

Strengthening Stockholders' Right to Inspect Corporate Records

Rodolfo V. Romero

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The Article looks into the right of a stockholder to inspect corporate records as provided under Section 74 of the Corporation Code of the Philippines. Such provision allows a stockholder to examine the records of the corporation and the minutes of its meetings, subject to reasonable restrictions for practicality and safety.

From this, the Author presents how the various developments in jurisprudence now hinder the absolute or unqualified application of Section 74. A background of the corporation is first provided and its importance as the present business model for many countries, including the Philippines. The Article discusses the contributions of the corporation and its impact in the modern economy. A brief explanation and discussion of Section 74, as worded, then follows. From this, doctrines of local jurisprudence as well as foreign jurisprudence stemming from different American States show how the exercise of the right has evolved. Particular cases of such right are also mentioned by the Author, each highlighting different restrictions of the right. The Article lists certain restrictions for the exercise of Section 74 as provided for by jurisprudence.

As a conclusion, a proposition for a revised Section 74 is given, which is more in consonance with the rulings on the rights of stockholders to inspect corporate records.