Council Regulation (EU) 2020/699 of 25 May 2020 on temporary measures concerning the general meetings of European companies (SEs) and of European Cooperative Societies (SCEs) (Text with EEA relevance)

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 352 thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with a special legislative procedure,

Whereas:

(1) In order to contain the outbreak of COVID#19, which was declared a pandemic by the World Health Organization on 11 March 2020, Member States have put in place a series of unprecedented measures, in particular measures concerning confinement and social distancing of persons.

(2) Such measures can prevent companies and cooperative societies from complying with their legal obligations under national and Union company law, in particular, by making it considerably difficult for them to hold general meetings.

(3) At national level, Member States have put in place emergency measures supporting companies and cooperative societies and providing them with necessary tools and flexibility in the current exceptional circumstances caused by the COVID#19 pandemic . In particular, many Member States have enabled the use of digital tools and processes to hold general meetings and have extended the time#limits for the holding of general meetings in 2020.

(4) At Union level, Council Regulation (EC) No 2157/2001[(1)] regulates European companies (‘SEs’) and Council Regulation (EC) No 1435/2003[(2)] regulates European Cooperative Societies (‘SCEs’). Both Regulations require that a general meeting be held within six months of the end of the financial year. Having regard to the current exceptional circumstances caused by the COVID#19 pandemic, a temporary derogation from that requirement should be granted. Given that the holding of general meetings is essential to ensure that decisions that are legally required or economically necessary

Changes to legislation: *There are currently no known outstanding effects for the Council Regulation (EU) 2020/699. (See end of Document for details)*

are taken in due time, SEs and SCEs should be allowed to hold their general meetings within 12 months of the end of the financial year provided that they are held no later than 31 December 2020. Being a temporary measure due to the exceptional circumstances caused by the COVID#19 pandemic, that derogation should only apply to general meetings that are required to be held in 2020.

(5) There are no powers conferred by the Treaty on the Functioning of the European Union (TFEU) for the adoption of this Regulation other than those under Article 352.

(6) Since the objective of this Regulation, namely to provide a temporary emergency solution for SEs and SCEs enabling them to derogate from the provisions of Regulation (EC) No 2157/2001 and Regulation (EC) No 1435/2003 concerning the timing of the holding of general meetings, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union (TEU). In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(7) In view of the fact that the six month period referred to Regulations (EC) No 2157/2001 and (EC) No 1435/2003 will expire in May or June 2020 and given that convening periods will have to be taken into account, this Regulation should enter into force as a matter of urgency.

(8) In view of that urgency, it was considered to be appropriate to provide for an exception from the eight#week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the TFEU and to the Treaty establishing the European Atomic Energy Community,

HAS ADOPTED THIS REGULATION:

Article 1

Temporary measure concerning the general meetings of European companies (SEs)

Where, in accordance with Article 54(1) of Regulation (EC) No 2157/2001, a general meeting of an SE is to be held in 2020, the SE may, by way of derogation from that provision, hold the meeting within 12 months of the end of the financial year, provided that the meeting is held by 31 December 2020.

Article 2

Temporary measure concerning the general meetings of European Cooperative Societies (SCEs)

Where, in accordance with Article 54(1) of Regulation (EC) No 1435/2003, a general meeting of an SCE is to be held in 2020, the SCE may, by way of derogation from that provision, hold the meeting within 12 months of the end of the financial year, provided that the meeting is held by 31 December 2020.