



Measures in respect of Company filings, AGMs and other general meetings during Covid-19

On 28 March 2020, the Secretary of State for Business Energy and Industrial Strategy, Alok Sharma MP, announced that the Government would, as soon as possible, bring forward legislation to assist those companies for which COVID-19 restrictions make it difficult to meet statutory obligations to hold meetings and to file documentation on the Companies Register. Those measures are being developed urgently. The following Q&A is designed to provide companies with additional information upon which to plan activities over the coming months.

Q&A

What form will the flexibility on AGMs and other general meetings take?

We are working on the detail, but we envisage providing companies with the ability to hold “closed” meetings with a minimum number of people by way of telephone or other equivalent means of communication. In some cases, companies will have the ability to over-ride their Articles for a short period.

But how will such meetings be quorate?

Most companies’ Articles of Association allow them to convene a quorate meeting with a small number of people, typically between two and five. The additional flexibility that will be available to companies will allow them temporarily to form that quorum by telephone or by electronic means obviating the need to compromise their own safety and those of others by convening physically, even in the smallest meetings of two people.

Why can’t companies just use technology to hold virtual meetings with full freedom for shareholders to participate?

Virtual meetings are uncommon and largely untested in the UK, and mandating their use is likely to create further significant issues. This is for a number of reasons, including the limited number of service providers and the sheer number of different companies (ranging from the smallest to the largest) that will need to hold meetings within a short timescale.



The AGM is an opportunity for shareholders to engage with the company and its board. Surely shareholders will be denied a voice?

Shareholders will have the ability to vote by proxy. We are sure that shareholders will not only understand the limitations on companies, but will wish to safeguard their own health. For their part, we would expect companies to engage stakeholders prior to, during and following meetings including responding to shareholders questions sent in by electronic or other means. Any response could also be included in the minutes of the AGM.

Companies should consider holding shareholder days later in the year, which will offer shareholders access to the board in a similar way to an AGM. This will maintain the dialogue between those shareholders who would normally attend and ask questions at an AGM.

Following the AGM companies should also ensure shareholders are kept informed of the decision-making process and issues currently affecting the company as they would normally do. For example, any changes to the business model or risks.

What happens if a shareholder requests a hard copy of the notice of the AGM, or any other documentation?

We understand that companies have limited, or in some cases no staff in their offices in this current situation. Under normal circumstances if a shareholder requests a hard copy of any documentation the company is still obliged to provide a paper copy to the shareholder. We, therefore, intend temporarily to give companies the flexibility to restrict the communication of notices and other meeting documentation to emails, websites and other electronic media.

Companies normally produce Annual Reports and other documentation professionally designed, and in high resolution. Under the current circumstances lower quality publications which are quicker and easier to produce may be appropriate, provided information is accurate and up to date.

Wouldn't it have been simpler just to extend the deadline within which AGMs must be held?

While we anticipate providing the option of an extension, we believe the vast majority of companies will wish to hold meetings within their normal timeframes. Important decisions need to be taken at AGMs (such as the renewal of important corporate



authorities) and failure to do so in a timely fashion would have potential repercussions which we think companies and their shareholders would wish to avoid.

The AGM season is already upon us. What about companies whose AGMs are imminent?

It is the intention to bring forward the legislation to provide flexibilities as soon as possible. In the meantime, we would direct companies to comprehensive guidance on the Chartered Governance Institute website

(<https://www.icsa.org.uk/knowledge/resources/agms-and-impact-of-covid-19>) advising on how processes might be managed within existing restrictions.

Can I change my accounting reference period?

In most cases extending the filing deadline for companies should be enough to help companies manage their filing and accounting requirements during the current crisis. In some circumstances companies may consider there is a need to extend their accounting reference period and they can do this by contacting Companies House and giving notice to change their accounting reference date. (Follow this link: <https://www.gov.uk/government/publications/change-your-company-accounting-reference-date-aa01>)

It should also be noted that by doing this your accounting reference date will be set for the following year, unless you change the date back by giving notice under s392 to shorten your accounting reference period.

If companies can manage within the existing framework, why is there a need to legislate?

We believe that working within existing constraints will place stress and undue burden on management at a time when their focus should be on maintaining the health and well-being of their businesses and employees. The Government is committed to doing what it can to ease the pressures on business through this challenging period.



Department for
Business, Energy
& Industrial Strategy



What further extensions to filing deadlines do you have in mind?

As well as accounts, companies are required by law to submit various documents to Companies House. We are monitoring companies' ability to meet the associated deadlines and will take action to provide them with breathing space if necessary.