

**COMMUNICATION¹ 2020/09 OF THE BOARD OF THE INSTITUTE OF REGISTERED
AUDITORS**

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Our reference
EV/CL/jv

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Dear Colleagues,

**Subject: Covid-19 special powers decree and organisation of the general assembly
and of the meetings of the board of directors**

As a result of the Covid-19 pandemic, companies and associations are facing insurmountable practical difficulties in holding their scheduled ordinary general assembly in accordance with the standard rules and without violating the mandatory rules in place to fight the virus.

The Code of companies and associations (CCA) provides a number of solutions such as remote voting or electronic participation in the general assembly, but it must also be provided for in the by-laws of the company or of the association, which is usually not the case.

[Royal Decree No 4](#) containing various provisions regarding “co-ownership” and the company and association law in the context of the fight against the Covid-19 pandemic of 9 April 2020² provides for a framework which aims to temporarily alleviate the rules for the organisation of a general assembly.

This decree applies to all general assemblies of companies and associations to be held from 1 March 2020 to 3 May 2020 or for which the convocation letter must be sent during this period. If necessary, the King may still decide to extend this date, depending on the evolution of the Covid-19 pandemic, by a decree to be adopted after consultation in the Council of Ministers, which will be the case if the quarantine period is extended.

A number of flexibilities and options will be introduced temporarily. The legal entities will be given a choice between two options:

¹ Through communications, the Institute develops legal doctrine on audit techniques and the proper implementation by registered auditors of the legal, regulatory and normative framework regulating their profession (art. 31, §7 of the Law of 7 December 2016 relating to the organisation of the profession and the public oversight of registered auditors); only standards and recommendations are binding.

² Moniteur belge/Belgisch Staatsblad 9 April 2020.

- The first option: to organise the general assembly, but in circumstances that are compatible with the measures taken following the Covid-19 pandemic and that allow the stakeholders or members to vote or ask questions.

In concrete terms, the board of directors is given the competence to decide that the shareholders or the members can only decide remotely, whether or not in combination with voting by proxy, in which case only a person appointed by the board of directors can act as a proxy holder.

The statutory auditor will be able to attend the general assembly remotely via electronic communication.

- The second option is to postpone the general assembly until the situation has returned to normal.

In this case, a delay of up to 10 weeks will be granted after the deadline for the general assembly according to the CCA. For the legal entity whose financial year follows the calendar year, the legal deadline is 30 June 2020. This deadline will then be extended by 10 weeks from 30 June 2020 until 8 September 2020.

This postponement can also be invoked if a convocation has already been sent out or a specific date is set by the by-laws, provided that the shareholders are correctly informed.

Finally, it is stated that the board of directors of companies, associations and foundations can take a unanimous decision in writing under all circumstances. The board of directors can also debate and decide (by majority) via electronic communication allowing discussions.

In the case of decisions to be taken before a notary, one member of the board of directors or a person appointed by the board of directors will physically meet with the notary. The other members can participate via electronic communication.

Yours sincerely,

Tom MEULEMAN
Chairman