

COVID-19: A comparison of global measures for
the holding of AGMs



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The requirements relating to the holding of AGMs differ from jurisdiction to jurisdiction. Therefore, as with other COVID-19 responsive measures, new arrangements have been implemented on a country-by-country basis, which has led to a variety of different approaches.

This is a summary of the measures introduced to mitigate the effect of COVID-19 on the holding of AGMs. This has posed a particular challenge in current circumstances given the ban on large gatherings and travel restrictions. This summary considers the position of a range of jurisdictions including the UK, Germany, France, Belgium, Delaware, Brazil, China, Thailand, Vietnam, Hong Kong, Singapore and Dubai. It is not designed as a detailed review of the underlying legislation. Specific advice should be sought on a country-by-country basis.

We have split our analysis into three parts:

Part 1: Has the deadline for holding AGMs been extended?

Part 2: Are virtual AGMs permitted?

Part 3: Arrangements for payment of dividends



We intend to provide further information and clarifications over time.

Date: 30 September 2020

Part 1: Has the deadline for holding AGMs been extended?

| Country | Deadline extended? | Is it a temporary measure? | How long is the measure in place for? | Other points to note |
|--------------------------|--|----------------------------|---|--|
| Europe | | | | |
| United Kingdom | Yes Companies with a deadline for holding an AGM falling between 26 March 2020 and 30 September 2020 were given until 30 September 2020 to hold their AGM. | ✓ | The measure was in place until 30 September 2020 but has not been extended. | Some companies were not able to rely on the extension to the deadline for holding of their AGMs because resolutions approved at the previous AGM would expire within certain timeframes (usually 15 months from the last AGM). This meant that, in practice, some companies were not able to rely on the flexibility that the temporary legislation brought. |
| Germany | Yes The deadline has been extended from eight months to the end of the financial year for German stock corporations. | ✓ | Originally, until the end of 2020, the Ministry of Justice had the ability to extend the deadline for the holding of AGMs until the end of 2021 if required on account of the continued impacts of the COVID-19 pandemic. An extension to the end of 2020 deadline was initiated in September 2020. | Some companies have delayed the holding of their AGM, others have used or announced their intention to use the possibility of holding virtual AGMs (see below). |
| France | Yes Companies whose financial year end fell between 30 September 2019 and 10 August 2020 have been given an additional three months from the deadline imposed by law or their by-laws to hold their AGMs. | ✓ | The measure was in place until 10 August 2020 but has not been extended. | This extended deadline does not apply to companies which have an auditor and in respect of which the auditor has issued its report on the financial statements before 12 March 2020. |
| Belgium | Yes Companies were able to opt to postpone their AGM by 10 weeks after applicable legal deadlines. | ✓ | It was possible to postpone AGMs that were supposed to be held between 1 March 2020 and 30 June 2020, but the end date has now expired. | N/A |
| Americas | | | | |
| United States (Delaware) | Yes On 16 July 2020, the Delaware General Corporation Law ("DGCL") was amended retroactively with effect from 1 January 2020 so that, during an emergency condition (including a pandemic such as COVID-19), the board of directors would be allowed to take any action it determines to be practical and necessary to address any stockholder meeting in light of the emergency condition, including postponing such stockholder meeting. | ✗ | As the amendment was to the corporate statute primarily governing corporations, the measure is permanent unless subsequently amended. | The amendment codified certain temporary relief that was granted earlier in 2020 as an initial response to the COVID-19 pandemic. |

| Country | Deadline extended? | Is it a temporary measure? | How long is the measure in place for? | Other points to note |
|-------------|---|----------------------------|--|--|
| Brazil | Yes Companies whose financial year end fell between 31 December 2019 and 31 March 2020 have been given seven months to hold their AGMs. | ✓ | The Provisional Measure taken by the President in March 2020 was converted into Law in July 2020, thus the measure is valid until 30 October 2020 for the companies which financial year ended on 31 March 2020 (but no later than seven months after the end of its respective financial year, as the case may be). | The Brazilian measure has also triggered the possibility of holding both distance and virtual shareholders' general meetings for Brazilian listed and non listed companies. The majority of Brazilian companies have maintained the original date for holding their AGM, but held the AGM virtually. |
| Asia | | | | |
| China | Yes For a listed company who cannot disclose its 2019 annual report by the statutory deadline of 30 April 2020 due to the impact of COVID-19, the statutory deadline for holding the AGM by 30 June 2020 has been postponed to two months after the date of disclosing the 2019 annual report, but no later than 31 August 2020. | ✓ | Not provided. | Some companies have delayed the disclosing of their 2019 annual reports and the holding of the AGM. |
| Thailand | No, but a waiver can be requested Although the four-month statutory deadline has not been extended, companies unable to hold an AGM by the statutory deadline can apply for a waiver of the fine for such failure, by submitting a letter to the Department of Business Development (DBD). The company will need to state that the AGM was held after the four-month deadline passed due to the impact of the COVID-19 pandemic. The DBD will consider each waiver application on a case by case basis. | ✓ | No specific period described. | N/A |
| Vietnam | Yes The deadline has been changed from four months after the end of the financial year to six months after the end of the financial year. | ✓ | It is not yet clear whether the extension will continue with respect to companies whose financial year ends 31 December 2020 or thereafter. | Some companies have already delayed the holding of their AGM, whilst others have held (or announced the intent to hold) a virtual AGM. |
| Hong Kong | No The Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the "CO") requires an AGM to be held within nine months after financial year end for a private company or a company limited by guarantee, or within six months for any other company (including public companies). So far there has been no measure introduced to relax such a requirement in light of COVID-19. | N/A | N/A | N/A |

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|--------------------|--|---|---|----------------------|
| Singapore | <p>Yes</p> <p>Companies incorporated in Singapore (whether listed or unlisted) whose AGMs were due during the period 16 April 2020 to 31 July 2020 were provided an automatic 60-day extension of time for their AGMs.</p> |  | <p>The extensions were not extended beyond 30 September 2020 for general meetings of companies, variable capital companies, business trusts, unit trusts, debenture holders. However the Accounting and Corporate Regulatory Authority (ACRA), the Monetary Authority of Singapore (MAS) and SGX may extend deadlines on a case by case basis.</p> <p>The extensions for charities, cooperative societies, mutual benefit organisations, registered societies have been extended to 31 December 2020.</p> | N/A |
| Middle East | | | | |
| Dubai | <p>Yes</p> <p>The deadline for joint-stock companies to convene their AGM was extended to 30 June to avoid risks that may result from failure to hold their AGM within the legally specified period, scheduled to expire on 30 April.</p> |  | TBC | N/A |

Part 2: Are virtual AGMs permitted?

| Country | Permitted? | Is it a temporary measure? | How long is the measure in place for? | How does voting take place? | How are questions submitted? | How is technology used? | Does the measure override anything in the company's articles? |
|----------------|------------|----------------------------|---|---|---|--|--|
| Europe | | | | | | | |
| United Kingdom | ✓ | ✓ | Until 30 December 2020, unless further regulations are made extending this period. | Shareholders should be encouraged to vote by proxy and to appoint the chair of the meeting as their proxy so they can exercise all proxy votes submitted. | Shareholders should be encouraged to send in their questions prior to the meeting. Where possible these should be dealt with at, or prior to the meeting or failing that as soon as possible once the meeting has ended. Wherever possible, answers should be provided before voting takes place, or proxy voting closes. | The AGM can be held virtually, by telephone or other electronic means. | Yes , a virtual AGM is permissible irrespective of what the articles say. |
| Germany | ✓ | ✓ | Originally, until the end of 2020, the Ministry of Justice had the ability to extend the deadline for the holding of AGMs until the end of 2021 if required on account of the continued impacts of the COVID-19 pandemic. An extension to the end of the 2020 deadline was initiated in September 2020. | <ul style="list-style-type: none"> • Electronically during the AGM • By proxy to the representative named by the company (who appears in the AGM), or • By electronic voting in advance of the AGM | By electronic communication. Shareholders can be asked to submit questions until two days before the AGM. | The AGM must be transmitted electronically, by audio and video transmission to enable shareholders to participate electronically. It must be noted that shareholders do not have a right to challenge resolutions because of technical defects, such as interruptions in the transmission. | Yes , a virtual AGM is permissible irrespective of what the articles say. |
| France | ✓ | ✓ | Until 30 November 2020 provided that administrative measures continue to restrict physical gatherings at the location of the meeting. | <ul style="list-style-type: none"> • By email or postal mail • By electronic voting • By proxy • By written consultation | Shareholders cannot exercise their right to ask oral questions at the AGM. However, rights to ask questions exercised prior to the AGM are unchanged and continue to be exercised. | Shareholders can be invited to participate by conference call or videoconference provided they can be identified and subject to the transmission of their voice and the continuous and simultaneous retransmission of the debates. | Yes , a virtual AGM is permissible irrespective of what the articles say. |

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|--------------------------|------------|----------------------------|--|--|--|--|--|
| Belgium | ✓ | ✓ | The measure applied to meetings which were supposed to be held between 1 March 2020 and 30 June 2020, but there has not been an extension of the temporary regime. | During the meeting by electronic means. ID verifications are carried out prior to vote. | By electronic means, prior to the meeting. Shareholders submit questions until at least four days before the AGM. | AGMs can be held virtually by using electronic means of communication (conference call or video-conference call). | Yes, virtual AGMs are allowed even if it is not expressly provided for in the company's articles. |
| Americas | | | | | | | |
| United States (Delaware) | ✓ | ✗ | N/A | Voting may be done by mail, electronically, by proxy or by written consent. Under the amendments to the DGCL made in response to COVID-19, written consents of stockholders may now be executed through electronic signatures. | No change to prior practice. Questions may be submitted by virtual means prior to or during the AGM. | AGMs may be held virtually, by teleconference call or videoconference call. | Yes, under recent amendments to the DGCL, during an emergency condition, the board may take whatever steps it deems practical and necessary to address that emergency condition with respect to any stockholder meeting, notwithstanding anything to the contrary in the DGCL or the corporation's organizational documents. |
| Brazil | ✓ | ✗ | N/A | Virtually during the AGM, or via submission of remote voting forms in advance of the AGM. | The company shall provide virtual sites which enable shareholders' electronic communication. Shareholders should be encouraged to vote by remote voting forms submitted to the company before the AGM. | The AGM must be transmitted virtually, by telephone or other electronic means, to be provided by the company. The technology shall enable shareholders to make questions, vote and clearly interact with the management and other shareholders with no interruption. | N/A |

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|-------------|---|----------------------------|--|---|---|---|--|
| Asia | | | | | | | |
| China | Hybrid AGMs are permitted, but not purely virtual AGMs. | N/A | N/A | Voting can take place at the venue, or by internet. | Not provided. | Listed companies should make it convenient for shareholders to attend AGMs by adopting safe, economical and convenient networks or other means. | N/A |
| Thailand | ✓ | ✗ | N/A | In the case of a general (non-secret) vote, any method that specifies the identity of participants who have the right to vote and determines the intention of their votes may be used (e.g. using voice, signs or electronic messages). In the case of a secret vote, any method that specifies the number of persons who have voted and the sum of the votes, without determining the identity of the voters generally may be used (e.g. the use of online questionnaires). | There are no specific requirements setting out practically how shareholder should submit questions. | Communication or interaction among participants can be audio, or both audio and video. | No. |
| Vietnam | ✓ | ✓ | The temporary measure applies to companies whose financial years fall on or before 31 December 2020, but it is not clear whether that deadline will be extended. | <ul style="list-style-type: none"> • Voting in person at the AGM; • Proxy voting to a representative who may exercise voting rights at the AGM; or • Electronic voting during the online AGM by sending the voting slip to the AGM by mail, fax or email. | Shareholders may submit questions no later than three working days prior to the AGM. | The AGM may be held by telephone or other electronic means. | No , if the charter of the public company does not permit virtual meetings, it must be amended to allow for virtual meetings. |

| Country | Permitted? | Is it a temporary measure? | How long is the measure in place for? | How does voting take place? | How are questions submitted? | How is technology used? | Does the measure override anything in the company's articles? |
|-----------|---|----------------------------|---|--|---|--|---|
| Hong Kong | Hybrid AGMs are permitted, but not purely virtual AGMs. | N/A | N/A | <ul style="list-style-type: none"> • Voting in person at the AGM • Voting by proxy (shareholders may appoint chairperson of the AGM to act as their proxies) • Voting electronically subject to articles of association of the company. | Companies are encouraged to provide the means for shareholders to raise questions electronically prior to the AGM so as to minimise the time for the Q&A session at the AGM. | The AGM can be held by telephone, video-conference or other electronic means. | No. |
| Singapore | ✓ | ✓ | The temporary measures permitting virtual meetings have been extended to 30 June 2021. A joint statement by ACRA, SGX and MAS encourages issuers and non-listed companies to continue to conduct their general meetings held on or before 30 June 2021 via virtual means. | <p>If the company's articles do not permit electronic voting, then the members must vote by proxy only, and only the chairman of the meeting may be appointed as proxy.</p> <p>If the articles permit electronic voting, then the company must implement a means of validating votes submitted by shareholders or members.</p> | <p>Shareholders must be given reasonable time prior to the AGM to ask questions and can do so by email or by post.</p> <p>All substantial and relevant questions must be addressed prior to, or at, the AGM.</p> <p>For listed companies, questions can be addressed through publication on SGXNET and, if available, the issuer's corporate website and/or any virtual information session that the issuer may organise.</p> | <p>An AGM conducted by electronic means must at least allow shareholders to contemporaneously observe the proceedings of the meeting by audio and video means (e.g. "live" webcast).</p> <p>Companies are also required to provide a telephone number to allow for audio only participation.</p> | Yes , the alternative arrangements override the relevant provisions in the company's constitution. |

| Country | Permitted? | Is it a temporary measure? | How long is the measure in place for? | How does voting take place? | How are questions submitted? | How is technology used? | Does the measure override anything in the company's articles? |
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| Middle East | | | | | | | |
| Dubai | ✓ | ✓ | Public companies must provide a mechanism for electronic participation and voting in upcoming AGMs during the COVID-19 pandemic for the AGMs that will be held from 17 March 2020. This requirement is indefinite, and will remain in place until a government announcement is made revoking it. | Public joint stock companies can use electronic voting for their AGMs. Limited liability companies (LLCs) are permitted to hold AGMs in a manner they deem appropriate and any agreed upon protocols should be reflected in the Memorandum of Association. | Shareholders must register their attendance online, using a specific link provided by the registrar, on the day prior to the general meeting. Registration and voting shall last until the time specified in the invitation for the beginning of the meeting. Following attendance registration, shareholders can raise any questions concerning the agenda items during the working day preceding the general meeting only. | Shareholders must be notified of general meetings through SMS and emails instead of registered mail. Attendance should also be registered electronically, the attendance of shareholders electronically, and recording the meeting through audio or visual means. | No. If the Memorandum of Association does not permit virtual meetings, it must be amended to allow for it. If the Memorandum of Association is silent on the issue, then such meetings would be permitted by default (although it is advisable to adopt a shareholders resolution explicitly allowing for this). |

Part 3: Arrangements for payment of dividends

| Country | Can dividends be withdrawn after they have been declared? | How can dividends be paid if the AGM is postponed? |
|-----------------------|---|---|
| Europe | | |
| United Kingdom | <p>Companies cannot withdraw or amend final dividends after they have been declared by shareholders.</p> <p>If the dividend resolution is proposed to be withdrawn or amended before it has been declared by shareholders, and an AGM notice has already been published setting out the proposal in relation to the dividend, the issuer will need to notify shareholders of the withdrawing or amendment of the dividend and provide an explanation. Listed companies will need to do this by way of a stock exchange announcement.</p> <p>If the AGM notice recommending the dividend has not been published, the resolution recommending or declaring a final dividend can be removed or amended accordingly before publication.</p> <p>Advisers should be consulted in light of the company's usual dividend payment practice. The company's articles of association must be consulted in order to assess the available options and the expectations of shareholders must also be considered.</p> | <p>Subject to the articles of association of the relevant company, the board of an English company can usually declare and pay an interim dividend without seeking the approval of shareholders at an AGM or general meeting.</p> |
| Germany | <p>The boards of a company are able to amend the published dividend resolution proposal to be resolved upon at the AGM if new facts justify an amendment.</p> <p>In addition, shareholders can make counter-proposals to dividend proposals made by the board, in advance or at the AGM (in the case of a physical AGM) or in advance only (in the case of a virtual AGM).</p> | <p>In a German Stock Corporation, advance dividends (for the last financial year and before the AGM that resolves on a dividend) are only permissible if the articles so provide and then only up to 50% of annual profits and 50% of the balance sheet profits.</p> <p>Under the special COVID-19 legislation, an advance dividend is permissible without permission in the articles, but subject to the restrictions mentioned before.</p> <p>Interim dividends for the current financial year are not permissible.</p> |
| France | <p>Companies cannot withdraw or amend final dividends after they have been declared by shareholders.</p> <p>If the dividend resolution is proposed to be withdrawn or amended before it has been declared by shareholders, and an AGM notice has already been published setting out the proposal in relation to the dividend, the board may amend the agenda and the draft dividend resolution without publishing a new meeting notice. For a listed company, the AGM page on the website of the company must be updated accordingly.</p> <p>In addition, in the case of virtual AGMs:</p> <ul style="list-style-type: none"> - the board can present amendments and new resolutions during the meeting; and - the shareholders can present amendments and new resolutions before the meeting. <p>In case of physical AGM: the shareholders can present amendments and new resolutions during the meeting.</p> | <p>Subject to certain conditions, the board of a company can decide to distribute an interim dividend without the approval of the shareholders.</p> |

| Country | Can dividends be withdrawn after they have been declared? | How can dividends be paid if the AGM is postponed? |
|--------------------------|--|--|
| Belgium | Declared dividends may be withdrawn by companies active in the banking and insurance sector. The shareholders must be informed appropriately. | If the company's articles so permit, decisions on interim dividends (for the current or last financial year) may be delegated to the board. Such dividends are permissible as long as they do not negatively affect the solvency and liquidity of the company. |
| Americas | | |
| United States (Delaware) | Yes, on 16 July 2020, the Delaware General Corporation Law (" DGCL ") was amended retroactively with effect from 1 January 2020 so that, during an emergency condition (including a pandemic such as COVID-19), the board of directors may delay the record date and payment date of a dividend for which the record date has not occurred (so long as the new payment date is not later than 60 days after the new record date). | Payment of dividends is not tied to the AGM and so can be paid in due course even if the AGM is postponed. As a general rule, the board of directors may declare dividends without stockholder approval. |
| Brazil | <p>Companies cannot withdraw or amend final dividends after they have been declared by shareholders. Once declared, dividends shall be paid within 60 days.</p> <p>Notwithstanding the above, if the company's management believes (and unequivocally demonstrates) that the payment of a dividends is not compatible with the financial situation of the company, such payment, including the "Mandatory Minimum Dividend" could be suspended (postponed) at the discretion of the management. This suspension is being further endorsed by the government authorities and by the CVM (Brazilian regulatory agency for publicly-held companies) during the pandemic of COVID-19.</p> <p>The Mandatory Minimum Dividend is provided by Brazilian Corporate Law and corresponds to the inherent right of the company's shareholders to receive as dividends, at least, 25% of the company's net profit every fiscal year, according to the shareholders respective equity stake in the company.</p> <p>Such 25% fraction can be reduced only by approval of all of the company's shareholders (and in the case of a public company, is only permitted in connection with the issuance of debentures/bonds).</p> | The board is entitled to declare interim dividends, regardless of a preceding provision in the company's bylaws (such exemption was introduced by temporary measures (converted into law in July 2020) issued by the Brazilian Federal Government as a result of the economic impacts of the COVID-19 pandemic, in order to reduce the bureaucracy involved in approving amendments to the bylaws of the companies). |
| Asia | | |
| China | Companies cannot withdraw or amend final dividends after the shareholders' resolution declaring dividends has been passed, unless such resolution is illegal, or the procedures to pass such resolution is illegal, or a special shareholders' resolution has been passed subsequently to amend the previous resolution declaring dividends. | <p>In the case of any unlisted company, dividends should be distributed within the time limit stated in the shareholders' resolution. If no time limit is specified in the resolution, the provisions in the articles of association shall apply. If no time limit is specified in either the resolution or the articles of association, or if the time specified is more than one year, the unlisted company shall distribute the dividends within one year from the date when the resolution is passed.</p> <p>In the case of any listed company, dividends should be distributed within two months after the proposal is passed at the general meeting of shareholders.</p> |

| Country | Can dividends be withdrawn after they have been declared? | How can dividends be paid if the AGM is postponed? |
|--------------------|--|---|
| Thailand | <p>There is no specific law addressing this issue in Thailand.</p> <p>There is only a statutory requirement that the payment of the dividend must be made within one month from the date of a resolution being adopted by the shareholders or the board of directors meeting approving the dividend payment.</p> <p>Withdrawal of a dividend after declaration may be effected where payment has yet to be made as above, on a resolution at general meeting being adopted by the shareholders approving the withdrawal.</p> | <p>No dividend may be declared except by a resolution passed in a general meeting of shareholders.</p> <p>The board of directors may from time to time pay to the shareholders such interim dividends as appears to the directors to be justified by the profits of the company.</p> |
| Vietnam | <p>Companies cannot withdraw or amend final dividends after they have been declared by shareholders.</p> <p>If the dividend is withdrawn or amended, and an AGM notice has already been published setting out the proposal in relation to the dividend, the company will need to notify shareholders of the withdrawal (or amendment) of the dividend and provide an explanation. Listed companies will need to do this by way of a stock exchange announcement.</p> | <p>Dividends require the approval by shareholders at an AGM. If the AGM is postponed, dividends must be retained until the approval is received.</p> |
| Hong Kong | <p>Companies cannot unilaterally withdraw or amend final dividends after they have been declared by the shareholders at the AGM.</p> <p>However, companies may withdraw or amend interim dividends even after they have been declared by the board of directors.</p> <p>A company listed on The Stock Exchange of Hong Kong Limited that decides not to pay any dividend which would otherwise have been expected to be paid in due course must publish an announcement in accordance with the relevant listing rules.</p> | <p>Subject to the company's articles of association, the declaration and payment of interim dividends can usually be made by the board of directors without approval of the shareholders in general meeting.</p> |
| Singapore | <p>Once a final dividend has been validly declared by the shareholders it cannot be revoked or cancelled, or reduced.</p> | <p>SGX listed companies who have already declared a final dividend may postpone the dividend payment to a later date by releasing a replacement dividend announcement providing for the new payment date. The replacement announcement must be made at least two market days prior to the ex-dividend date.</p> |
| Middle East | | |
| Dubai | <p>Dividend payments may be withdrawn after being declared only if the Memorandum of Association allows for this.</p> | <p>This will be as specified in the Memorandum of Association or alternatively by way of shareholder resolution.</p> |