

# PETERKA PARTNERS

THE CEE LAW FIRM

## **ANNUAL GENERAL MEETINGS & LICENSING AND PERMITS IN CORONAVIRUS PERIOD**

PETERKA & PARTNERS Russia is closely monitoring the new regulations and policies set by the government which may have an impact on normal business activities, and will continue to keep you informed on legislative updates.

Below you will find important legislative updates related to the Coronavirus (COVID-19), namely, on Annual General Meetings and licensing and permits.

### Deadline to hold annual GMS in 2020 pushed back

In accordance with the law, LLCs and JSCs are obliged to hold annual General Meetings of Shareholders (**GMS**) in order to approve the results of the company, including annual financial statements. Typically, annual GMS shall take place not earlier than two months and not later than six months after the end of the financial year, which is equal to a calendar year for joint-stock companies (JSCs) and not later than four months after the end of the financial year for limited liability companies (LLCs).

A recently adopted law aimed at countering the COVID-19 pandemic and its effects pushed back the deadline for holding annual GMS in 2020 to three months for JSCs and five months for LLCs. Thus, in 2020, LLCs and JSCs have to hold their annual GMS not later than 30 September.

Please also note that recently adopted amendments to the Federal Law on Joint Stock Companies allow for holding annual GMS in JSCs by absentee voting, which is, however, not the case for LLCs. Notarization of the minutes of the annual GMS in an LLC is obligatory, unless the Articles of Association of LLC (AoA) directly allow for an alternative method of confirmation (e.g., signing minutes by all shareholders for the GMS). Therefore, Russian LLCs are particularly advised to review their AoA, so they can plan in advance and proceed with holding annual GMS within the above-mentioned deadline regardless of global measures limiting the movement of people due to the coronavirus outbreak.

### Extension of validity period of permits and licences in relation to licensed activities

On April 3, 2020, the government of the Russian Federation issued a Decision extending the validity period of time-barred licences and other permits that expire (have expired) between March 15 and December 31, 2020, and are included in the list set out in Appendix No. 1. to the Decision. The aforementioned list is rather limited and covers only seven types of licences and permits, including, e.g., licences for the production and circulation of ethyl alcohol, alcoholic and alcohol-containing products, licences for the use of subsoil, as well as state registration of a medicinal product for medical use. These licences and permits are automatically extended for twelve months.

In other cases listed in Appendix No. 2 to the Decision, the respective authority may adopt one of two decisions. Firstly, when the deadline for validation of compliance with the mandatory requirements on renewal of a permit or periodic confirmation of conformity, re-accreditation, or re-certification falls within the period of the validity of the Decision, conducting the aforementioned procedures may be postponed for up to 12 months. Secondly, the subsequent confirmation of the conformity with the mandatory requirements, providing for renewal of the permit or periodic confirmation of conformity, re-certification, re-certification, or re-examination, is deemed successfully completed.

Moreover, obligatory on-site inspections of licence applicants and licensees, as well as on-site verification measures necessary to obtain, reissue or extend the validity of licences and permits, are carried out using remote monitoring tools, photo, audio and video recordings and video conferencing.

For any further information and assistance with respect to the above and any other COVID-19 related legal matters, please do not hesitate to contact us at [covidhelpdesk@peterkapartners.com](mailto:covidhelpdesk@peterkapartners.com).