

Covid-19 coronavirus – Update on recent measures adopted by the Luxembourg Government

20 May 2020

Since the state of crisis was declared, the Luxembourg Government has been continuously implementing new measures to help economic actors overcome either operational and/or financial difficulties. To help keep you informed of these developments, we have compiled a list of these recent measures.

If you would like to discuss any of the issues raised in this paper in more detail, please reach out to your usual Allen & Overy Luxembourg contact.

Governance of Luxembourg companies

In the context of the state of emergency that has been declared due to the ongoing Covid-19 situation by the Luxembourg Government on 18 March 2020, and which has been extended for three months by the Luxembourg Parliament on 21 March 2020 (the **State of Emergency**), the Luxembourg Parliament adopted on 12 May 2020 a law regarding the extension of the deadlines with respect to the approval, filing and the publication of annual accounts, consolidated accounts and reports in relation thereto (the **Law**). The law applies to all undertakings subject to accounting requirements under the 2002 Act¹.

The main takeaways of the Law are as follows:

- The obligation for the submission by the management bodies to the shareholders of the annual accounts, consolidated accounts and reports in relation thereto has been extended by three months. They must now be submitted within a period of nine months after the end of the financial year. Hence, the

¹ Law of 19 December 2002 on the Luxembourg trade and companies register as well as the accountability and the annual accounts of companies, as amended.

management bodies shall submit to the shareholders the annual accounts, consolidated accounts and reports in relation thereto by 30 September 2020 with respect to companies whose financial year ended on 31 December 2019, it being understood that companies that wish to maintain the existing account approval schedule are of course free to do so.

- The deadline for the filing and publication of the annual accounts, consolidated accounts and reports in relation thereto has been extended for three months (i.e., 31 October 2020 for companies whose financial year ended on 31 December 2019).
- The Law only applies with respect to annual accounts and consolidated accounts (and reports in relation thereto) relating to financial years that ended before the end of the State of Emergency and for which the deadlines for approval, filing or publication had not expired by 18 March 2020. Specifically:
 - when it comes to the approval of accounts, the Law does not apply in relation to any financial years that ended prior to 18 September 2019, and
 - when it comes to the filing and publication of accounts, the Law does not apply in relation to any financial years that ended prior to 18 August 2019.
- The criminal sanctions applicable to the managers of private limited liability companies (S.à r.l.) and directors of public limited companies (S.A.) who failed to submit the annual accounts and consolidated accounts (and reports in relation thereto) for approval within the legal deadlines are also suspended for a period of three months. Therefore, delays in the approval, filing and publication can only be sanctioned if the time limits normally provided for therein extended by three months are exceeded.

The Law will enter into force on the day of its publication in the Luxembourg Official Gazette.

Keeping abreast of the operational impacts of Covid-19 on our clients' businesses is important to us. Please [click here](#) to access our Covid-19 global microsite for more information as well as our insights on the situation as it evolves.

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