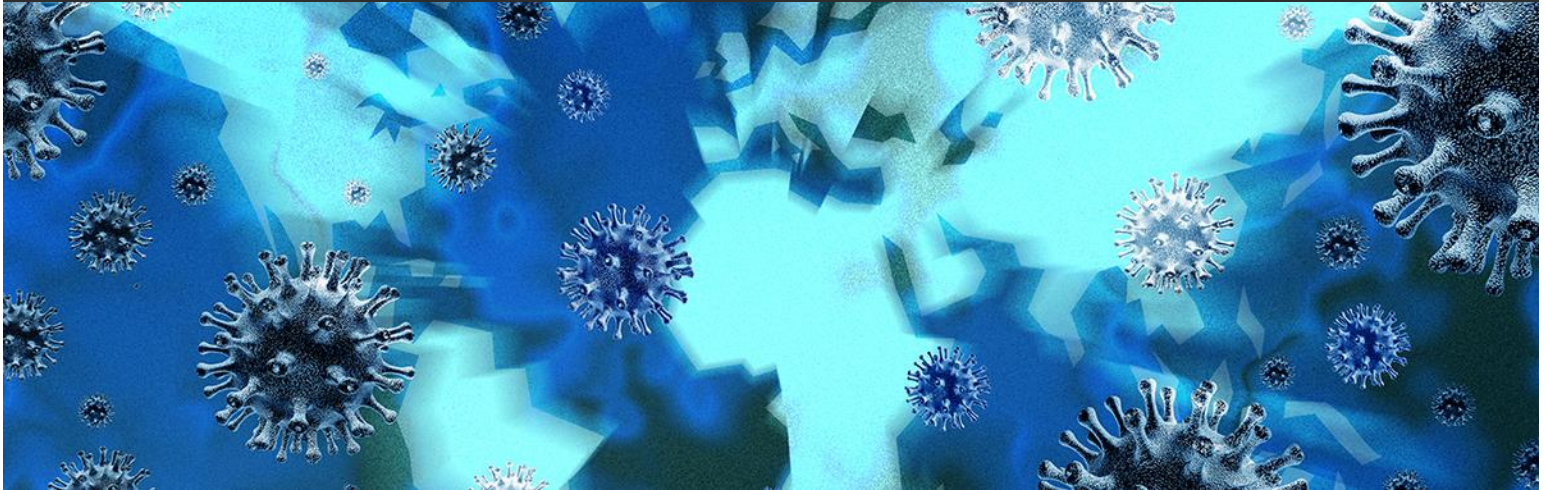


Alert | Health Emergency Preparedness Task Force: Coronavirus Disease 2019 – Focus on Italy



27 March 2020

Italian Corporate Law: Emergency Legislation for Coronavirus Disease 2019

As Coronavirus Disease 2019 (COVID-19) spreads around Europe, legislators are implementing extraordinary rules to address the situation in all sectors of law.

In this memo, we review the extraordinary measures taken by the Italian government in the **corporate law** sector.

1. Term for holding the Annual General Meeting

For share companies (*Società per azioni, or S.p.A.*) and limited liability companies (*Società a responsabilità limitata, or S.r.l.*), the term for holding the annual general meeting (i.e., the meeting that must approve the annual financial statements) has been extended to 180 days from the end of the financial year (the ordinary rules stipulated that this could be done only if there was a provision to that effect in the articles of association and if there special reasons connected with the structure or the corporate scope of the company).

2. Simplification of the holding of meetings

Pursuant to the new rules, share companies, limited liability companies, cooperatives and mutual insurance companies can hold their general meetings by telephone and/or other telecommunication

means, even if the articles of association do not contemplate it, and without need for the chairman and the secretary (or the Notary, in case of extraordinary meetings) to be physically present in the same place.

The adoption of this rule has posed a number of practical questions, the most relevant of which are the following:

- (i) if a company can change its own rules for meeting attendance (requesting that it be held by teleconference) after the notice of the call has already been sent out, and if, in such case, the meeting can be postponed;
- (ii) where must the meeting be convened if it is held via teleconference.

In respect of the above, the Italian association of stock companies (Assonime) has expressed its view in the following terms:

- (i) Whether a company can change its attendance rules after notice of the call has been issued must be evaluated separately for unlisted companies and for listed companies. For unlisted companies, the Italian emergency package, unlike those of other countries, does not set any special provision, and therefore the situation must be assessed on a case-by-case basis, with regard for the right of each shareholder to be informed and to be put in the position to vote responsibly. For listed companies, on the other hand, the question of whether to update the notice is subject to section 126-bis of the Consolidated Finance Act (pursuant to which any update to the notice must be published at least 15 days prior to the meeting), and postponements of the meetings must take into account the rules on record date.
- (ii) Notice of the call must indicate a physical venue where the meeting will be held, i.e., where the secretary (or the notary) will be.

3. Resolutions in writing for limited liability companies (S.r.l.)

Shareholder meetings of limited liability companies (*Srl*) can pass resolutions in writing or in text form, another exemption from the provisions of the Civil Code.

4. Simplifications for meetings of listed companies

Listed companies (as well as companies whose shares are disseminated through the public, albeit not listed) can, even in the absence of a provision to such effect in the articles of association, designate a proxy solicitor for attendance to their meetings, and request that attendance be only through a proxy solicitor. Proxies must be conferred at least two days before the day of first call of the meeting. Similar provisions apply to popular banks, cooperatives, and mutual insurance companies.

Assonime noted that indicating the proxy solicitor as the only means of attendance to the meeting has an indirect impact on the right of shareholders to input questions and/or submit proposals on the items on the agenda directly in the meeting, as the deadline for granting of the proxy is set by law at two days prior to the meeting. This, however, does not prevent companies from adopting more flexible rules on a voluntary basis. Companies that wish to do so but have already published the call notice must update the same, taking into account the rules on the record date as noted above.

5. Limited duration

The new rules summarized above apply for a limited time, i.e., for meetings convened by and no later than 31 July 2020 (the date until which the state of emergency has been declared throughout Italy) or any subsequent date to which the state of emergency may be extended.

** This GT Alert is limited to non-U.S. matters and law.*

For more information and updates on the developing COVID-19 situation, visit [GT's Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#).

Authors

This GT Alert was prepared by:

- [Pietro Caliceti](#) | + (39) 02.771971 | Pietro.Caliceti@gtlaw.com
- [Francesca Torricelli](#) | + (39) 02.771971 | Francesca.Torricelli@gtlaw.com

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