

EXTENSION OF DEADLINE FOR THE APPROVAL AND FILING OF ACCOUNTS

In the context of the Coronavirus pandemic and to anticipate potential difficulties for companies to comply with legal deadlines in terms of approval and filing of annual accounts, consolidated accounts and related reports, the Luxembourg Parliament adopted on 22 May 2020 the law extending the deadlines for the filing and publication of the annual and consolidated accounts, as well as the relevant reports.

Under normal circumstances, the general rule is that annual accounts, consolidated accounts (as applicable), along with related reports (such as *inter alia* management report, auditor (*commissaire*) report, independent auditor (*réviseur d'entreprises agréé*) report, must be approved by the shareholders within six months after the end of the financial year and filed with the Luxembourg Trade and Companies Register (RCS) one month following their approval, i.e. at the latest seven months after the end of the financial year.

The new law introduces an additional delay so that annual general meeting for the approval and filing of the annual accounts, consolidated accounts (as applicable), along with related reports may be convened within the period of nine month after the end of the financial year. The new law also provides for a suspension for the same period of all criminal liability for management bodies in relation to the late submission for approval and/or filing. This means for instance that the Luxembourg companies having their financial year ending on 31 December 2019, may convene their annual general meeting by the end of September and file them with the RCS by end of October at the latest. The RCS also announced on 2 June 2020 that any surcharge for late filing of annual accounts was suspended during the additional period provided in the new law.

The extension provided for by the new law only applies to the above mentioned obligations of approval filing and publication that relate to financial years closed until 24 June 2020, i.e. the last day of the state of emergency and which have not expired prior to 18 March 2020, i.e. date of the declaration of the state of emergency.

The new law entered into force on 29 May 2020.

In the same vein, the Council of the European Union adopted on 25 May 2020 the Regulation (EU) 2020/699 on temporary measures concerning the general meetings of European companies (SEs) and European Cooperative Societies (SCEs), whereby their general meeting may be held within twelve months of the end of the financial year, provided that the meeting is held by 31 December 2020. The objective of this regulation is namely to provide a temporary emergency solution for SEs and SCEs enabling them to derogate from the provisions provided in the Regulation (EC) No 2157/2001 and Regulation (EC) No 1435/2003 concerning the timing of the holding of general meetings.

Main documents covered by the law, as applicable:

- annual accounts
- relevant reports of the management and auditor
- non-financial declaration
- corporate governance declaration
- consolidated accounts
- consolidated non-financial declaration
- consolidated corporate governance declaration

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