

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4602



Introduced by Representative **GIORGIDI B. AGGABAO**

EXPLANATORY NOTE

This bill seeks to amend Sections 50 and 53 of the Corporation Code of the Philippines, enacted more than three (3) decades ago, to consider electronic mail or e-mail as another mode of notice of meetings to stockholders, members, board of directors and trustees of the corporation. This is in keeping with the modern-day business transactions, given the rapid change and fast-paced evolution of electronic and digital technology where at the click of a button, anything and everything can be accomplished.

The aforesaid amendments will also be consistent with the relevant provisions of the Electronic Commerce Act of 2002 which expressly recognizes an electronic document as having the same legal effect, validity and enforceability as a written document or legal writing. As defined under said law, e-mails are considered modes of a written expression transmitted electronically. While the Securities and Exchange Commission (SEC) has recently issued an opinion recognizing the validity of e-mail as a mode of sending notices of meetings, it is important to amend the relevant provisions of the Corporation Code to settle this matter once and for all, leaving no doubt as to its interpretation and application.

Approval of this bill is earnestly urged.


GIORGIDI B. AGGABAO

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HOUSE BILL NO. 4602

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AN ACT
ALLOWING ELECTRONIC MAIL OR E-MAIL AS A MODE OF WRITTEN NOTICE
AMENDING SECTIONS 50 AND 53 OF BATAS PAMBANSA BILANG 68 OTHERWISE
KNOWN AS THE CORPORATION CODE OF THE PHILIPPINES AND FOR OTHER
PURPOSES

Be it enacted by the Senate and the House of Representatives in Congress assembled :

SECTION 1. Sec. 50 of the Corporation Code of the Philippines is hereby amended to read as follows:

Sec. 50. Regular and Special meetings of stockholders or members.-

X X X X X X X

Special meetings of stockholders or members shall be held at any time deemed necessary or as provided in the by-laws : Provided, however, That at least one (1) written notice shall be sent to all stockholders or members, unless otherwise provided in the by-laws : **PROVIDED, FURTHER, THAT ELECTRONIC MAIL OR E-MAIL SHALL BE CONSIDERED A WRITTEN NOTICE UNDER THIS ACT: PROVIDED, FINALLY, THAT NOTICES SENT BY ELECTRONIC MAIL OR E-MAIL SHALL CONSTITUTE A VALID MODE OF NOTICE OF MEETINGS TO STOCKHOLDERS AND MEMBERS.**

SEC. 2. Section 53 of the Corporation Code of the Philippines is hereby amended to read as follows:

Sec. 53. Regular and special meetings of directors or trustees.-

X X X X X X

Notice of regular or special meetings stating the date, time and place of the meeting must be sent to every director or trustee at least one (1) day prior to the scheduled meeting, unless otherwise provided by the by-laws: **PROVIDED, THAT, ELECTRONIC MAIL OR E-MAIL SHALL BE CONSIDERED A WRITTEN NOTICE UNDER THIS ACT: PROVIDED, FURTHER THAT NOTICES SENT BY ELECTRONIC MAIL OR E-MAIL SHALL CONSTITUTE A VALID MODE OF NOTICE OF MEETINGS TO EVERY DIRECTOR OR TRUSTEE.**

SEC. 5. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,