Securities and Exchange Commission
PHILIPPINES

THE

REVISED CORPORATION CODE

Salient Provisions

THE REVISED CORPORATION CODE (RCC)
REPUBLIC ACT NO. 11232

Signed into law
February 20, 2019

Published in the Manila Bulletin and Business Mirror and took effect on
February 23, 2019

THE REVISED CORPORATION CODE (RCC)
REPUBLIC ACT NO. 11232

Purpose

- Advance the business climate
- Improve the ease of doing business
- Encourage more investments
- Strengthen the corporate governance system and incorporate the best global practices

THE REVISED CORPORATION CODE (RCC)
REPUBLIC ACT NO. 11232

Will the SEC issue IRR for the RCC?

- **No. RCC is self-executing.**
- **However, there is a need to operationalize provisions of the RCC.**

SEC RESOLUTION NO. 155, SERIES OF 2019

- Constituted the Committee on Memorandum Circulars (MCs) to Operationalize the RCC Provisions.
- Co-chaired by Commissioner Javey Paul D. Francisco and Commissioner Kelvin Lester K. Lee.
- Function is to create MCs to operationalize the RCC.

SALIENT RCC PROVISIONS

2-15 Incorporators allowed (Sec. 10, RCC)
Related SEC Memorandum Circular: SEC MC No. 16, series of 2019 - Guidelines on the Number and Qualifications of Incorporators (Effective on 01 August 2019)

Perpetual Term (Sec. 11, RCC)
Related SEC Memorandum Circular: SEC MC No. 23, series of 2019 - Guidelines on the Revival of Expired Corporations (Effective on 06 December 2019)

No Minimum Capital Stock required (Sec. 12, RCC)

Different threshold for Corporate Name (Sec. 17, RCC)
Related SEC Memorandum Circular: SEC MC No. 13, s. of 2019 – Amended Guidelines and Procedures on the Use of Corporate and Partnership Names (Effective on 21 June 2019)

Election of Independent Directors (Sec. 22, RCC)

Corporate Officers (Sec. 24, RCC)

Emergency Board (Sec. 28, RCC)

Dealings of Directors, Trustees or Officers (Sec. 31, RCC)

Additional Requirements for Corporations vested with Public Interest (Sections 29 and 31, RCC)

Directors and Stockholders allowed to participate and vote in absentia or through remote communication (Sections 49 and 52, RCC)
Related SEC Memorandum Circular: SEC MC No. 6, s. of 2020 - Participation through Remote Communication (Effective on 12 March 2020)

Corporate Books and Records (Section 73, RCC)
Related SEC Draft Guidelines: Draft Guidelines in conducting Investigations of Violations of the Right to Inspect and/ or Reproduce Corporate Records (Submitted for Public Comment) dated 23 June 2020

Creation of a One Person Corporation (Section 115, RCC)
Related SEC Memorandum Circular: SEC MC NO. 7, s. of 2019 – OPC Guidelines (Effective on 01 May 2019)

Powers, Functions, and Jurisdiction of the Commission (Section 179, RCC)

Development and Implementation of Electronic Filing and Monitoring System (Sec. 180, RCC)

Related SEC Memorandum Circular: SEC MC No. 16, s. of 2020 (Guidelines on Authentication of AOI in Applications for Registration of New Domestic Corporations) Effective on 30 April 2020

Related Proposed Draft Memorandum Circular: Proposed Draft Circular for Corporations, Partnerships, Associations and Individuals to Create and/or Designate E-Mail Account Address and Cellphone Number for Transactions with the Commission (Submitted for Public Comment) 23 June 2020

Arbitration For Corporations (Sec. 181, RCC)

SALIENT RCC PROVISIONS

2-15 Incorporators now allowed (Section 10, RCC)

Section 10, RCC

- **Exception:**

1. Natural persons licensed to practice their profession; and

1. Partnerships, associations organized for the purpose of practicing a profession, *unless otherwise provided by law.*

SEC MC No. 16, series of 2019 - Guidelines on the Number and Qualifications of Incorporators

Number of Incorporators:

- Regular Corporation: 2-15 incorporators
- One Person Corporation (OPC): Only an OPC may have a single stockholder, as well as a sole director

Designation of Incorporators as Directors/Trustees

- An individual who signs the AOI on behalf of an incorporator-corporation, may not be named as director/trustee.

Exception: He also owns at least one share of stock or is also a member.

SALIENT RCC PROVISIONS

Perpetual Corporate Term (Section 11, RCC)

Section 11, paragraph 2 of the RCC

With perpetual existence:
A corporation with certificate of existence issued before the effectivity of the RCC

Exception: SEC Notice that the corporation elects a specific corporate term.

Section 185, RCC

Corporations lawfully existing and doing business in the Philippines are given a two-year period from effectivity (Feb. 23, 2019) to comply.

SALIENT RCC PROVISIONS

Perpetual Corporate Term (Section 11, RCC)
(SEC MC No. 23 s. 2019 - Guidelines on the Revival of Expired Corporations)

MAY file for revival:

1. Term has expired;
2. Certificate of Registration (COR) was revoked due to non-filing of reports (+ *Petition to Lift Revoked Status + Penalties);*
3. COR was suspended (+ *Petition to Lift Suspension + Penalties);* and
4. Corporate name validly re-used, and currently being used by another corporation (must change its corporate name within 30 days from issuance of the Certificate of Revival of Corporate Existence).

MAY NOT file for revival:

1. Has completed the liquidation of its assets;
2. COR revoked for reasons other than non-filing of reports
3. Dissolved by virtue of Sec. 6(c) and 6(d) of P.D. 902-A, as amended by P.D. 1799; and
4. Has already availed of re-registration, subject to exceptions

Required vote: Stockholders representing majority of outstanding capital stock.

Procedure:

1. File a Verified Petition to Revive Corporate Existence;

1. Publication
2. Filing of Evidence of Publication; and
3. Filing of Verified Opposition
4. Clarificatory Conference
5. Issuance of Certificate of Revival of Corporate Existence

Effects of Revival:

1. Retains all rights and privileges; subject to all duties, debts and liabilities existing prior to revival.
2. With perpetual existence, unless application has a specific term
3. Appraisal Rights (for Dissenting Stockholders)

SALIENT RCC PROVISIONS

NO MINIMUM CAPITAL STOCK

(Section 12, RCC)

SALIENT RCC PROVISIONS

Corporate Name Threshold – Section 17, RCC
SEC MC No. 13, s. of 2019 – Amended Guidelines and Procedures on the Use of Corporate and Partnership Names

SALIENT RCC PROVISIONS

Qualification and Term of the Board of Directors/Trustees; Election of Independent Directors for Corporations Vested with Public Interest (Sec. 22, RCC)

Term:

Directors: 1 year
Trustees: Not exceeding 3 years.

To hold office until the successor's election and qualification

The board of the following corporations vested with public interest shall have Independent Directors constituting at least 20% of such board:

a. Corporations covered by Section 17.2 of RA 8799 (Securities Regulation Code);
b. Banks and quasi-banks, NSSLAs, pawnshops, corporations engaged in money service business, pre-need, trust and insurance companies, and other financial intermediaries; and
c. Other corporations engaged in business vested with public interest, as may be determined by the Commission.

What is an Independent Director?

- Independent of management and free from any business/other relationship which could materially interfere with his exercise of independent judgment as a director.
- Elected by the shareholders present or entitled to vote in absentia during the election of directors.

SALIENT RCC PROVISIONS

Corporate Officers (Section 24, RCC)

Sec. 25 (Old Code)	Sec. 24 (RCC)
• President (Director) • Treasurer (may or may not be a director) • Secretary (resident and citizen of the Philippines) • Any two (2) posts may be held concurrently **except** President and Secretary OR President and Treasurer at the same time.	• President (Director) • Treasurer (Resident) • Secretary must be citizen and resident of the Philippines • If the **corporation is vested with public interest**, a Compliance Officer. • Any two (2) posts may be held concurrently **except** President and Secretary OR President and Treasurer at the same time, unless otherwise allowed in this Code.

SALIENT RCC PROVISIONS

Vacancies; Emergency Board (Section 28, RCC)

Vacancy other than by removal or by expiration of term

- Vote: Majority of the remaining directors/trustees, if quorum still exists;
- Otherwise, filled by the stockholders/members in a regular/special meeting.

Vacancy due to term expiration. Election held not later than expiration date.

Removal by the stockholders or members. Election held same day of the meeting authorizing the removal; fact to be stated in the agenda and notice.

In all other cases. Election must be held not later than 45 days from the time the vacancy arose.

Replacement director – shall fill the vacancy and serve only for the unexpired term.

- If an **emergency action** is required to prevent grave, substantial, and irreparable loss or damage and **vacancy prevents the remaining directors from constituting a quorum.**
- Temporarily filling of vacancy from among the corporate officers of the corporation by unanimous vote of the remaining directors or trustees.
- Corporation must notify the Commission within 3 days from the creation of the emergency board, and state the reasons.

SALIENT RCC PROVISIONS

Compensation of Directors or Trustees (Section 29, RCC)

- NO compensation in their capacity (absent any provisions in the bylaws), except **reasonable per diems**
- Approval may be granted at a regular/special meeting (stockholders representing at least a majority of the **outstanding capital stock**/majority of the **members**)
- Total yearly compensation of directors NOT to exceed **10%** of the corporation's **net income before income tax**
- **Non-participation** of directors/trustees in determining their **own** per diems/compensation
- Corporations vested with public interest to submit an **annual compensation report** of the directors or trustees to their shareholders and the SEC

SALIENT RCC PROVISIONS

Dealings of Directors, Trustees or Officers or their Spouses and Relatives within the 4th degree of consanguinity or affinity (Section 31, RCC)

VOIDABLE at the option of the Corporation, unless:

1. Director's presence unnecessary to constitute a quorum in the board meeting approving such contract;
2. Director or trustee's vote unnecessary for the approval of the contract;
3. Contract is fair and reasonable; and
4. **Corporations vested with public interest**, material contract approved (by at least **2/3** of the Board's **entire membership**, with at least majority of the **independent directors** voting to approve the material contract).
5. In the case of an officer, contract was **previously authorized** by the Board of Directors.

If **any** of the **first 3 conditions** is **absent**, contract may **still be ratified** by stockholders' vote (2/3 of the outstanding capital stock); or 2/3 of the members in a meeting where **FULL DISCLOSURE** is made of the involved Director's adverse interest.

SALIENT RCC PROVISIONS

Participation of Stockholders via Remote Communication/In Absentia (Sections 49, 52 RCC)
SEC MC No. 6, s. of 2020 - Participation through Remote Communication

- A provision for the Protection of Minority Investors.
- **Stockholders** (Sec. 49, RCC) may now participate in their respective meetings and vote, whether by remote communication or in absentia.

Right to vote may be exercised:

a. in person;
b. through a proxy; or
c. When authorized in the by-laws (through remote communication or in absentia).

SEC to issue rules and regulations governing participation and voting through **remote communication or in absentia**

- **Directors/Trustees** (Sec. 52, RCC) can participate and vote through remote communication but they cannot attend or vote by proxy at board meetings.

SALIENT RCC PROVISIONS

Meetings of Directors (Sections 52-58, RCC)

Time	Regular meeting ➢ Monthly, unless the By-laws provide otherwise Special meeting ➢ At any time upon the call of the President, or as provided in the By-laws
Place	Anywhere in or outside of the Philippines, unless the By-laws provide otherwise
Notice	• At least **2 days** before the meeting, **unless a longer time is provided in the By-Laws**
Attendance and voting	• In person • **Remote communication** • Cannot be by proxy
Quorum	• Majority, unless the AOI/By-laws provide for a greater majority • Election of officers requires the vote of majority of **all members of the Board.**

SALIENT RCC PROVISIONS

Meetings of Stockholders (Sections 48-51; 57, RCC)

Notice	Time	Quorum
▪ Means of communication provided in the By-laws; **When** to notify *(written notice)*? ▪ Regular meetings • at least 21 days before the meeting, unless a different period is required in the By-laws, law or regulation • Either electronic mail or such other manner allowed under SEC's guidelines ▪ Special meetings • at least 1 week before the meeting, unless otherwise provided in the By-laws, law or regulation	▪ Regular meetings - Annually on a date fixed in the By-laws. Otherwise, any date after April 15 as determined by the Board. ▪ Special meetings - Any time deemed necessary/as provided in the By-laws **Where?** ▪ Corporation's Principal office; if not practicable - city or municipality where the principal office is located. ▪ Any city or municipality in Metro Manila, Metro Cebu, Metro Davao, and other Metropolitan areas shall be considered a city or municipality.	▪ Majority of the outstanding capital stock, unless otherwise provided in the law or By-laws ▪ Those participating through remote communication or in absentia, when authorized in the By-laws, are deemed present for purposes of quorum. **Voting** ▪ In person ▪ By proxy ▪ When authorized in the By-laws or by a majority of the Board, **through remote communication or *in absentia*** *(the votes must be received before tally of votes is finished)*

SALIENT RCC PROVISIONS

Meetings of Directors/Trustees and Stockholders/Members
SEC MC No. 6, s. of 2020 - Participation through Remote Communication

Section 16. Transitory Provision. – In order to immediately operationalize these guidelines, corporations, upon approval of this circular, **MAY** already conduct their board meetings and stockholders' and members' meetings through **remote communication or other alternative modes of communication** for the **limited purpose** of <u>approving the provisions in their bylaws or internal procedures</u> which will **govern participation** in board meetings and stockholders' and members' meetings by means of *remote communication or other alternative modes of communication.*

SALIENT RCC PROVISIONS

Corporate Books and Records (Section 73, RCC)

- **OPEN** to inspection corporation's director, trustee, stockholder or member

EXCEPT:

  a. Not a stockholder/member of record; or
  b. Competitor, director, officer, controlling stockholder or represents competitor's interests.

- If Corporation's Officer/Agent **refuses**:
  a. Liable for **damages**; and
  b. Punishable under **Section 161, RCC**.

- If **REFUSAL** pursuant to a **board resolution**: Liability imposed on director/trustee who **voted** for such refusal.

- **DEFENSES**:
  a. Improper use of information,
  b. Not acting in good faith/ for a legitimate purpose,
  c. Competitor, director, officer, controlling stockholder or represents the competitor's interests.
- SEC can <u>conduct</u> a summary investigation and <u>issue</u> an order.

SALIENT RCC PROVISIONS

Corporate Books and Records (Section 73, RCC)
Draft Guidelines in conducting Investigations of Violations of the Right to Inspect and/ or Reproduce Corporate Records - Submitted for Public Comment) dated 23 June 2020

SECTION 1

- **VERIFIED REPORT** in case of denial/inaction on a **demand** for inspection and/or reproduction of corporate records.

SECTION 2

- Grounds for Violation:
- a. **OUTRIGHT REFUSAL** to allow the corporation's director, trustee, stockholder, or member to **peruse** corporate records;
- b. **FAILURE TO TAKE** the **necessary steps** that would allow them to **peruse** corporate records;
- c. **FAILURE TO GIVE** a **reasonable amount of time to peruse** corporate records;
- d. **OUTRIGHT REFUSAL** to **reproduce** corporate records;
- e. **FAILURE TO TAKE** the necessary steps that would allow them to **reproduce** corporate records; or
- f. **FAILURE TO GIVE** a reasonable amount of time to **reproduce** corporate records.

SALIENT RCC PROVISIONS

One Person Corporation (Sections 115-132)
What is a One Person Corporation (OPC)?

Section 116, 1st paragraph, RCC

Corporation with a single stockholder: *Provided, That* ONLY a natural person, trust, or an estate may form an OPC

SEC MC No. 7 s. 2019
(Guidelines on the Establishment of a One Person Corporation)

Section 1. Definition and Incorporator

Corporation with a single stockholder (natural person, trust or estate ONLY).
Trust - does not refer to a trust entity, but the ***subject being managed by a trustee****.*
Single stockholder: trustee, administrator, executor, guardian, conservator, custodian/other person exercising fiduciary duties + submission of ***Proof of Authority to Act*** *on behalf of the trust or estate.*

SALIENT RCC PROVISIONS

One Person Corporation (Sections 115-132)
SEC MC No. 7, s. of 2019 – OPC Guidelines

May a foreign natural person form an OPC?
Yes. Subject to the applicable constitutional and statutory restrictions on foreign participation in certain investment areas and activities (Section 15, SEC MC No. 7, s. of 2019).

How do you incorporate an OPC?
An OPC only needs to submit its AOI with the required details, as may be deemed necessary and convenient (Section 6, SEC MC No. 7, s. of 2019).

SALIENT RCC PROVISIONS

One Person Corporation (Sections 115-132)

Section 117, RCC

NO Minimum Authorized Capital Stock

except as otherwise provided by special law.

Section 119, RCC

NO Bylaws required to be submitted.

SEC MC No. 7 s. 2019

Section 8. NO Minimum Authorized Capital Stock Required

except as otherwise provided by special law.

*FURTHER, **unless otherwise required by applicable laws or regulations**, NO portion of the authorized capital is required to be **paid-up** at the time of incorporation.*

Section 7. NO Bylaws required

SALIENT RCC PROVISIONS

One Person Corporation (Sections 115-132)

SEC. 131, RCC (Conversion from Ordinary Corporation to OPC)

Application for Conversion

OPC converted to succeed the OSC and the latter's outstanding liabilities (Date of conversion).

SEC. 132, RCC (Conversion from OPC to OSC)

- Application through Notice to the SEC of the FACTS leading to the conversion.
- OSC converted to succeed the OPC and the latter's outstanding liabilities (Date of conversion).

Proposed Guidelines (Conversion of Corporations either to OPC/OSC)

CONVERSION FROM OSC TO OPC

1. Apply and submit, among others, the following: *1) Notice of Conversion; and 2) AOI of an OPC (Section 1).*
2. OSC's AOI and BY-LAWS superseded, upon approval of the conversion) *(Section 3).*
3. Retain the SEC Company Registration Number (with an "OPC" PREFIX) to reflect its OPC nature *(Section 4).*
4. OPC converted to succeed the OSC and the latter's outstanding liabilities (Approval date of conversion) *(Section 5).*

Proposed Guidelines (Conversion of Corporations Either To OPC/OSC)

CONVERSION FROM OPC TO OSC

1. Apply and submit, among others, the following: *1) Notice of Conversion; 2) AOI and Bylaws of an OSC (Section 7).*
2. OPC's AOI superseded (upon issuance of the Certificate of Filing of Amended AOI and Bylaws) reflecting the conversion *(Section 13).*
3. Bear and retain the former SEC Registration Number in the Certificate of Filing of Amended AOI and Bylaws *(Section 14).*
4. OSC converted to succeed the OPC and latter's outstanding liabilities (Date of conversion) *(Section 15).*

SALIENT RCC PROVISIONS

SEC Notice dated 08 April 2020
(Online Registration System for OPCs and Corporations with 2–4 Incorporators)

- Relative to the implementation of the Enhanced Community Quarantine in Luzon, the Commission has set-up an **interim online registration system** to facilitate application for registration of One Person Corporations (OPC) and corporations with 2-4 incorporators.
- This system allows an applicant or his duly authorized representative to input the *proposed corporate name*, together with its *trade name/s*, if any, and the *data to complete its corporate profile*.
- **Basic requirements**: Applicant has to provide a **valid and existing email account** in the system where the status of the application shall be posted.
- **CRMD PROCEDURE**: Once successfully submitted, CRMD shall review it *within 3 working days from the time of submission.*
- For further inquiries, please email:

  crmd_registration_opc@sec.gov.ph
  crmd_registration_234@sec.gov.ph

- LINK: https://apps004.sec.gov.ph:8001/application

SALIENT RCC PROVISIONS

Powers, Functions, and Jurisdiction of the Commission (Section 179)

Exercise **supervision and jurisdiction over all corporations;**
Retain jurisdiction over **pending cases involving intra-corporate disputes** submitted for final resolution and pending suspension of payment/rehabilitation cases **filed as of 30 June 2000** until finally disposed;
Promote corporate governance and the **protection of minority investors**;
Issue **cease and desist orders ex *parte***;
Hold corporations in **direct and indirect contempt**;
Issue ***subpoena duces tecum*** and summon witnesses to appear in proceedings;
Order the **examination, search and seizure** of documents, papers, files and records, and books of accounts of **any entity or person under investigation**;
Dissolve or impose sanctions on corporations, upon final court order, for committing, aiding in the commission of, or in any manner furthering *securities violations, smuggling, tax evasion, money laundering, graft and corrupt practices, or other fraudulent or illegal acts*;
Issue **writs of execution and attachment** to enforce payment of fees, administrative fines, and other dues collectible under this Code;
Prescribe the number of independent directors and the **minimum criteria** in determining the independence of a director;
Impose or recommend new modes by which a D/T/S/M may **attend meetings or cast their votes**, as technology may allow; and
Formulate and enforce **standards, guidelines, policies, rules and regulations**;

NO COURT BELOW THE COURT OF APPEALS shall have jurisdiction to issue a **restraining order, preliminary injunction, or preliminary mandatory injunction** in any case, dispute, or controversy that **directly or indirectly interferes** with the **exercise** of the *powers, duties and responsibilities* of the Commission that falls **exclusively within** its jurisdiction.

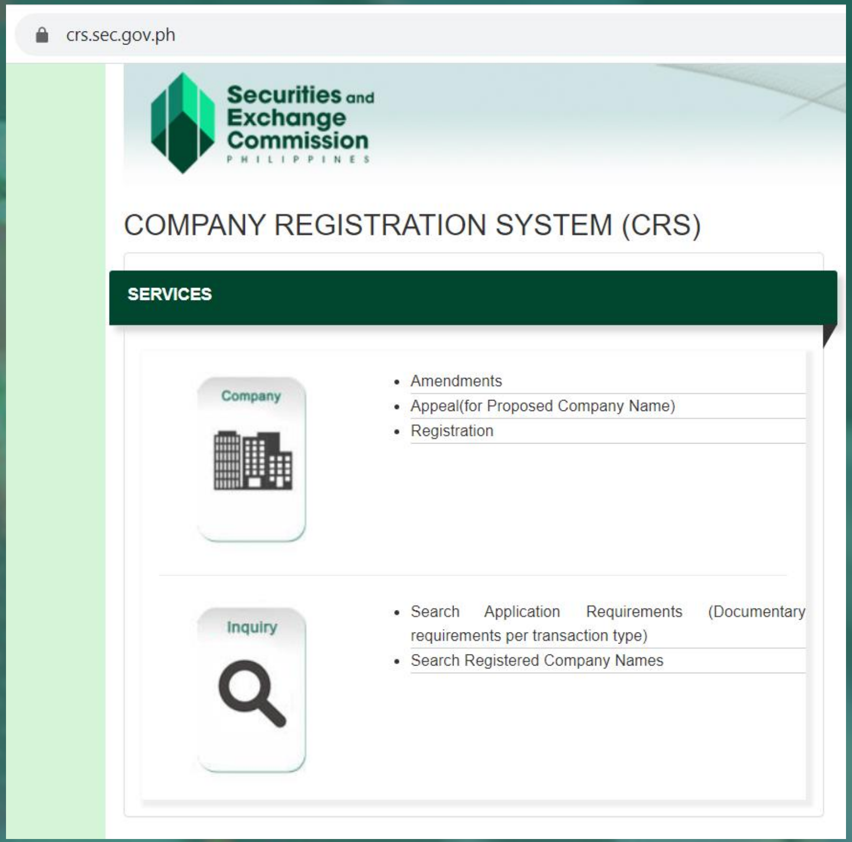
SALIENT RCC PROVISIONS

Electronic Filing And Monitoring System (Section 180)

Is online registration possible?

YES. Section 180 of the RCC mandates the SEC to **develop and implement an electronic filing and monitoring system** that will cover, among others:

- *corporate name reservation and registration;*
- *Incorporation;*
- *submission of reports, notices, and documents required under this Code; and*
- *sharing of pertinent information with other government agencies.*



SALIENT RCC PROVISIONS

Electronic Filing And Monitoring System (Section 180)
SEC MC No. 16, s. of 2020 (Guidelines on Authentication of AOI in Applications for Registration of New Domestic Corporations) Effective on 30 April 2020

SECTION 2.
AUTHENTICATION BY INCORPORATORS

- Registration with **CERTIFICATE OF AUTHENTICATIO**N signed by ALL INCORPORATORS.
- BOTH the AOI and the Certificate of Authentication **NEED NOT** be notarized nor consularized.

SECTION 3.
ACKNOWLEDGMENT BEFORE A NOTARY PUBLIC

- Incorporators may opt to acknowledge the AOI before a **notary public** in accordance with the applicable laws and rules.

SECTION 4.
AUTHENTICATION OF ARTICLES OF INCORPORATION EXECUTED ABROAD

- If Executed OUTSIDE the Philippines, the AOI may be: (1) apostilled in accordance with the **"Apostille Convention"**; or (2) **notarized or authenticated** by a **Philippine diplomatic or consular officer**, as the case may be.

SALIENT RCC PROVISIONS

Electronic Filing And Monitoring System (Section 180) - Proposed Draft Circular for Corporations, Partnerships, Associations and Individuals to Create and/or Designate E-Mail Account Address and Cellphone Number for Transactions with the Commission (Submitted for Public Comment) 23 June 2020

❑ **Corporation, association, partnership, and person to submit:**

- **Valid official e-mail address** and a **valid official cellphone number** *(sixty 60 days from the effectivity of these rules)*

For **future applications** and those **still pending** with the SEC, such MAY be indicated:

- During the **filling up** of the registration forms; or
- May be submitted within thirty 30 days from the **issuance** of the certificate of registration, license or authority **(Section 1).**

❑ In addition: 1) **valid alternate e-mail address**; and 2) **alternate cellular phone number**.

DOMESTIC CORPORATIONS - under the **control** of the **corporate secretary/duly authorized representative**.

FOREIGN CORPORATIONS. Official e-mail address, alternate e-mail address, official cellphone number and the alternate cellular phone number - under the **control** of the **resident agent/duly authorized representative (Section 2).**

SALIENT RCC PROVISIONS

Electronic Filing And Monitoring System (Section 180) - Proposed Draft Circular for Corporations, Partnerships, Associations and Individuals to Create and/or Designate E-Mail Account Address and Cellphone Number for Transactions with the Commission (Submitted for Public Comment) 23 June 2020

- Inclusion of e-mail addresses and cellphone numbers in the GIS/Notification Update Form regularly filed with the SEC *(Section 4)*.

- Both the official and alternate e-mail addresses may be processed, submitted and/or filed online. The Commission may likewise send notices, letter-replies, orders, decisions and/or other documents through said e-mail addresses *(Section 5)*.

- If unable to create an e-mail account **(no internet acces**s): <u>**ONLY**</u> the official and alternate cellular phone numbers are required to be submitted; ***Provided, that:***

  a) Person charged with the administration and management/the authorized representative – to execute and file a **certification** stating the inability to create an e-mail account due to lack of internet access in their principal office;
  b) Submit the official e-mail address and alternate e-mail address within 30 days from the time the area gains access to the internet *(Section 8)*.

SALIENT RCC PROVISIONS

Arbitration for Unlisted Corporations (Section 181)

- ❑An arbitration agreement may be provided in the corporation's AOI/bylaws.
- ❑Purpose: *Faster dispute resolution.*
- ❑What disputes shall be referred to arbitration? *Disputes between the corporation/its stockholders, which arise from the implementation of the AOI or bylaws, or from intra-corporate relations.*
- ❑Dispute involving criminal offenses and third parties' interests shall be **nonarbitrable.**

OTHER SALIENT RCC PROVISIONS

SEC. 25. Report of Election of Directors, Trustees and Officers, Non-holding of Election and Cessation from Office

SEC. 26. Disqualification of Directors, Trustees or Officers

SEC. 77-78 Mergers and Consolidation

SEC. 137. Withdrawal of Request and Petition or Dissolution

SEC. 154 to 172 Investigations, Offenses and Penalties

This presentation was made for the launch of SECuring the Philippine Capital Market and Business Sector, a webinar series under the SEC Communication, Advocacy and Network Initiative 2020, on 12 August 2020.

This presentation includes discussions on certain provisions of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines.

Such discussions are intended for information purposes only. They shall not be interpreted as standing rules or legal advice. Also, they shall not restrict, in any way, the powers and functions of the Securities and Exchange Commission.

Refer to the full text of the Revised Corporation Code and the corresponding guidelines issued by the Commission for more definitive guidance on complying with the law.