

Amendments of the laws regulating capital markets



1. Remote sessions of governing bodies and regulators

Management board and supervisory board sessions

The **Covid-19 Act** provides that, unless the articles of the given company provide otherwise, the management boards and supervisory boards of joint stock companies may hold sessions relying on **direct remote communications technologies**; for more information, please see [here](#).

General meetings

Participation in the general meeting of a joint-stock company using **direct remote communications technologies** shall likewise be possible unless the articles of the given company provide otherwise. Resort to such a solution shall be decided upon by the entity calling the given meeting; moreover, in the case of a publicly listed company, the general meeting **session must be broadcast** in real time.

Polish Financial Supervision Authority (KNF) sessions

The KNF may hold its sessions relying on direct remote communications technologies (as long as real time communication is ensured) or via circulars.

2. Deadlines for drawing up and approving financial reports and for holding general meetings

The Covid-19 Act provides that, if the country is formally placed on an epidemic risk or epidemic state footing, the minister charged with public finances may, by way of a regulation, change the usual statutory deadlines for performance of reporting and corporate duties. This applies, in particular, to the deadlines for formulation, approval, publication, and submission for registration of the financial reports and statements regulated by the legislative Act regarding accounting and its executory instruments. Also, in cases where sessions of the approving bodies are scheduled for a date preceding the deadline for approval of financial reports, such sessions shall be held in accordance with the provisions referred to above. The practical implication is that **the deadline for drawing up and approving annual financial reports** (also consolidated reports) for companies whose financial year ended on 31 December 2019 **may be extended. The corollary is that the deadline for holding the general meeting approving such financial reports may likewise be moved back.** These new rules will come into effect as of 31 March 2020.

In other developments, the KNF has indicated that, in the way of substantiating its Supervisory Initiatives Package for Safety and Development, it is working on proposals which would enable **a 2-month postponement of the deadlines for:**

- **Drawing up and approving annual financial reports** and annual consolidated financial reports of entities whose financial year ended on 31 December 2019;
- **Publishing annual financial reports** and annual consolidated financial reports for the financial year ending on 31 December 2019;
- **Submission of quarterly statements and consolidated quarterly statements** of issuers for Q1 2020 (subject to the reservation that, in this regard, the deadline shall be moved back by 60 days);
- **Holding of ordinary general meetings.**

3. Policies re management board and supervisory board remunerations

The Covid-19 Act provides that the minister responsible for financial institutions may, by way of a regulation, define another (than arising from the laws hereuntil in force) deadline for adoption by the general meeting of a resolution concerning remuneration policies with respect to management board members and supervisory board members.

According to the information provided by the KNF to date, the deadline for adoption of the resolution concerning remunerations policies shall run through 31 August 2020, i.e. 2 months past the current deadline of 30 June 2020.

4. No requirement of KNF approval for the information memorandum referred to in art. 38b.1 of the Public Offering Act

For as long as the officially announced state of epidemic risk, or outright state of epidemic, remains in force, and likewise for one month subsequent to this state's lifting, **the requirement of obtaining KNF approval for the information memorandum referred to in art. 38b.1 of the Public Offering Act shall not apply.** Such an information memorandum must be drawn

up for securities offers addressed to less than 150 natural persons or legal entities in a Member State other than qualified investors where the number of persons to whom this offer is directed, along with those to whom past offers of this type were directed, with respect to the same type of security over the past 12 months is greater than 149.

5. Expanded catalogue of actions permitted for banks without brokerage permits

The Covid-19 Act expands this catalogue to include bond issues (domestic as well as foreign) by Bank Gospodarstwa Krajowego to the benefit of the Covid-19 Counteraction Fund and the Liquidity Guarantees Fund as well as the bonds referred to in art. 34ga.1 of the legislative Act of 8 May 1997 regarding assurances and guarantees by the State Treasury and certain legal entities.

6. Deadlines for actions by KNF

While the country remains on an epidemic risk or epidemic state footing, **the deadlines for specific actions by KNF** (including regulatory measures, attending to specific matters, and issue of decisions, and likewise the deadlines for lodging objections) **generally don't run, and such proceedings as have been commenced are suspended until the state of epidemic risk or epidemic has been repealed**. This default rule ceases to apply if the KNF issues a decision concluding the given case, performs an act in law, issues a decision concluding the proceedings or lodges and objection.

Elapse of the statute of limitations concerning imposition and enforcement of administrative fines is likewise frozen until the state of epidemic risk or epidemic has been repealed. The above rules come into force on a retroactive basis effective 8 March 2020.

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