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| **Question** | **Answer** |
| Is it possible to hold an annual general meeting under quarantine? | According to Part 2 of Article 32 of the Law of Ukraine on Joint Stock Companies (hereinafter - the Law), a joint stock company is obliged to convene a general meeting (annual general meeting).  Clause 1 of the Resolution of the Cabinet of Ministers of Ukraine on Prevention of Spread of Acute Respiratory Disease COVID-19 Caused by SARS-CoV-2 Coronavirus on the Territory of Ukraine of March 11, 2020 №211 (as amended) (hereinafter - Resolution №211) March 12, 2020 to May 22, 2020, institutes a quarantine throughout Ukraine.  Clause 1 of the Resolution of the Cabinet of Ministers of Ukraine on the Establishment of Quarantine to Prevent the Spread in Ukraine of Acute Respiratory Disease COVID-19 Caused by Coronavirus SARS-CoV-2, and Stages of Mitigation of Anti-Epidemic Measures of May 20, 2020 №392 (hereinafter 392) was established in order to prevent the spread of acute respiratory disease COVID-19 caused by coronavirus SARS-CoV-2 (hereinafter - COVID-19) on the territory of Ukraine, from May 22, 2020 to June 22, 2020 in the Autonomous Republic of Crimea, Vinnytsia, Volyn, Dnipropetrovsk, Donetsk, Zhytomyr, Zakarpattia, Zaporizhia, Ivano-Frankivsk, Kirovohrad, Kyiv, Luhansk, Lviv, Mykolaiv, Odessa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Kherson, Khmelnytskyi, Cherkasy, Chernivtsi, Chernihiv Oblast, Kyiv, Sevastopol (hereinafter - the regions) taking into account the epidemic situation in the region of quarantine, by continuing the action of quarantine throughout the territory of Ukraine, established by Resolution № 211.  Subclause 5 of Clause 3 of Resolution №392 prohibits mass (cultural, entertainment, sports, social, religious, advertising and other) events with more than 10 participants, except for measures necessary to ensure the work of public authorities and bodies local self-government, training meetings of athletes of national teams of Ukraine in Olympic, non-Olympic, national sports and sports of persons with disabilities, training process of athletes of team game sports of professional sports clubs during the period of quarantine.  We note that on March 30, 2020 the Verkhovna Rada of Ukraine adopted the Law of Ukraine on Amendments to Certain Legislative Acts of Ukraine Aimed at Providing Additional Social and Economic Guarantees in Connection with the Spread of Coronavirus Disease (COVID-19), which amended a number of normative legal acts, in particular the Law of Ukraine on Joint Stock Companies.  In accordance with paragraph 10 of section XVII Final and transitional provisions of the Law, temporarily, in connection with measures to prevent the occurrence and spread of coronavirus disease (COVID-19), the provisions of Article 32 of the Law of Ukraine on Joint Stock Companies, general meeting of shareholders does not apply in 2020. At the same time, holding a general meeting of shareholders in 2020 within the time limits established by this Law during the quarantine established by the Cabinet of Ministers of Ukraine to prevent the spread of coronavirus disease in Ukraine (COVID-19) is not a violation of this Law.  The annual general meeting of shareholders for the 2019 financial year must be held no later than three months after the end of the quarantine established by the Cabinet of Ministers of Ukraine to prevent the spread of coronavirus disease in Ukraine (COVID-19).  If due to restrictive measures in connection with the quarantine on the territory of Ukraine it is impossible to hold a general meeting of shareholders in the manner prescribed by this Law, the general meeting of shareholders may be held remotely in the manner and terms specified by the temporary procedure of remote general meeting approved by the NSSMC.  Thus, the NSSMC's resolution of 16.04.2020 № 196 approved the Temporary Procedure for convening and remote holding of general meetings of shareholders and general meetings of corporate investment fund (hereinafter - Procedure №196) and on 16.04.2020 published on the official website of the NSSMC (https: / /www.nssmc.gov.ua).  The procedure №196 will be valid only for the period of quarantine introduced by the Cabinet of Ministers of Ukraine and for another three months after the date of its completion.  Pursuant to Clause 1 of Procedure №196, in accordance with this Procedure, the following may be held:   1. the annual general meeting of shareholders for the financial year 2019; 2. extraordinary general meeting of shareholders in cases of their convocation; 3. annual general meeting of corporate fund participants in 2020 based on the results of the 2019 financial year, 4. extraordinary general meeting of corporate fund participants in cases of their convocation.   Clause 2 of the Procedure №196 stipulates that this Procedure establishes the procedure for convening and remote holding of the general meeting of shareholders and the general meeting of participants of the corporate fund.  General meetings convened and held in accordance with this Procedure may be convened, including during the quarantine period established by the Cabinet of Ministers of Ukraine in order to prevent the spread of coronavirus COVID-19 in Ukraine. Such general meetings shall be held no later than three months after the date of completion of the quarantine.  The general meeting of shareholders or the general meeting of participants of the corporate fund convened in accordance with this Procedure shall be held in accordance with this Procedure, regardless of the quarantine on the date of the general meeting.  Thus, the provisions of Article 32 of the Law on the Terms of the Annual General Meeting of Shareholders do not apply in 2020.  The joint-stock company may hold an annual general meeting of shareholders based on the results of the 2019 financial year no later than three months after the end of the quarantine established by the Cabinet of Ministers of Ukraine to prevent the spread of coronavirus disease (COVID-19).  If due to restrictive measures in connection with the quarantine on the territory of Ukraine it is impossible to hold a general meeting of shareholders in the manner prescribed by the Law, the general meeting of shareholders may be held remotely in the manner and terms specified by Procedure №196.  In this connection, the NSSMC recommends holding a general meeting remotely in accordance with Procedure №196. |