



## **The consequences of the COVID 19 epidemic for corporate law in France**

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Faced with the risk of the spread of the COVID 19 virus, temporary adjustments were made by Order n°2020-321 of 25 March 2020 to the time limits and procedures for the general assemblies of a large number of structures, in particular for civil and commercial companies.

► Among these measures affecting SMEs closing their accounts between 30 September 2019 and 24 June 2020 are, in particular:

- the extension by three months of the deadline for the presentation of annual accounts by the management bodies to the shareholders. However, this extension does not apply to companies that have appointed an auditor when the auditor has issued his report on the annual accounts before 12 March 2020;
- the communication of documents to the shareholders for the general assembly approving the accounts may be carried out by electronic means;
- If the general assembly is convened in a place affected by an administrative measure restricting or prohibiting collective gatherings for health reasons on the date of the invitation or on the date of the meeting, the governing body may decide that the assembly will be held without their members or persons such as the statutory auditor or representatives of staff representative bodies attending the meeting or may use telephone or audiovisual conferencing. This type of measure shall not affect the voting rights of members, their right to information, the right to ask written questions or to request the inclusion of questions on the agenda in public limited companies, for example.
- the use of videoconferencing is facilitated to allow members to participate in general assemblies, irrespective of statutory clauses that might limit its use,
- the use of written consultation for decision-making in meetings is possible, including for meetings deciding on the annual accounts.

These measures are temporary and apply to shareholders' meetings and meetings of collegial administrative, supervisory and management bodies held from March 12, 2020 until July 31, 2020, unless this deadline is extended to a later date set by decree and no later than November 30, 2020.

► Lastly, Order 2020-306 of 25 March 2020 on the extension of deadlines during the health emergency period and the adaptation of procedures during the same period introduces a

mechanism for extending terms and deadlines that is likely to have a significant impact on the conduct of a certain number of company law transactions.

This concerns deadlines that expire between 12 March 2020 and the expiry of a period of one month from the end of the state of health emergency declared and, if necessary, extended.

Pursuant to Article 2 of this Order, the time limits are extended from the end of the period of health emergency for the duration that was legally stipulated, up to a maximum of two months. Thus the act or formality performed, the term of which expires during the period of health emergency, will not be considered late if it is performed within the additional two-month period.

In practice, this concerns oppositions filed by a creditor to the Commercial Court concerning a company that has undertaken since March 12, 2020, for example, a decrease of capital, a merger-absorption, a dissolution of the company caused by the fact that all the shares have come to be held by a single shareholder.

The application of this additional period will therefore add additional uncertainty for the completion of a certain number of standard corporate restructuring operations, by delaying the possibility for shareholders or managers to record the final implementation of decisions adopted before 12 March 2020.