

REVISED CORPORATION CODE

SALIENT POINTS

The Revised Corporation Code of the Philippines (RCC), aimed at improving ease of doing business in the country affording more protection to corporations and stockholders and promoting good corporate governance.

1 PERPETUAL TERM

Corporations are now allowed to exist beyond the 50-year term provided in the old code. This will eliminate the possibility of legitimate and productive business prematurely closing down only because they have failed to renew their registration.

2 ONE-PERSON CORPORATION

The RCC also allows formation of one-person corporation, a corporation with a single stockholder.

3 NO MINIMUM CAPITAL STOCK

Corporations are not required to have a minimum capital stock, except as otherwise specifically provided by special law and regulations.

4 PARTICIPATION VIA REMOTE COMMUNICATIONS, IN ABSENTIA

To ensure optimal stockholder participation, the RCC allows the use of remote communication such as videoconferencing and teleconferencing during stockholder meetings. Stockholder may also participate and vote in absentia.

5 EMERGENCY BOARD

Amendment also includes the provision of an emergency board when a vacancy in a corporation's board of directors prevents the remaining directors from consulting a quorum and consequently from making emergency action required to prevent grave, substantial and irreparable loss or damage.

6 ELECTRONIC FILING & MONITORING OF SYSTEM

As part of the ease of doing business initiatives, the SEC will develop and implement an electronic filing and monitoring system.



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