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BANGLADESH **S**ECRETARIAL **S**TANDARDS
[BSS-3]

Published by:
Institute of Chartered Secretaries of Bangladesh (ICSB)

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Printed by: **DOMINANT Printing & Packaging**, Cell: **01794550916**

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SECRETARIAL STANDARD
ON
MINUTES



Institute of Chartered Secretaries of Bangladesh
A Statutory Body Under an Act of Parliament

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PREFACE TO THE SECRETARIAL STANDARDS

Need for Secretarial Standards

Companies follow diverse secretarial practices and, therefore, there is a need to integrate, harmonize and standardize such practices so as to promote uniformity and consistency.

Secretarial Standards Board and its Objectives

The Institute of Chartered Secretaries of Bangladesh (ICSB), recognizing the need for integration, harmonization and standardization of diverse secretarial practices, has constituted the Secretarial Standards Board (SSB) with the objective of formulating Secretarial Standards.

Scope and Functions of the SSB

The scope of SSB is to identify the areas in which Secretarial Standards need to be issued by the Council of ICSB and to formulate such Standards, taking into consideration the applicable laws, business environment and best secretarial practices. SSB will also clarify issues arising out of such Standards and issue guidance notes for the benefit of the members of ICSB, corporate and other users. The main functions of SSB are:

- (i) Formulating Secretarial Standards;
- (ii) Clarifying issues arising out of the Secretarial Standards;
- (iii) Issuing Guidance Notes; and
- (iv) Reviewing and updating the Secretarial Standards / Guidance Notes after periodic intervals.

Scope of Secretarial Standards

The Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed there under but, in fact, seek to supplement such laws, rules and regulations.

Secretarial Standards that are issued will be in conformity with the provisions of the applicable laws. However, if, due to subsequent changes in the law, a particular Standard or any part thereof becomes inconsistent with such law, the provisions of the said law shall prevail.

ICSB will endeavor to persuade the Government of Bangladesh and appropriate authorities to enforce these Standards, to facilitate the adoption thereof by industry and corporate entities in order to achieve the desired objective of standardization of secretarial practices.

Procedure for Issuing Secretarial Standards

The following procedure shall be adopted for formulating and issuing Secretarial Standards:

1. SSB, in consultation with the Council, shall determine the areas in which Secretarial Standards need to be formulated and the priority in regard to the selection thereof.
2. In the preparation of Secretarial Standards, SSB may assign to Secretarial Practice Sub-committee to formulate preliminary drafts of the proposed Standards.
3. The preliminary draft of the Secretarial Standard formulated by the Secretarial Practice Sub-committee is circulated amongst the members of SSB for discussion and is modified appropriately, if so required.
4. The preliminary draft is then circulated to the members of the Council of ICSB or other bodies/organizations as is decided by SSB, for ascertaining their views, specifying a time-frame within which such views, comments and suggestions are to be received.

A meeting of SSB with the representatives of such bodies / organizations may then be held, if considered necessary, to examine and deliberate on their suggestions.

5. On the basis of the preliminary draft and the discussion with the Council Members/ bodies/organizations referred to in 4 above, an Exposure Draft is prepared and published in the "Chartered Secretary", the journal of ICSB, and also put on the Website of ICSB to elicit comments from members of ICSB and the public at large.
6. The draft of proposed Secretarial Standard generally includes the following basic points:
 - (a) Concepts and fundamental principles relating to the subject of the Standard;
 - (b) Definitions and explanations of terms used in the Standard;
 - (c) Objectives of issuing the Standard;
 - (d) Disclosure requirements; and
 - (e) Date from which the Standard will be effective.
7. After taking into consideration the comments received, the draft of proposed Secretarial Standard is finalized by SSB and submitted to the Council of ICSB.
8. The Council considers the final draft of the proposed Secretarial Standard and finalize the same based on the recommendation of the SSB. The Secretarial Standard is then issued under the authority of the Council.

Compliance with Secretarial Standards

The Institute will request the Government and other appropriate authorities to enforce these Standards and will endeavor to educate the users about the utility and need for compliance with these Standards. The Standards will be made mandatory thereafter.

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SECRETARIAL STANDARD ON MINUTES

A. INTRODUCTION

Every company is required to keep Minutes of all meetings. Minutes kept in accordance with the provisions of the Act evidence the proceedings recorded therein. Minutes help in understanding the deliberations and decisions taken at the Meeting.

Minutes should contain a fair and correct summary of the proceedings of the meeting and should normally convey why, how and what conclusions were arrived at in relation to each business transacted at the meeting. It needs not be an exact transcript of the proceedings.

Companies follow diverse practices for recording, finalizing and preservation of Minutes of different types of Meetings, therefore, there is a need to integrate, harmonize and standardize such practices so as to promote uniformity and consistency.

The Company Secretary or authorized official of the company should record the proceedings of the meetings.

This Standard applies to Minutes of Meetings governed by the Act. The principles enunciated in this Standard may also be applicable to any meeting convened on the directions of the Court or any other prescribed authority unless otherwise directed. This Standard prescribes a set of principles for the recording of Minutes of the Meetings of:

- (a) the Board or the Committees of the Board,
- (b) the Members,
- (c) the Debenture-holders,
- (d) the Creditors, or
- (e) others, as may be required under the Act

B. DEFINITIONS

The following terms are used in this Secretarial Standard with the meaning specified:

“Act” means the Companies Act, 1994 (Act No. XVIII of 1994), or any statutory modification or re-enactment thereof and includes any Rules and Regulations framed thereunder.

“Articles” means the Articles of Association of a company, as originally framed or as altered from time to time, including, where they apply, the Regulations contained in Schedule-I of the Act.

“Board” means the Board of Directors of a company.

“Chairman” means the Chairman of the Board or the Chairman appointed or elected for a Meeting.

“Committee” means a Committee of the members of the Board and includes a Sub-committee.

“General Meeting” or **“Annual General Meeting”** or **“Extraordinary General Meeting”** means a Meeting of members duly convened by the Board or on the requisition of Members.

“Maintenance” means keeping Minutes either in physical or electronic mode as may be permitted under any law for the time being in force and includes the making of appropriate entries therein, the authentication of such entries and the preservation of such physical or electronic records.

“Meeting” means any meeting, duly convened, constituted and held, of Directors, Members, Debenture-holders, Creditors and others as required.

“Member” means any person who agrees, either by subscribing to the Memorandum of Association of the company or by applying in writing, to become a Member of the company and whose name is entered either in the Register of Members of the company or in the records of the depository as a Beneficial Owner (BO) at the book closing date or record date in respect of shares of the company held by him.

“Minutes” means a brief summary of the proceedings of a meeting.

Unless the context otherwise requires, words and expressions used but defined shall have the same meaning respectively assigned to herein them under the Act.

C. SECRETARIAL STANDARD

The following is the text of ‘Bangladesh Secretarial Standard on Minutes’ issued by the Council of the Institute of Chartered Secretaries of Bangladesh and named as Bangladesh Secretarial Standard - 3 (BSS-3).

In this Secretarial Standard, the Standard portions have been set in ‘Italic Type’.

1. MAINTENANCE

- 1.1 *Minutes of Meetings should be recorded in the Books maintained for that purpose.*
- 1.2 *A separate Minutes Book should be maintained for each type of Meeting.*
- 1.3 *The pages of the Minutes Book should be numbered consecutively.*
- 1.4 *Minutes should not be loosely pasted or loosely attached to the Minutes Book.*
- 1.5 *Minutes Books should be kept at the Registered Office of the company.*
- 1.6 *Minutes of Board Meetings should be kept in bound form. Minutes of other meetings, if maintained in loose-leaf form, should be bound at reasonable intervals. The Minutes Books should be kept under proper lock and key system to ensure security and control.*

2. CONTENTS

- 2.1 *Minutes should contain the name of the Company and the number of the particular Meeting, type of the Meeting, and day, date, venue, time of commencement and conclusion of the Meeting.*

In respect of a Meeting convened but adjourned for want of quorum that fact should be recorded in the Minutes of such adjourned meeting.

- 2.2 *Minutes should record the names of the Directors, Members, Company Secretary and other participants attending the Meeting.*

The names of the Directors should be listed in alphabetical order or in order of seniority, but in either case starting with the name of the person in the Chair and the Vice-Chairman, if any.

- 2.3 *Minutes should mention the brief background of the proposal, summarize the deliberations and the rationale for taking the decisions.*

The agenda items discussed should be recorded and numbered appropriately. The decisions should be recorded in the form of resolutions, where it is statutorily or otherwise required. In other cases, the decisions can be recorded in a narrative form.

Where a resolution was passed pursuant to the Chairman of the Meeting exercising his second or casting vote, the Minutes should record the same and also refer to the Article(s) which empowers the Chairman to exercise the second or casting vote.

- 2.4 *Minutes of Meeting of Directors should contain:*

- (a) The names of officers in attendance and invitees for specific items;*
- (b) The names of directors who sought and were granted leave of absence;*

- (c) If any director has participated only for a part of the Meeting, the agenda items in which he had participated;*
- (d) In case of a director joining through video or tele conference the place from and the agenda items in which he participated;*
- (e) The appointment of officers made by the Board;*
- (f) The resolutions sent for passing by circulation along with the decisions thereon;*
- (g) The fact that an interested director did not participate in the discussion or vote;*
- (h) The fact of the dissent and the name of the director who dissented or abstained from the decision; and*
- (i) Noting about confirmation of the Minutes of the last Meeting.*

2.5 Minutes of Members should contain:

- (a) The name of the Chairman of the Meeting;*
- (b) A Statement regarding constitution of Quorum;*
- (c) The number of members present in person including representatives;*
- (d) The number of proxies and the number of shares represented by them;*
- (e) The presence of the Chairman of the Audit Committee at the Annual General Meeting;*
- (f) The presence if any, of the Auditors, the Practicing Chartered Secretary who issued the Compliance Certificate, and the observers;*
- (g) A Statement regarding reading or placement of the notice of the meeting;*
- (h) Summary of the opening remarks of the Chairman;*
- (i) Summary of the clarifications provided;*
- (j) In respect of each resolution, the type of the resolution, the names of the persons who proposed and who seconded and the unanimity or majority (simple or absolute) with which such resolution was passed;*

(k) In respect of modification of a proposed resolution, the result of voting on such motion and the details of voting for such modified resolution; and

(l) In the case of a poll, the number of votes cast in favour and against.

- 2.6 *If the Chairman is interested in respect of any specific item and if he vacates the Chair during the transaction of such item, the Minutes should contain the fact that he did so and the name of the other director or member who took the Chair in his place.*

3. RECORDING

- 3.1 *Minutes should contain a fair summary of the proceedings of the Meeting in unambiguous terms and should be clear, concise and in plain language.*
- 3.2 *Minutes should be written in third person and past tense.*
- 3.3 *In Minutes, Resolutions should be written in the present tense.*
- 3.4 *Each item of business transacted at the Meeting should be appropriately numbered.*

For ease of reference, topic-wise index and cross-reference may be separately maintained.

- 3.5 *Minutes of the Meetings of all Committees held after a Meeting of the Board should be placed and reviewed at a subsequent Meeting of the Board.*

4. ALTERATION / MODIFICATION

- 4.1 *If a resolution or decision supersedes or modifies any previous resolution or decision, the reference of the previous resolution or decision should be mentioned.*
- 4.2 *Minutes, once entered in the Minutes Book, should not be altered.*

Any modification in the Minutes entered, should be effected only by way of approval in the subsequent Meeting in which such Minutes are sought to be modified.

5. FINALISATION & SIGNING

- 5.1 *Minutes should be finalized within seven working days from the date of conclusion of the Meeting, or earlier to meet any regulatory requirements.*
- 5.2 *Minutes of the Meeting of Directors should be signed by the Chairman of the Meeting or the Chairman of the next Meeting.*
- 5.3 *Minutes of a General Meeting should be signed and dated by the Chairman of the meeting or in the event of death or inability of the Chairman, by any director duly authorized by the Board for the purpose.*
- 5.4 *The Chairman or the authorized director should initial each page and sign the last page of the Minutes.*

6. INSPECTION

- 6.1 *Directors are entitled to inspect Minutes of all Meetings. Members are entitled to inspect the Minutes of all General Meetings.*

Unless the Articles otherwise provide, a member has no right to inspect the Minutes of Meetings of the Board or a Committee.

When a member requests in writing for a copy of any Minutes, which he is entitled to inspect, the company should furnish the same within seven days, subject to payment of such fee as may be prescribed.

Extracts of the Minutes should be given only after the Minutes have been duly signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting.

The Auditor or Cost Auditor or the Practicing Company Secretary appointed by the company may inspect the Minutes in the course of audit or certification.

Officers of the Registrar of Joint Stock Companies and Firms, or other Government or regulatory bodies duly authorized in this behalf under law, during the course of an inspection, can also inspect the Minutes.

7. PRESERVATION

- 7.1 *Minutes of all Meetings should be preserved permanently.*
- 7.2 *Office copies of Notices, Agenda, Notes on Agenda and other related papers should be preserved in good order for as long as they remain current or for ten years, whichever is later, and may be destroyed thereafter under the authority of the Board.*
- 7.3 *Where, under a scheme of arrangement, a company has been merged or amalgamated with another company, Minutes of all Meetings of the transferor company should be preserved permanently by the transferee company, notwithstanding the fact that the transferor company might have been dissolved.*
- 7.4 *Office copies of Notices, Agenda, Notes on Agenda and other related papers of the transferor company should be preserved in good order for as long as they remain current or for ten years, whichever is later, and may be destroyed thereafter under the authority of the Board of the transferee company.*
- 7.5 *Minutes Books should be kept in the custody of the Secretary of the company or any Director duly authorized for the purpose by the Board.*

D. EFFECTIVE DATE

This Secretarial Standard has been approved by the Council of the Institute of Chartered Secretaries of Bangladesh (ICSB) on June 2, 2016 with immediate effect.