

A Comparison of the Corporation Law and the Corporation Code

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Almost ten years in the making, the Corporation Code did not radically deviate, to a large extent, from the provisions on the old law on the matter, the Corporation Law. In fact, certain provisions merely showcase the formalization of the old rules and regulations implemented by the Securities and Exchange Commission (SEC).

Nonetheless, a comparison of the Corporation Law and the Corporation Code is in order, for it cannot be doubted that ten years of preparation is not a trifling matter. Consequently, this Article would discuss the pertinent changes that characterized the new laws applicable to corporations. Through an outline structure, the Article first examines the changes in the realm of incorporation, expounding on the powers of corporations in the process. It would then focus on the changes on the laws regarding the qualifications, elections and compensations of a corporation's directors and trustees.

In addition, the changes in the rights of stockholders and members are discussed. Under this, the modifications on rights to dividends and to financial statements are analyzed. Finally, the Article illustrates the alterations concerning the laws on dissolution and close and foreign corporations.

In the end, the Author believes that the new Corporation Code has been successful in clarifying issues that characterized the old Corporation Law. As such, it is more in tune with the present realities regarding corporate transactions. Nevertheless, the Author points to some flaws, which the Author hopes to be remedied by the implementation of new rules and regulations by the SEC on the matter.