amended to read as follows:

"Sec. 25. *Establishment of Schools.* - All schools shall be established in accordance with law. The establishment of new national schools and the conversion of existing schools from elementary to national secondary schools or from secondary to national secondary or tertiary schools shall be by law: *Provided*, That any private school proposed to be established must incorporate as either a non-stock or a stock educational corporation in accordance with the provisions of the Corporation Code of the Philippines. This requirement to incorporate may be waived in the case of family-administered pre-school institutions.

"Provided, That the minimum paid-up capital for stock educational institutions for those engaged in elementary education shall not be less than One million pesos (P1,000,000); not less than Two million five hundred thousand pesos (P2,500,000.00) for those offering both elementary and secondary education; and not less than Five million pesos (P5,000,000.00) for those offering elementary, secondary and tertiary and postgraduate courses, except existing educational institutions organized as stock corporations which may retain their original capitalization.

"Existing educational institutions organized as stock corporations may automatically apply for renewal of their corporate existence when the original period is about to expire.

"Provided, finally, That stock educational institutions may be allowed only in capital-intensive courses of study as may be determined by the Department of Education, Culture and Sports, the Commission on Higher Education, and the Department of Science and Technology, as the case may be.

"Any school that is established or organized as a stock corporation shall be ineligible for any form of government subsidy, incentive or assistance, except those given to individual students and teachers in the form of scholarships, student loans or other forms of subsidy as already mandated under existing laws. Government assistance to non-stock