
Provisional Measure no. 931: Changes with respect to the holding of company shareholder meetings, form of participation and voting in meetings and extensions of time periods

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For reason of the present scenario of the COVID-19 pandemic, we are accompanying daily the new measures implemented by the Federal Government to combat and minimize its impact in Brazil.

Last Tuesday, March 31, 2020, Provisional Measure No. 931 ("MP") was published, effective as of this date, which establishes the postponement of ordinary shareholders meetings and partners meetings, as well as enables the Brazilian Securities Exchange Commission ("CVM" or "Commission"), exceptionally, to extend during the fiscal year 2020 the time periods relevant to publically-traded companies set by Law no. 6.404/76 ("The Corporations Law").

Of these changes we note the:

- Possibility of ordinary shareholders meetings and partners meetings taking place within 07 (seven) months' time counting from the end of the respective fiscal year of the company, rendering ineffective any contractual provision requiring that they be held within a shorter time period;
- Authorization of the Board of Directors, or the Director, in case there is no Board of Directors, to: (i) deliberate with regard to urgent matters the competence of shareholders meetings, unless the company's bylaws hold otherwise (ad referendum clause); and (ii) declare the company's dividends,

without amending the bylaws as required by Article 204 of The Corporations Law;

- Postponement of the terms of management, administrators, fiscal council members and executive committees until such time as ordinary shareholders meetings are held; and
- Extension of such terms as will run before the shareholders meetings are held, so as to avoid interruption of the management of the company during this time period.

With regard to procedural matters, in light of the fact that the company registries are operating on a limited or suspended basis, we point out the:

- That the start date for computing the time frame for the filing of company acts or any of the documents listed in Article 32, item II, of Law. No. 8.934/94 that were signed before February 16, 2020, will be the date when the operations of the competent commercial registry resume;
- Suspension of the requirement for the pre-filing of the act referencing the issuance of stock and other juridical acts as of March 01, 2020, given that the referenced filing shall take place within 30 (thirty) days counting from the date that the

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commercial registry returns to functioning on a regular basis; and

- Possibility of partners and shareholders participating in meetings and shareholders meetings remotely, including for reason of voting.

Additionally, concerning the CVM the MP establishes the possibility of the Commission extending the time periods relevant to publically-traded companies set by The Corporations Law and determines that the CVM define new dates for the presentation of respective financial results. Accordingly, also on March 31, 2020, the CVM published CVM Deliberation No. 849 that, among other changes:

- Deferred the due dates of the filing of periodic information by publically-traded companies;
- Allowed for the presenting of financial results within 05 (five) months following the end of the fiscal year;
- Extended the time period for the filing of the fiduciary agent-prepared report (Article 68, paragraph 1, item b of The Corporations Law).

Although these measures substantially affect the day to day of companies, we understand that they seek to facilitate and make viable regularity for companies that are bravely facing the difficulties brought by the COVID-19 pandemic.

The firm Almeida Advogados has among its ranks teams specialized in Corporate and Business Law that are updated daily on the measures that are being announced and are at your disposal with respect to any questions you may have relative to the content of the article.

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