

Italian COVID-19 Law Decree Provides Contingency Measures for the Annual Meeting Season

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The Cura Italia Decree extends the annual meeting season for private and public companies, and provides for remote attendance options.

[Law Decree no. 18 of 17 March 2020](#) provides a contingency package of extraordinary measures to strengthen the national health service and provide financial and economic support to families, workers and companies facing the global COVID-19 outbreak (the Cura Italia Decree).

The Cura Italia Decree includes measures to help Italian private and public companies deal with the impact of COVID-19 during the 2020 annual general meeting season. Such measures allow companies to extend the term to convene the annual general meeting to approve 2019 financial statements and facilitate the attendance of shareholders using means other than in-person attendance in compliance with the restrictive measures adopted by the Italian Government to reduce the risk of infection.

In detail, Article 106 of the Cura Italia Decree provides that:

- All companies are allowed to convene the annual general shareholders' meeting to approve the financial statements within 180 days of the end of the financial year (*i.e.*, 2019). This extends the ordinary term of 120 days provided for by the Italian Civil Code (Article 2364), regardless of the existence of any by-laws clause providing for the longer 180 term available to companies preparing consolidated financial statements or upon the occurrence of specific needs relating to the structure or business of the company to be described in the management report attached to the financial statements.
- Joint-stock companies (*società per azioni*), limited partnerships (*società in accomandita per azioni*), limited liability companies (*società a responsabilità limitata*), cooperatives (*società cooperative*) and mutual insurance companies (*mutue assicuratrici*) are entitled to convene ordinary or extraordinary shareholders' meetings and shareholders' votes may be collected and exercised using electronic means or by mail, and that shareholders may attend the meetings using audio or video calls instead of in-person. Companies may also hold shareholders' meetings by audio or video calls exclusively, while verifying participant identification, attendance, and the exercise of voting rights. If the meetings

are held through audio or video calls, the chairman and the secretary of the meeting or the notary (in case of extraordinary shareholders' meetings) need not attend the meeting in-person in the same place. This provision confirms and strengthens the position published on March 11, 2020 by the Corporate Commission of Notaries in Milan, which published a guideline (Massima 187) providing clarification on the attendance of shareholders' meetings using audio or video calls. Massima 187 clarifies that in such a scenario, all attendees may connect remotely and none are required to attend in-person, including the chairman and the secretary or the notary. By-laws provisions requiring that the chairman and the secretary or the notary attend the meeting in the same place only apply where the minutes of the meeting need to be finalized immediately after the meeting; out of such limited cases, only the secretary or the notary or the person appointed by the chairman to identify the participants needs to attend the meeting in person where the meeting has been convened.

- Limited liability companies (*società a responsabilità limitata*) may allow voting to take place by written consultation or by written consent.
- Companies with equity listed on Italian regulated markets may appoint the designated representative (*rappresentante designato*) provided for companies with equity listed on Italian regulated markets in Article 135-*undecies* of the Italian Legislative Decree no. 58/1998 (as subsequently amended, the Italian Consolidated Financial Act) to act as proxy of the shareholders at ordinary and extraordinary shareholders' meetings. Companies can appoint the representative even if their by-laws provide for the opt-out from such an option. Listed companies may also provide in the meeting notice that shareholders may attend the meeting exclusively by granting the proxy to the designated representative, thus reducing the number of attendees in person. Notably, these provisions have been extended also to Italian companies with equity admitted to trading on an MTF (e.g., AIM Italia) and to private companies with shares widely distributed among the general public. Moreover, cooperative banks (*banche popolari, banche di credito cooperativo*), cooperatives and mutual insurance companies are allowed to appoint the designated representative for their shareholders' meetings.

The Cura Italia Decree entered into force on 17 March 2020 upon its publication in the [Gazzetta Ufficiale Serie Generale no. 70](#). The corporate provisions above shall apply to shareholders' meetings convened by 31 July 2020 or later until the national state of emergency due to the COVID-19 outbreak continue to apply.

If you have questions about this *Client Alert*, please contact one of the authors listed below or the Latham lawyer with whom you normally consult:

[Antonio Coletti](#)

antonio.coletti@lw.com
+39.02.3046.2000
Milan

[Isabella Porchia](#)

isabella.porchia@lw.com
+39.02.3046.2078
Milan

[Marco Bonasso](#)

marco.bonasso@lw.com
+39.02.3046.2000
Milan

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Endnotes