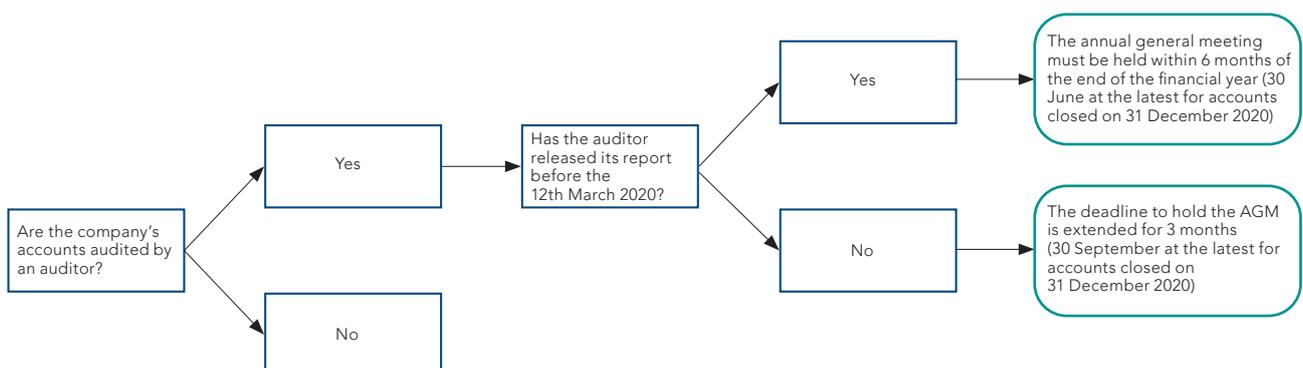


# Amendment to the rules relating to the establishment, decree, audit, review, approval and publication of accounts and other documents

Ordinance No. 2020-318 of 25 March 2020, published in Official Journal of the French Republic (*JORF*) No. 74 of 26 March 2020 (the “**Ordinance**”) taken on the basis of Article 11 of the emergency Act No. 2020-290 of 23 March 2020 to deal with the covid-19 epidemic, temporarily adapts the rules relating to the establishment, decree, audit, review, approval and publication of accounts and related documents.

## 1. Measures applicable to all entities – time limits for approval of annual accounts

- **Extension of 3 months.** The Ordinance extends by 3 months the deadlines imposed by legislative or regulatory texts or by the applicable statutes to (i) approve the accounts and related documents or (ii) to convene the meeting responsible for this approval. As a reminder, in SARL (*société à responsabilité limitée*) and SA (*société anonyme*), the ordinary annual meeting must be held within 6 months of the end of the financial year with a view to approving the annual accounts and the management report (French commercial code art. L. 223-26 and L. 225-100). For SAS (*société par actions simplifiée*), the articles of association freely determine this deadline.
- **Persons concerned.** These provisions are applicable to legal persons and private law entities without a legal personality closing their accounts between 30 September 2019 and one month after the state of emergency end date, i.e. 25 June 2020 (since the state of emergency is currently scheduled until 25 May 2020).
- **Limitation.** This legal extension does not apply when the company has an auditor and the latter has issued its accounts’ report before 12 March 2020.



## 2. Specific measures applicable to certain entities

### 2.1 Sociétés anonymes with supervisory and executive boards

- **Postponement of the deadline for communication to the supervisory board.** In these companies, the executive board has a temporary period of 6 months (instead of 3 months) from the end of the financial year to approve and communicate the annual accounts, the management report and the report on corporate governance to the supervisory board.
- **Temporal scope.** This provision applies to SAs (*sociétés anonymes*) closing their accounts between 31 December 2019 and the expiration of a one month period after the state of emergency end date (*i.e.*, 25 June 2020 under the current governmental measures).

### 2.2 Companies under insolvency proceedings / liquidation

- **Extension of 3 months.** The Ordinance provides a 3 months extension of the period within which the liquidator, under the insolvency framework, must draw up the annual accounts in light of the inventory (which he has drawn up) of the various assets and liabilities existing on this date and the written report in which are included the insolvent operations of the previous financial year. The liquidator has therefore 6 months from the end of the financial year to establish the required annual accounts and related documents.
- **Temporal scope.** These provisions are applicable to companies closing their accounts between 31 December 2019 and the expiration of a one month period after the state of emergency end date (*i.e.* 25 June 2020 under the current governmental measures).

### 2.3 Companies establishing provisional accounts

- **Companies concerned.** In commercial companies with at least 300 employees or with a net turnover of at least 18 million euros, directors are required to prepare certain documents within specific deadlines.
- **Extension of 2 months.** The Ordinance extending these deadlines by 2 months, the directors of the companies concerned must establish the following documents within the specified deadlines:
  - » the status of realisable and available assets, excluding operating values, and current liabilities, semi-annually, within 6 months of the half-year closing;
  - » the cash flow table at the same time as the annual accounts, annually within 6 months of the end of the financial year;
  - » the provisional finance plan, annually, within 6 months of the start of the current financial year; and
  - » the provisional income statement, annually, at the latest within 6 months following the start of the current financial year and a revision of this document within 6 months following the opening of the second half of the financial year.
- **Temporal scope.** These provisions are applicable to documents relating to accounts or semesters closed between 30 November 2019 and the expiration of one month after the state of emergency end date (*i.e.*, 25 June 2020 under the current governmental measures).

## 2.4 Private law entities receiving a public subsidy

- **Extension of 3 months.** The Ordinance provides for a 3 months extension to the 6 months period imposed on private law entities receiving a public subsidy, when it is allocated to a specific expense, to produce and file a financial statement attesting of the use of the funds in conformity with the purpose of the subsidy. These entities therefore have a temporary period of 9 months from the end of the financial year in which the subsidy was awarded to provide this financial statement.
- **Temporal scope.** These provisions are applicable to financial statements relating to accounts closed between 30 September 2019 and the expiration of one month after the state of emergency end date (i.e. 25 June 2020 under the current governmental measures).

---

Mayer Brown is a distinctively global law firm, uniquely positioned to advise the world's leading companies and financial institutions on their most complex deals and disputes. With extensive reach across four continents, we are the only integrated law firm in the world with approximately 200 lawyers in each of the world's three largest financial centers—New York, London and Hong Kong—the backbone of the global economy. We have deep experience in high-stakes litigation and complex transactions across industry sectors, including our signature strength, the global financial services industry. Our diverse teams of lawyers are recognized by our clients as strategic partners with deep commercial instincts and a commitment to creatively anticipating their needs and delivering excellence in everything we do. Our “one-firm” culture—seamless and integrated across all practices and regions—ensures that our clients receive the best of our knowledge and experience.

Please visit [mayerbrown.com](http://mayerbrown.com) for comprehensive contact information for all Mayer Brown offices.

Mayer Brown is a global services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England), Mayer Brown (a Hong Kong partnership) and Tauil & Chequer Advogados (a Brazilian law partnership) (collectively the “Mayer Brown Practices”) and non-legal service providers, which provide consultancy services (the “Mayer Brown Consultancies”). The Mayer Brown Practices and Mayer Brown Consultancies are established in various jurisdictions and may be a legal person or a partnership. Details of the individual Mayer Brown Practices and Mayer Brown Consultancies can be found in the Legal Notices section of our website. “Mayer Brown” and the Mayer Brown logo are the trademarks of Mayer Brown.

© 2020 Mayer Brown. All rights reserved.

Attorney Advertising. Prior results do not guarantee a similar outcome.