

Regular contact
with an adviser?

DZP's legal and tax alerts.

Annual shareholders' meetings/general meetings approving 2020 financial year

Dear Sir/Madam,

April, May and June are the usual period for holding annual meetings of companies, including joint stock and limited liability companies. The restrictions introduced due to the coronavirus pandemic are not expected to be lifted by the time meetings are held; on the contrary, there is a risk that they will be tightened. The restrictions currently in force derive from the Act on the Prevention and Control of Infections and Infectious Diseases in Humans, the Act on Special Measures to Prevent, Counteract and Combat COVID-19, Other Infectious Diseases and the Crisis Situations They Cause and the Council of Ministers regulation of 19 March 2021 establishing certain restrictions, orders and prohibitions in connection with the occurrence of an epidemic, last amended on 29 March 2021.

In this legal alert, we wish to outline recent changes in the law that will affect the procedure for preparing and approving the financial statements of limited liability companies, including the payment of dividends.

Step plan for 2020 financial year settlement

According to the Minister of Finance, Funds and Regional Policy regulation of 26 March 2021, published on 29 March 2021, amending the regulation on setting other deadlines for meeting obligations as regards records and as regards preparing, approving, making available and filing with the competent register, entity or authority reports or information, obligations related to approving the 2020 financial year have been postponed for three months so, e.g. companies (limited liability companies and joint stock companies) whose financial year coincides with the calendar year are required to:

1. draw up financial statements by 30 June;
2. draw up a management board report on the company's operations by 30 June;
3. (if applicable) to have the financial statements audited by a certified auditor and the result provided to the shareholders 15 days prior to the meeting approving the 2020 financial year;
4. hold an annual shareholders' meeting/general meeting by 30 September;
5. submit the approved financial documents within 15 days of approval to the repository of financial documents of the National Court Register (so by 15 October at the latest).

NB! If for any reason the financial documents cannot be approved by 30 September 2021, the unapproved financial documents have to be filed with the National Court Register by 15 October 2021. If the financial documents are approved in the future, they must be resubmitted to the National Court Register together with other documents (resolutions on approval, auditor's opinion).

We would like to remind you that failure to comply with these time limits may lead to a fine being imposed on management board members of up to PLN 1,040,000 or restriction of liberty (e.g. community service obligation).

Holding meetings in traditional form (in-person)

We would like to remind you that, on 31 March 2020, the legislator introduced the option to participate in meetings by means of direct communication that allows two-way communication between the persons participating in the meeting and ensure the secrecy of certain votes.

The current provisions of the above-said Council of Ministers regulation of 19 March 2021 stipulate that all meetings, gatherings and assemblies are prohibited except for business and professional gatherings and assemblies. There may be doubts as to whether a shareholders' meeting/general meeting can be classified as a business gathering or assembly and in practice there have already been situations where meetings have been disrupted by the police or health services.

Of course, members of a company's management board or supervisory board, a notary or other recording clerk, or the company's employees required to handle the meeting may attend a shareholders' meeting/general meeting. In order to eliminate the above risk, shareholders may be represented by a professional proxy who, when representing the principal, performs professional activities.

In view of the doubts about interpreting the regulations and the inconsistent practice of state authorities, including recent announcements of the intensification of checks on compliance with restrictions, we recommend limiting the number of people physically participating in a meeting, both in the traditional form, i.e. exclusively in-person, and with remote participation.

Requirement to cover nose and mouth; social distancing

Please remember that, in line with current legislation, in public spaces and in office and service buildings, it is obligatory to cover your nose and mouth with a mask and keep a distance of 1.5 metres.

The meeting organiser and the building administrator is required to provide meeting participants with hand disinfectant and disposable gloves.

DZP has the appropriate experience and competence to support our clients in ensuring that the organisation of meetings complies with applicable laws and provides the maximum level of security for participants. We are also available to prepare or issue an opinion on the rules of procedure for meetings that may be attended via distance communication. In light of the above, we will also be happy to support you if you are planning to hold a meeting in the coming weeks.

We are at your disposal

Please contact the DZP lawyer with whom you are working or one of our experts:



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