



Department of Budget and Management  
**GOVERNMENT PROCUREMENT POLICY BOARD**  
**TECHNICAL SUPPORT OFFICE**

**NPM No. 137-2014**

4 December 2014

**ATTY. GENER C. SANSAET**

*Legal Counsel for Ambica International Corporation*

**GENER CABOTAJE SANSAET**

West Tower 2005 A, Philippine Stock Exchange Building,  
Exchange Road, Ortigas Center, Pasig City, Metro Manila

**Re: Effect of Change in Corporate Name in the Bidder's Qualification**


Dear Atty. Sansaet:

This refers to your letter requesting for confirmation that the recent SEC-approved change in corporate name of a bidder will not adversely affect its qualification to join in the bidding for the procurement of certain pharmaceutical products.

It is represented that Ambica International Trading Corporation recently changed its name to Ambica International Corporation (Ambica) as approved by the Securities and Exchange Commission (SEC). It used to participate in biddings conducted by Amang Rodriguez Memorial Medical Center (ARMMC) under the old name. With the SEC approval of its change of name, Ambica reflected such change in all its papers, documents, licenses and permits. However, its application to reflect the change of name in its License to Operate as a Drug Establishment with the Food and Drug Administration (FDA) is still pending. Ambica's License to Operate, albeit valid and existing, was still under its old name when it participated in the 10 June 2014 bidding of ARMMC. Hence, this request for opinion.

Republic Act (RA) No. 9184 and its revised Implementing Rules and Regulations (IRR) are silent as regards the effect of a change in corporate name in the competitive bidding activity of a procuring entity.

Be that as it may, in *Philippine First Insurance Company, Inc. v. Maria Carmen Hartigan, et al.*,<sup>1</sup> the Supreme Court provided sufficient guidance on the matter citing unanimity of authorities that the corporate entity remains the same despite its change of name, *to wit*:

An authorized change in the name of a corporation has no more effect upon its identity as a corporation than a change of name of a natural person has upon his identity. It does not affect the rights of the corporation or lessen or add to its obligations. After a corporation has effected a change in its name it should sue and be sued in its new name... (13 Am. Jur. 276-277, citing cases.) 

<sup>1</sup> G.R. No. L-26370, 31 July 1970.


A mere change in the name of a corporation, either by the legislature or by the incorporators or stockholders under legislative authority, does not, generally speaking, affect the identity of the corporation, nor in any way affect the rights, privileges, or obligations previously acquired or incurred by it. Indeed, it has been said that a change of name by a corporation has no more effect upon the identity of the corporation than a change of name by a natural person has upon the identity of such person. The corporation, upon such change in its name, is in no sense a new corporation, nor the successor of the original one, but remains and continues to be the original corporation. It is the same corporation with a different name, and its character is in no respect changed. ... (6 Fletcher, Cyclopaedia of the Law of Private Corporations, 224-225, citing cases.)

The change in the name of a corporation has no more effect upon its identity as a corporation than a change of name of a natural person has upon his identity. It does not affect the rights of the corporation, or lessen or add to its obligations.

From the foregoing, change in corporate name alone does not adversely affect the qualification of a corporation to join a procurement activity as the corporation remains the same juridical entity. Thus, the corporation possesses the same legal, technical and financial eligibility and capability notwithstanding the change in corporate name. Nonetheless, any doubt as to the validity of licenses, permits, or documents submitted, as part of the bidding documents, issued under the old name of the corporation, *i.e.* License to Operate, may be resolved during the post-qualification stage by verifying, validating and ascertaining all statements made and documents submitted by the bidder using a non-discretionary pass/fail criterion as stated in the Bidding Documents.<sup>2</sup>

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is being issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,



**DENNIS S. SANTIAGO**  
*Executive Director V*

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<sup>2</sup> Section 34.3 of the revised IRR of RA 9184