

ATOZ ALERT

COVID-19: Luxembourg extends the possibility to hold company meetings remotely until 30 June 2021

4 November 2020

Since the Covid-19 pandemic continues to impact the good governance of legal entities, the Luxembourg Government decided to extend the possibility for companies and other legal entities to hold their corporate body meetings remotely until 30 June 2021.

To this effect, on 2 November 2020, a draft law was presented to Parliament which amends the law of 23 September 2020 so as to extend its application and thus the exceptional measure it provides until 30 June 2021, which allows the holding of corporate body meetings without any physical presence. Under the rules currently in force, the measure only applies until 31 December 2020.

Should the draft law be adopted (which is expected to happen soon), companies and other legal entities will be able to hold their general meetings and their management body meetings remotely (i.e. without any physical presence) until 30 June 2021 as follows:

General meetings

Even if the articles of association do not provide any such possibility and no matter the number of attendees at these meetings, until 30 June 2021, companies and any other legal entities will be able to hold their general meetings remotely. They will be able to require their shareholders and other participants to attend the meetings and exercise their rights through one or more of the following forms:

- remotely, by vote in writing or in electronic form, provided that the full text of the resolutions or decisions to be taken has been published or communicated to the participants; or
- by video conference or other means of telecommunication allowing the identification of the participants; or
- through a proxy appointed by the company.

Management body meetings

Notwithstanding any contrary provision in the articles of association, until 30 June 2021, it will also be possible to hold meetings of management bodies remotely and companies will be able to require their participants to exercise their rights remotely as follows:

- by means of written circular resolutions; or
- by video conference or any other means of telecommunications allowing the identification of participants.

This measure will allow the bodies of any company or legal person to hold their meetings without requiring the physical presence of their members while guaranteeing their effective participation and the exercise of their rights. Remote participants will be considered as present for the purposes of computing quorums and majorities.

Implications

While the extension of the exceptional measure on the holding of corporate body meetings remotely is positive as the current Covid-19 pandemic makes it often difficult, if not impossible, to have all company meetings taking place physically, one should still manage the organisation of such meetings carefully given the potential negative tax implications of holding such meetings remotely, i.e. shift of the place of effective management of a company outside Luxembourg (for more information on these potential negative tax implications, please refer to our [23 September 2020 ATOZ Alert](#)).

Do you have further questions?



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