

# Update: AGMs and COVID-19 – Corporate Insolvency and Governance Bill Published

On 28 March 2020, the Government issued a press release stating that it would legislate to seek to ease difficulties in meeting statutory obligations for companies to hold AGMs during the COVID-19 pandemic.

05 June 2020

**Please note: the information contained in this legal update is correct as of the original date of publication**

On 28 March 2020, the Government issued a press release stating that it would legislate to seek to ease difficulties in meeting statutory obligations for companies to hold AGMs during the COVID-19 pandemic – see our article on this announcement and the subsequent guidance [here](#). On 20 May 2020 the Corporate Insolvency and Governance Bill was published containing the detail of these measures.

The majority of the Bill's provisions will come into effect on the day after the Bill is enacted however its measures will apply retrospectively from 26 March 2020. This means that any company that has held an AGM since this date in a way that adhered to COVID-19 social distancing measures will have done so in accordance with the law even if it did not meet the requirements for holding such a meeting in their articles of association.

The Bill introduces various measures including:

- **Manner of the meeting:** allowing flexibility as to the manner in which the AGM is conducted during 26 March and 30 September, including the ability for a company to hold the meeting electronically and allow electronic voting even if this is not permitted by a company's articles of association – see our comments on virtual AGMs in our original article [here](#).
- **Attendance:** shareholders will not have the right to attend an AGM in person, participate in the meeting other than by voting or vote by a particular method. That said, it would be sensible to provide shareholders with information as to how they can remain engaged and ask questions of the directors – this can include providing a mechanism for shareholders to pose questions prior to the meeting which can be answered at the AGM and included in subsequent publications on the website.
- **Timing:** companies required to hold their AGMs by a date falling between 26 March and 30 September 2020 are able to postpone holding the meeting up to 30 September 2020.
- **Accounts and annual reports:** if a company is required to file its accounts and reports at Companies House by a date between 26 March and 30 September 2020, the directors be permitted to make the filing by the earlier of (i) 30 September 2020 and (ii) the last day of the period of 12 months immediately following the end of the relevant accounting period.
- **Filing:** the Secretary of State is empowered to extend the period within which certain filings must be filed at Companies House including annual confirmation statements, notifying a change in director/registered office/PSC and registering a charge granted by a company.

The measures set out in the Bill are stated to apply until 30 September, although this period may be extended (or shortened) by the Secretary of State. Any extension has to be in increments of three months but cannot be beyond 5 April 2021. The explanatory notes accompanying the Bill state that its measures are only intended to be temporary and should only apply for so long as they are necessary to allow AGMs to be held in a manner consistent with the need to reduce the spread of COVID-19. The Bill also contains wide reaching insolvency measures which apply on a more permanent basis – please [click here](#) for further details.

Members of Parliament will consider all remaining stages of the Bill in its passage through Parliament on 3 June 2020 and it has been noted that the measures need to be brought in to provide companies with greater flexibility as soon as possible.

# Contact

Sam Sharp

Partner

sam.sharp@brownejacobson.com

+44 (0)115 908 4812

---

## Related expertise

Commercial law

Corporate