

Series of articles
"Coronavirus & Business"

COVID-19: HOW THE DEADLINES FOR FULFILLING CERTAIN OBLIGATIONS OF COMMERCIAL COMPANIES CHANGE

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COVID-19: HOW THE DEADLINES FOR FULFILLING CERTAIN OBLIGATIONS OF COMMERCIAL COMPANIES CHANGE

The ongoing COVID-19 epidemic has forced legislators to take a number of legislative measures to mitigate the negative economic impact of the pandemic.

The reporting obligations imposed on the authorities of commercial companies and certain other entities have also changed. The most important changes will be presented below.

1. ANNUAL ACCOUNTS

Ordinance of the Ministry of Finance of 31 March 2020 on defining other deadlines for fulfilling the obligations in the scope of registration and for preparing, approving, making available and submitting reports or information to the relevant register, unit or body, adopted on the basis of Article 15zzh(1) of the Act of 2 March 2020 on special solutions related to prevention, counteracting and combating COVID-19, other communicable diseases and the crisis situations caused by them (hereinafter: crisis shield), the deadlines for fulfilling the obligations to draw up, approve, make available and submit financial reports to the competent registry or authority have been extended. The amended deadlines refer to companies whose financial year ended between 30 September 2019 and 30 April 2020.

A) ACCOUNTING

As a rule, the deadlines set out in the Accounting Act of September 29th 1994 for the performance of the following activities are extended by three months:

- inventory of assets and liabilities
- preparation of the statement of turnover and balances of general

- ledger accounts for the financial year
- closure of the accounts
- preparation and signature of the annual accounts
- submission of a financial statement in electronic form by a personal income tax payer
- making the annual report and the results of the examination available to authorised bodies

The aforementioned extension period is 2 months for certain Treasury subsidiaries.

B) AUDITORS

The entities referred to in Art. 64 section 1 of the Accounting Act are obliged to audit financial statements before their approval. As a rule, this deadline sets a 6-month period for the approval of the financial statements, calculated from the end of the financial year.

As a result of the solutions introduced in connection with the COVID-19 pandemic, the deadline is extended by 3 months.

C) APPROVAL OF THE FINANCIAL STATEMENTS

As a consequence of the extension of the deadlines for the preparation of the financial statement and the performance of other activities indicated in points A) and B) above, the deadline for approval of the financial statement by the management board and shareholders of the company is extended by 3 months.

Thus, the deadline for approval of the financial statements for the financial year ended between 30 September 2019 and 30 April 2020

is extended from 6 to 9 months, calculated from the end of the financial year.

For an entity whose financial year ended on 31 December 2019, the new deadline is 30 September 2020.

D) REMOTE PROCEEDINGS OF COMPANY BODIES

Notwithstanding the above, the Act of 31 March 2020 amending the Act on special arrangements for the prevention, prevention and combating of COVID-19, other infectious diseases and crisis situations caused by them and certain other acts (hereinafter: amending Act), which entered into force on 1 April 2020, introduced the possibility to organise and hold meetings of corporate bodies in remote form.

The changes introduced by the amending Act to the Commercial Companies Code consist, among other things, in an amendment of the provisions concerning the meeting of shareholders, management board and supervisory board in a limited liability company and a joint stock company.

According to the amended wording of the relevant provisions, participation in a meeting of the company's bodies may also be taken by means of electronic communication, unless the Articles of Association provide otherwise. Until now, remote participation in such meetings was possible only, if such a procedure was provided for in the AoAs of the company.

As a result of the introduced amendment, it is possible to hold meetings using electronic means of communication for remote communication in any case, provided that such a possibility has not been expressly excluded in the AoAs.

The amendment described above introduces the possibility of holding a management board meeting and a shareholders' meeting in order to approve the company's financial statement in a remote form.

E) SUBMISSION OF FINANCIAL DOCUMENTS

The body representing the company, in a limited liability company - the management board, is obliged to submit the annual financial statements together with a copy of the resolution on the approval of the annual financial statements and the distribution of profit or coverage of loss to the National Court Register within 15 days of the approval of the annual financial statements.

As a consequence of the introduction of longer deadlines for preparation and approval of financial statements, the deadline for submitting approved financial documents to the National Court Register is extended by 3 months.

The same extension of deadlines also applies to other reporting obligations, i.e.:

- the obligation for a corporate income tax payer to submit the approved financial statements to the tax office
- the obligation to submit financial statements for publication in Judicial and Economic Monitor [Monitor Sądowy i Gospodarczy], binding for entities which are not obliged to submit financial statements in KRS.

2. NOTIFICATION OF OTHER CHANGES TO THE NATIONAL COURT REGISTER

As a rule, each event resulting in a change of the entry in the register of entrepreneurs of the National Court Register shall be reported within 7 days from the date of occurrence of the event. This situation concerns, among others, changes in the companies' bodies, amendments to the Articles of Association, the address of the registered office or the scope of business activity.

As a result of the introduction of Article 15zzs into the crisis shield, during the period of an epidemic emergency state or a state of epidemics declared due to COVID-19, the course of procedural and judicial deadlines shall not commence or shall be suspended for that period.

The introduced postponement of court deadlines also includes the deadline for submitting changes and documents to the National Court Register. As a consequence, the deadline for reporting changes made to the company, which require notification to the National Court Register and proceeded during the period of the epidemic emergency state or a state of epidemics declared due to COVID-19, will not commence and the management board members or the shareholders entitled to represent the company, required to make said notification, will not suffer the negative consequences of failure to do so.

All events requiring notification to the National Court Register which occur in the company during the period of an epidemic emergency state or a state of epidemics declared due to

COVID-19 must be reported to the National Court Register within 7 days from the date of lifting the epidemic emergency state or a state of epidemics.

3. ENTRY IN THE CENTRAL REGISTER OF BENEFICIAL OWNERS

The amending Act extends the 6-month period provided for in the Anti-Money Laundering and Terrorist Financing Act of 1 March 2018 to report information on beneficial owners to the Central Register of Beneficiaries (UBO).

Currently, entities entered in the National Court Register are required to submit a relevant notification by 13 July 2020.

Do you have more questions? Contact our lawyer

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