

# ATOZ ALERT

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## **COVID-19: Luxembourg extends the possibility to hold company meetings remotely until 31 December 2022**

24 November 2021

Since the COVID-19 pandemic continues to impact the good governance of legal entities, the Luxembourg Government decided to extend for the third time the period during which companies and other legal entities will be able to hold their corporate body meetings remotely. To this effect, a draft law was presented to Parliament today, which will amend the law of 23 September 2020 so as to extend its application until 31 December 2022, and thus the exceptional measures it provides, including the holding of corporate body meetings without any physical presence. Under the rules which were in force until now, the measure was supposed to end on 31 December 2021.

### **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 31 December 2022, 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;
- 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 31 December 2022, 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 telecommunication allowing the identification of the 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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