

[Commonwealth Act No. 108, October 30, 1936]

AN ACT TO PUNISH ACTS OF EVASION OF THE LAWS ON THE NATIONALIZATION OF CERTAIN RIGHTS, FRANCHISES OR PRIVILEGES.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. In all cases in which any constitutional or legal provision requires Philippine or United States citizenship as a requisite for the exercise or enjoyment of a right, franchise or privilege, any citizen of the Philippines or the United States who allows his name or citizenship to be used for the purpose of evading such provision, and any alien or foreigner profiting thereby, shall be punished by imprisonment for not less than two nor more than ten years, and by a fine of not less than two thousand nor more than ten thousand pesos.

The fact that the citizen of the Philippines or of the United States charged with a violation of this Act had, at the time of the acquisition of his holdings in the corporations or associations referred to in section two of this Act, no real or personal property, credit or other assets the value of which shall at least be equivalent to said holdings, shall be admissible as circumstantial evidence of a violation of this Act.

SEC. 2. In all cases in which a constitutional or legal provision requires that, in order that a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain per centum of its capital must be owned by citizens of the Philippines or the United States, or both, it shall be unlawful to falsely simulate the existence of such minimum of stock or capital as owned by capital such citizens of the Philippines or the United States or both, for the purpose of evading said provision. The president or managers and directors or trustees of corporations or associations convicted of a violation of this section shall be punished by imprisonment for not less than two nor more than ten years, and by a fine of not less than two thousand nor more than ten thousand pesos.

SEC. 3. Any corporation or association violating any of the provisions of this Act shall, upon proper court proceedings, be dissolved.

SEC. 4. This Act shall take effect upon its approval.

Approved, October 30, 1936.



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