



BEST PRACTICES IN CORPORATE HOUSEKEEPING

**The Experts' Guide for Board Directors & Lawyers
On How to be an Effective Corporate Secretary**

**Wednesday, Thursday & Friday, February 1, 2 & 3, 2023
1:30PM to 4:45PM via zoom**

COURSE OUTLINE

Day 1 & 2 - Wednesday & Thursday, February 1 & 2, 2023

FIRST LECTURER: ATTY. DANNY E. BUNYI

1. OVERVIEW OF LECTURE AND SEMINAR MATERIALS

- 1.1 For whom are the lectures?
- 1.2 Use of the lecture materials
- 1.3 Principal Law to be Considered
- 1.4 Entities Covered by the Lecture

2. CORPORATE HOUSEKEEPING AND RISK MANAGEMENT

- 2.1 What is corporate housekeeping?
- 2.2 Principal areas of housekeeping services
- 2.3 Concept of risk
- 2.4 Concept of risk management
- 2.5 Methods of managing risks
- 2.6 Functional areas of risk

3. MANAGING RISKS AS CORPORATE SECRETARY AND STOCK TRANSFER AGENT

- 3.1 Basic qualifications of a corporate secretary
(Section 24, Revised Corporation Code of the Philippines)
- 3.2 Basic disqualifications of a corporate secretary
- 3.3 General responsibilities of a Corporate Secretary
 - 3.3.1 Impediment to Proper Housekeeping

3.4 Organization and keeping of Records

3.4.1 Basic Records

- Articles and By-laws file
- Minutes Book
- Minutes File
- Stock and Transfer File
- Stock and Transfer Book

3.4.2 Sections of the Stock and Transfer Book

- Journal
- Index
- Ledger
- Individual Installment

3.4.3 Right Page of Journal (S&T Book)

3.4.4 Left Page of Journal (S&T Book)

3.4.5 Sample Ledger Page of Existing Stockholder

3.4.6 Sample Ledger Page of Former Stockholder

3.4.7 Individual Installment Page

3.4.8 Stock and Transfer Book

- Risk

3.4.9 Stock and Transfer Book

- Risk

3.4.10 Stock and Transfer Book

- Problem Examples

3.4.11 Transfer of Shares Needs BIR Clearance

3.5 Organization and Conduct of Meetings of Stockholders

3.5.1 Notice of Meeting of Stockholders

3.5.2 Appointment of a Proxy for a Meeting of the Stockholders

3.5.3 Requirement of a Quorum in a Meeting of Stockholders

3.5.4 Attendance in Meetings of the Stockholders Through the Use of Video, Telephone, or Computer Facilities

3.5.5 Election of Foreign Directors

3.5.6 Election of Disqualified Directors

3.6 Organization and Conduct of Board Meetings

3.6.1 Frequency of meetings [Sec. 52, RCC]

3.6.2 Actual Board Meeting

3.6.3 Designation of a Nominee Director

3.6.4 Disclosure of Nominee Director

3.6.5 Filling a Vacancy in the Board of Director

3.6.6 Replacement of Withdrawing Directors

- 3.6.7 Attendance of Directors in Meetings of the Board Through the Use of Video, Telephone, or Computer Facilities
- 3.6.8 Board Quorum Rule
- 3.6.9 Board Quorum Rule
- 3.6.10 Exception to the Board Quorum and Voting Rule
- 3.6.11 Election of a Director as Corporate Officer
- 3.6.12 Sending a Representative to a Meeting of the Board of Directors
- 3.6.13 Participation of Corporate Secretary in Discussions During
- 3.6.14 Designation of Independent Director's
- 3.7 Qualifications and Election of Officers
 - 3.7.1 Disqualification of Officer
 - 3.7.2 Qualification of Officers
 - 3.7.3 Election of Several Presidents
- 3.8 Preparation and Approval of Minutes of Meetings
 - 3.8.1 Contents of Minutes of Meetings of Stockholders and the Board of Directors
 - 3.8.2 Preparation of Minutes
 - 3.8.3 Approval of Minutes
 - 3.8.4 Alteration of Approved Minutes of Meeting
 - 3.8.5 Approval of Minutes by Directors Who Participated in the Meeting Through Remote Communication
- 3.9 Preparation, Execution, and Delivery of Certificates
 - 3.9.1 Preparation, Execution, and Delivery of Certifications - Risks
 - 3.9.2 Issuance of a Secretary's Certificate
Could a Secretary's Certificate be issued without minutes of the meeting being prepared?
 - 3.9.3 Issuance of a Replacement Certificate
 - 3.9.4 Issuance of Certifications by Acting Corporate Secretary
 - 3.9.5 Authentication of Specimen Signatures of Authorized Signatories of the Corporation
- 3.10 Issuance of Shares
 - 3.10.1 Inadequate Consideration for Shares
 - 3.10.2 Issuance of Shares for Non-Cash Consideration - Risk
- 3.11 Issuance and Cancellation of Stock Certificates
 - 3.11.1 Issuance of Stock Certificates - Risk
 - 3.11.2 Cancellation of Stock Certificates

- 3.12 Lost, Stolen or Destroyed Stock Certificate
 - 3.11.2 Issuance of Replacement Certificate

3.13 Delinquent Shares

4. MANAGING RISKS AS GENERAL COUNSEL

- 4.1 General risks
- 4.2 Common Corporate Law Risks
 - 4.2.1 Improper acquisition, disposition, lease, or encumbrance of corporate properties
 - 4.2.2 Corporate approvals necessary for the acquisition, disposition, lease, or encumbrance of all or substantially all corporate properties
 - 4.2.3 Improper acquisition of own shares
 - 4.2.4 Improper investment of corporate funds in any other corporation or business
 - 4.2.5 Unauthorized retention of surplus profits
 - 4.2.6 Distribution of corporate fund

5. MANAGING RISKS AS TRANSACTION COUNSEL

- 5.1 Risks in negotiating contracts
 - 5.1.1 Lack of preparation
 - 5.1.2 Inexperience
- 5.2 Preparation for Negotiation
- 5.3 Risks in Reviewing Contracts
 - 5.3.1 Key Considerations in Reviewing Contracts
 - 5.3.3 Some Snakes in the Grass
 - (a) Automatic renewal
 - (b) Time is of the essence
 - (c) Best efforts
 - (d) Sole determination
 - (e) Satisfactory
 - 5.3.4 Common Manner of Use of the Term "Satisfactory" in Contracts
 - 5.3.5 Making the Term "Satisfactory" Less Subjective
- 5.4 Risks in Drafting Contracts
 - 5.4.1 Key Considerations in Drafting a Contract that Works
 - 5.4.2 Use of a Draft Notice
 - 5.4.3 Use of a Definition Section for Long Contracts: Sample Definitions
 - 5.4.4 Use of Boilerplate Clauses
- 5.5 Improving Delivery of Contract Drafting Services

6. MANAGING RISKS AS A COVERED PERSON UNDER THE ANTI-MONEY LAUNDERING ACT (Republic Act 9160, as amended)

- 6.1 Basics of Money Laundering and Terrorist Financing

- 6.1.1 Factors Critical to the Success of Money Laundering and Terrorist Financing
- 6.1.2 Stages in Money Laundering
- 6.1.3 Examples of Placement
- 6.1.4 Examples of Layering
- 6.2 Lawyers and Firms as Covered Persons
 - 6.2.1 When Lawyers Are Not Covered Persons
 - 6.2.3 Duties of Law Firms and Lawyers as Covered Persons
 - 6.2.4 When Lawyers Are Not Required to Report

Day 3 - Friday, February 3, 2023

SECOND LECTURER: ATTY. ADRIAN S. BUSTOS

The Corporate Secretary of a Reporting Company
Public Company Registered Issuer or Publicly-Listed Company

I. Covered Companies

1. Public Company (SEC Cir 5 S.2005)
2. Registered Issuer
3. Publicly-Listed Company (PLC)

Applicable Laws or Issuances

Securities Regulation Code & 2015 SRC Rules

A. SRC Requirement

- General Rule
 - SRC 8
- Exemptions
 - SRC 9 Exempt Securities
 - SRC 10 Exempt Transactions
 - Exemptions from Reporting Obligations

B. Mandatory Listing in the Exchange

- Universal Banks
- Real Estate Investment Trusts
- Oil Refinery Companies

II. The Corporate Secretary: Qualifications and Functions

Applicable Laws or Issuances

Revised Corporation Code
Code of Corporate Governance for Public Companies and Registered Issuers
& Code of Corporate Governance for Publicly-Listed Companies

Qualifications

- C. In General
 1. Statutory Provisions
 2. SEC Issuances
- D. Duties per Code of Corporate Governance for Public Companies and Registered Issuers
- E. Duties per Code of Corporate Governance for Publicly-Listed Companies (PLC)
- F. CG Code of Recommendations that are worth noting by the Corporate Secretary

III. Compliance Officer

Applicable Laws or Issuances

PSE Disclosure Rules

- G. Duties per Code of Corporate Governance for Public Companies and Registered Issuers
- H. Duties per Code of Corporate Governance for Publicly-Listed Companies (PLC)
- I. CG Code of Recommendations that are worth noting by the Corporate Secretary

Qualifications

- J. Reports/ Disclosures to SEC/ PSE
 - i. Covered Persons
 - Company
 - Directors Officers of listed company
 - Officers
 - Substantial Shareholders
 - ii. Types of Reports
 - Current Reports/ Disclosures (Unstructured)
 - SEC Form 17-C
 - PSE Disclosure Rules
 - Periodic Reports/Disclosures (Structured)
 - Summary of SEC and PSE Reports and Disclosures

- Other Non-Recurring Reports/Disclosures

iii. Compliances with Other Government Agencies

- Depending on Industry

- Depending on Location

- Depending on Additional Qualifications

IV. Risks and Issues

For query, consulting requirements or request
for in-house training programs, please contact:

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