

ATOZ ALERT

COVID-19: Accounting obligations and reports – corporate aspects

19 May 2020

On 12 May 2020, the Luxembourg Parliament passed the draft law n°7541 which relates to the extension of the deadlines relating to the filling and publication of annual accounts, consolidated accounts and related reports during the state of crisis caused by COVID-19 (the “Law n°7541”).

As a result of various comments made during the legislative process, few amendments were made to the initial draft law. Within this scope, the Law n°7541 extends for a period of 3 months:

- the following deadlines as set out in the Luxembourg law of 19 December 2002 relating to the trade and companies register (“RCS”) as well as the accounting and the annual accounts of enterprises, as amended (“2002 Law”):
 - the deadline for the filling with the RCS of the annual accounts and the balance of accounts referred to in the Luxembourg standardised chart of accounts;
 - the deadline for the publication with the Recueil Electronique des Sociétés et Associations of the annual accounts as well as the related reports;
 - the deadline for the publication with the Recueil Electronique des Sociétés et Associations of the report relating to payments made to the benefit of governments;
- the following deadlines as set out in the Luxembourg law of 10 August 1915 on commercial companies, as amended (“1915 Law”):
 - the deadline for the publication of the consolidated accounts and the related reports;
 - the deadline for the publication with the Recueil Electronique des Sociétés et Associations of the report relating to payments made to the benefit of governments;

According to the Law n°7541, general annual meetings of companies may also be convened within a period of 9 months after the end of the financial year. In this respect, the Law n°7541 goes further than the Grand Ducal Regulation dated 20 March 2020 which requires companies with a financial year ending on 31 December 2019 to hold their annual general meetings at the latest on 30 June 2020. On 21 April 2020, the Luxembourg Parliament released another draft law allowing the holding of such annual general meetings remotely.

With this modification, companies closing their accounts on 31 December 2019 may hold their annual general meetings until 30 September 2020 (and not anymore 30 June 2020) and file and publish their accounts and reports until 31 October 2020.

- the deadlines relating to the failure by the managers and directors so as to (i) submit to the general meeting within 6 months after the end of the financial year, the annual accounts, the consolidated accounts, the management report, the certificate of the person entrusted with the audit and (ii) publish such documents in violation of the requirements of articles 461-8, 710- 23, 813-4 and 1770-1 of the 1915 Law and article 79 of the 2002 Law.

As a result, any business having its financial exercise closing as at 31 December 2019 and that shall in principle file its annual accounts with the RCS at the latest on 31 July 2020 will be granted an additional period of 3 months. Therefore, such company will benefit from an extended deadline until 31 October 2020. However, the Law n°7541 only applies to annual accounts, consolidated accounts as well as related reports which relate to a period ending as at the date of end of the state of crisis declared on 18 March 2020 and whose deadlines for the filling and publication have not been reached as at 18 March 2020.

Do you have further questions?



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