

KLEYR | GRASSO

AVOCATS A LA COUR



Corporate Finance & Transactional - 23 March 2020

Covid-19: Grand ducal regulation of 20 March 2020 introducing measures concerning the holding of meetings in companies and in other legal entities

The Luxembourg government adopted on 20 March 2020 a grand ducal regulation authorizing companies and other legal entities to adopt resolutions without physical meetings.

The regulation was published in the Official Journal on 20 March 2020 and entered into force with immediate effect.

Context and legal basis

In the context of the Covid-19 crisis, on 18 March 2020 the Luxembourg government declared the state of crisis on the basis of article 32 (4) of the Constitution. This decision was confirmed by a vote of the Parliament on 21 March 2020, extending the state of crisis for a period of three months. This allows the government to enact temporary measures by grand ducal regulations. These measures may include (temporary) changes to existing legislation.

General meetings of shareholders

Companies may require, notwithstanding any provisions in the articles of incorporation, and without regard to the expected number of participants in the general meeting, that any general meeting is held without a physical meeting, and they may impose on their shareholders and members and on other participants in the meeting to take part in the meeting and to exercise their voting rights exclusively:

1. by remote vote in writing or electronically, provided that the full text of the proposed resolutions or decisions has been published or communicated to them;
2. through the intermediary of a proxyholder appointed by the company; or
3. by videoconference or other means of telecommunication allowing for their identification.

The above rules apply to listed and non-listed companies. In addition, with respect to listed companies, if a shareholder, member or other participant has appointed a proxyholder other than the one referred to in (ii) above in accordance with article 8 of the amended law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies, this

proxyholder may participate in the meeting only in the manners referred to in (i), (ii) and (iii) above. The shareholders or members participating by any such means are deemed present for the calculation of quorum and majority at the meeting. The above rules also apply to meetings of bondholders.

Meetings of other corporate bodies (in particular board of directors, board of managers, supervisory board)

Notwithstanding any provisions to the contrary in the articles of incorporation, the other corporate bodies (“*organes sociaux*”) of a company may hold their meetings without a physical meeting :

1. by written circular resolutions; or
2. by videoconference or other means of telecommunication allowing for the identification of members participating in the meeting.

The members participating by any such means are deemed present for the calculation of quorum and majority at the meeting.

Date of the annual general meeting of shareholders

Notwithstanding any provisions to the contrary in the articles of incorporation, any company is authorized to convene its annual general meeting for the later of the following dates : (i) a date within the period of six months following the end of the preceding financial year; or (ii) a date within the period ending on 30 June 2020.

Date of the decision to make use of these special measures for shareholders’ meetings

Companies are allowed to take this decision for any shareholders’ meeting convened for 30 June 2020 at the latest. A company which has already convened a meeting and which takes this decision has to publish and, as the case may be, notify the decision on its shareholders, members and other participants in the same manner in which it has convened the meeting or by publication on its website, at the latest on the third business day preceding the meeting.

Legal entities other than companies

The above measures are applicable to other legal entities by analogy.

KLEYR GRASSO

[Rina BREININGER](#), Partner

[Jean-Paul SPANG](#), Partner

[Delphine TEMPÉ](#), Partner

[Renata JOKUBAUSKAITE](#), Partner

[Jeannette VAUDE-PERRIN](#), Counsel

[Jérôme BUREL](#), Counsel

This ePublication is for general guidance only and does not constitute definitive advice.

(c) KLEYR GRASSO 2020

[Unsubscribe](#) | [Manage your subscription](#)

B.P. 559 L-2015 Luxembourg