

Regulatory News Alert

Grand Ducal Regulation of 20 March 2020: Measures concerning company meetings

24 March 2020

Context and objectives

On Friday 20 March 2020, a Grand Ducal Regulation dealing with the introduction of special rules and measures **governing the organization of shareholder, Board of Directors, or other supervisory and management body meetings** was issued, published in the Official Journal of the Grand Duchy of Luxembourg, and **immediately implemented into Luxembourg law**.

For **shareholder meetings, a company may**, notwithstanding any provision to the contrary in the articles of incorporation, **hold any general meeting exclusively in a digital form and without a physical meeting**. It may require that shareholders and any other meeting participants exercise their rights:

1. by a **remote vote in writing** or in an electronic form provided that the full text of the resolutions or decisions to take will have been published or communicated to them;
or
2. by **appointing a special proxy** chosen by the company; or
3. by **videoconference** or other means of telecommunication **allowing the identification** of all participants.

Shareholders or partners who participate by such means are deemed to be present for the calculation of the quorum and the majority at this meeting, and is applicable to the meeting of bondholders too.

For **Board of Directors meetings, and other managers meetings**, notwithstanding anything to the contrary in the articles of incorporation, a meeting may be held and/or resolutions may be adopted by way of:

1. **written circular** resolutions; or
2. **videoconference** or other means of telecommunication **allowing the identification** of the participants.

Participants who take part by such means are deemed to be present for the determination of the quorum and the majority at this meeting.

Notwithstanding any provision to the contrary in the articles of incorporation, any company is authorized to call its annual general meeting later than the following dates:

1. a date which is **within a period of six months after the end of its financial year**; or
2. a date which falls **within a period up to June 30, 2020**.

The company is empowered to take this decision for any meeting called for 30 June 2020 at the latest. Any company which has already convened its meeting and which would take this decision, must publish it and if necessary, notify its shareholders, partners, or other participants in the form in which it had convened this meeting or by publication on its website at the latest on the date falling three business days before the convened meeting.

The Grand Ducal Regulation of 20 March 2020 is available in French at this link:

<http://www.legilux.public.lu/eli/etat/leg/rgd/2020/03/20/a171/jo>

Although these practical measures helping companies to manage their corporate governance obligations are welcomed, **it is important to look at those measures while also looking at the substance requirements applicable from foreign and local tax purposes**. Maintenance of corporate aspects should be analyzed on a case-by-case basis and evaluated based on various criteria including tax considerations.

It is worth mentioning that countries including Luxembourg are rapidly voting measures to help businesses to adapt in this context. In this respect, Luxembourg has already adopted various tax and social security payment deferrals and is in the process of proposing a financial aid package for SMEs to manage their cash flows.

How can Deloitte help?

Deloitte can help you prepare and facilitate the organization of these meeting, design procedures, and generally help your company become more digital.

Deloitte's **Regulatory Watch Kaleidoscope** service helps you stay ahead of the regulatory curve to better manage and plan upcoming regulations.

Your contacts

Topic Experts

Justin Griffiths

Partner – Audit

Tel: +352 45145 2692

jgriffiths@deloitte.lu

Laurent Berliner

Partner – EMEA FSI Risk Advisory Leader

Tel: +352 45145 2328

lberliner@deloitte.lu

Raymond Krawczykowski

Partner – Tax Business Leader

Tel: +352 45145 2500

rkrwaczykowski@deloitte.lu

Bernard David

Partner – International Tax Leader

Tel: +352 45145 2799

bdavid@deloitte.lu

Yann Mérillou

Partner – Audit

Tel: +352 45145 2731

ymerillou@deloitte.lu

Thierry Bovier

Partner – International Tax

Tel: +352 45145 4079

tbovier@deloitte.lu

Pascal Eber

Partner – Operations Excellence & Human Capital

Tel: +352 45145 4079

peber@deloitte.lu

Regulatory Watch Kaleidoscope service

Simon Ramos

Partner – IM Advisory & Consulting Leader

Tel : +352 45145 2702

siramos@deloitte.lu

Jean-Philippe Peters

Partner – Risk Advisory and Regulatory Watch co-leader

Tel: +352 45145 2276

jppeters@deloitte.lu

Benoit Sauvage

Director – RegWatch, Strategy & Consulting

Tel : +352 45145 4220

bsauvage@deloitte.lu

Marijana Vuksic

Manager – Strategy & Regulatory Compliance

Tel : +352 45145 2311

mvuksic@deloitte.lu

Deloitte is a multidisciplinary service organisation which is subject to certain regulatory and professional restrictions on the types of services we can provide to our clients, particularly where an audit relationship exists, as independence issues and other conflicts of interest may arise. Any services we commit to deliver to you will comply fully with applicable restrictions.

Due to the constant changes and amendments to Luxembourg legislation, Deloitte cannot assume any liability for the content of this leaflet. It shall only serve as general information and shall not replace the need to consult your Deloitte advisor.

About Deloitte Touche Tohmatsu Limited:

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/lu/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

© 2020 Deloitte General Services

Designed and produced by MarCom at Deloitte Luxembourg