



## **BEST PRACTICES IN CORPORATE HOUSEKEEPING**

### **The Experts' Guide on How to be an Effective Corporate Secretary of the Board**

**THURSDAY, FRIDAY & TUESDAY, JUNE 6, 7 & 11, 2024  
9:00AM TO 12:00NN VIA ZOOM**

#### **COURSE OUTLINE**

**Day 1 & 2 - Thursday & Friday, June 6 & 7, 2024**

**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 - Tuesday, June 11, 2024**

**SECOND LECTURER: ATTY. ADRIAN FRANCIS 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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