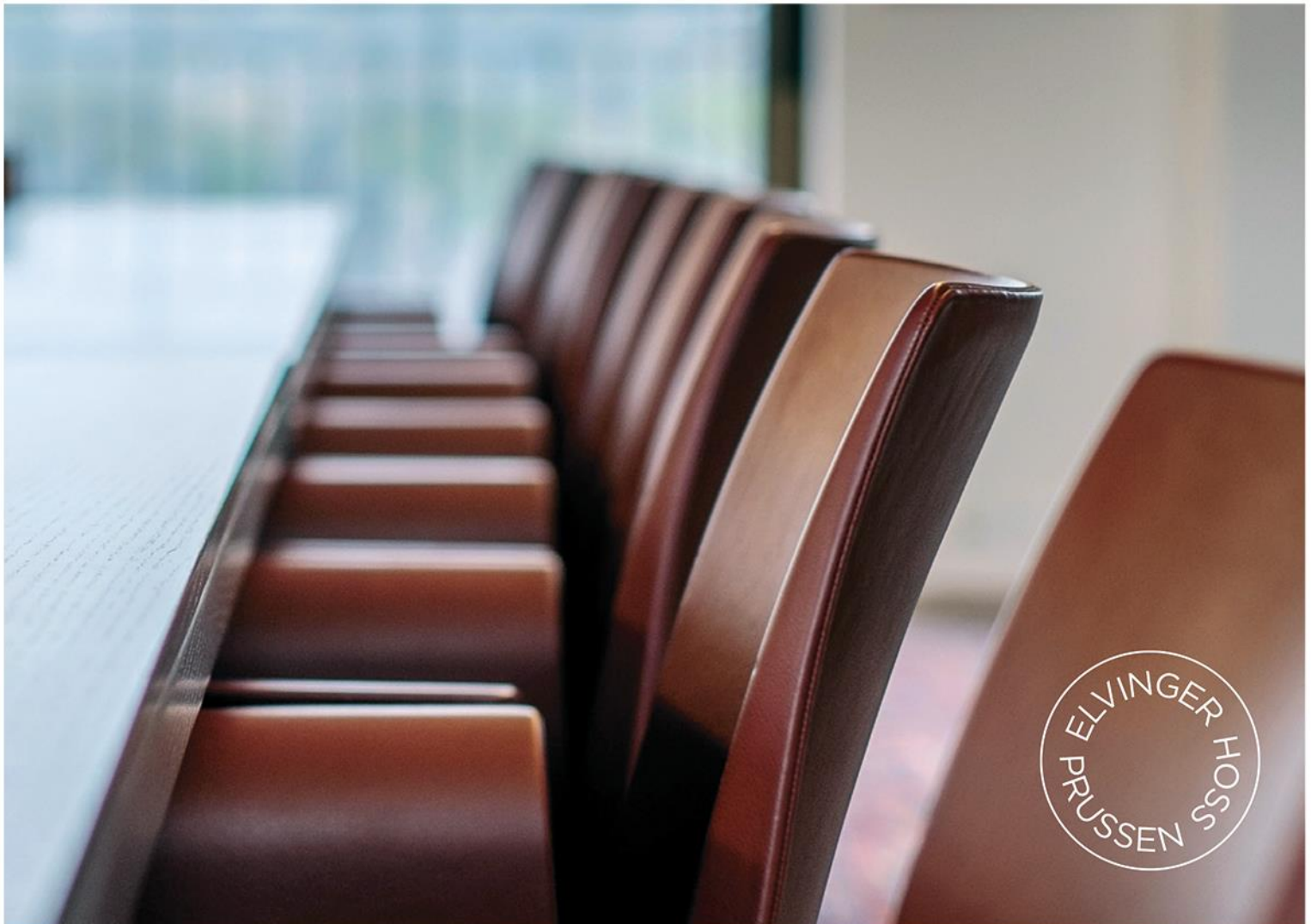


## Legislation relating to commercial companies

Translated by Philippe Hoss

Reflecting all amending laws published on or before 1<sup>st</sup>  
November 2023





# LEGISLATION RELATING TO COMMERCIAL COMPANIES

TRANSLATED BY PHILIPPE HOSS

- Law of 10 August 1915 on commercial companies, as consolidated by the Regulation of 5 December 2017.
- Extracts of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings
- Law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies
- Legislation on the Register of beneficial owners
- Extracts of the Civil Code and the Criminal Code regarding companies
- With selected notes and references to EU sources

Includes all amendments published up to 1<sup>st</sup> November 2023.

To facilitate research, references to the laws which amended or introduced new provisions in the Law of 1915 continue to appear in this document, which is not the case in the coordinated and reorganised version of the Law of 1915 resulting from the Grand Ducal Regulation of 5 December 2017 as published in the legal gazette. Corrections and adjustments made by the Grand Ducal Regulation of 5 December 2017 are identified only where they update certain references to European directives.

## CAVEAT

*The reader's attention is drawn to the transitional provisions of the Law of 10 August 2016 which was published on 19 August 2016 and entered into force on 23 August 2016:*

« 1) Previously incorporated companies must adapt their articles of incorporation to the provisions of this law within a time period of twenty-four months from its entry into force. In the meantime, these companies shall remain governed by the previous legal provisions and regulations.

Resolutions adopting the articles shall be passed in such a manner and shall be subject to such publications as required for amending the articles of association.

Notwithstanding the foregoing, where the adjustment of the articles of incorporation is solely required because they refer to a provision which has been abrogated or renumbered as a result of the present law, the management body shall be empowered to make the necessary amendments.

In case the articles of incorporation fail to be adapted, clauses in the articles in conflict with the provisions of the present law shall be disregarded and the mandatory provisions of this law shall apply.

2) *Sociétés coopératives* incorporated prior to the entry into force of the present law shall, in the absence of a clause in the articles of association relating to their duration, benefit from the provision contained in Article 811-5, 1<sup>o</sup>, 1°, of the amended Law of 10 August 1915 on commercial companies.

3) Companies which, at the time of entry into force of the present law, had a management body named "management committee", must within the time period set in 1, comply with the provisions of Articles 441-11, 441-12 and 715-5, paragraph 5 of the amended Law of 10 August 1915 on commercial companies.»

*A consolidated version of the legislation featured in the present publication applicable prior to the entry into force of the Law of 10 August 2016 remains available on [www.elvingerhoss.lu](http://www.elvingerhoss.lu)*

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<sup>1</sup> The references in this paragraph and the following paragraph have been adapted to the new numbering resulting from the Grand Ducal Regulation of 5 December 2017.

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## Title I<sup>st</sup> - General provisions

### Art. 100-1.

Commercial companies are those companies the object of which is to conduct commercial activities.

They shall be governed by the agreements between the parties, the laws and specific practices relating to commerce and civil law.

(Law of 10 August 2016) «They shall be divided into commercial companies in the strict sense and *sociétés commerciales momentanées* (temporary commercial companies) and *sociétés commerciales en participation* (commercial companies by participation).»

### Art. 100-2.

(Law of 12 July 2013)

[EC Regulation 2157/2001, Art. 16.1]

«The law recognises as commercial companies with legal personality:

- 1° the *société en nom collectif* (general corporate partnership/unlimited company);
- 2° the *société en commandite simple* (common limited partnership);
- 3° the *société anonyme* (Law of 10 August 2016) «and the *société par actions simplifiée*» (public company limited by shares and simplified joint stock company);
- 4° the *société en commandite par actions* (corporate partnership limited by shares);
- 5° the *société à responsabilité limitée* (Law of 23 July 2016) «and the *société à responsabilité simplifiée*» (private limited liability company and simplified private limited liability company);
- 6° the *société coopérative* (co-operative society);
- 7° the *société européenne* (SE) (European company).

Each of them shall constitute a legal person separate from its members. The *société européenne* (SE) shall acquire legal personality on the date on which it is registered in the register of commerce and companies.

The domicile of a commercial company is located at the seat of its central administration<sup>2</sup> (head office). Until evidence to the contrary shall have been finally brought, the central administration of a company is deemed to coincide with the place where its registered office is located.

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<sup>2</sup> The English version of EC Regulation 2157/2001 uses the term «head office». As the term «central administration» is used in a number of translations of laws of the financial sector and by the financial industry that term will also be used herein.

In addition, there are temporary commercial companies (*sociétés commerciales momentanées*), commercial companies by participation (*sociétés commerciales en participation*) and special limited partnerships (*sociétés en commandite spéciale*) which shall not constitute a legal person separate from that of their members.

The acquisition of a participation in any of the companies referred to in this Article shall not of itself constitute a commercial activity.»

(*Law of 7 August 2023*)

« For the purposes of this Law, and unless otherwise provided, any reference to a «Member State» includes the Member States of the European Union and the States party to the Agreement on the European Economic Area other than the Member States of the European Union, within the limits defined by that Agreement and the acts relating thereto. »

**Art. 100-3.**

(*Law of 18 September 1933*)

«Companies the object of which is civil [*i.e. not commercial*] and which subject themselves to the rules of Article 1832 et seq. of the Civil Code, (...)»<sup>3</sup>, shall similarly constitute a legal person separate from that of their members, and the service of any process on behalf of or upon such companies shall be valid if made in the name of, or against, the company alone.»

(*Law of 10 August 2016*)

«Article 710-4 shall apply to them.»

However, companies the object of which is civil may be incorporated in the form of (*Law of 10 August 2016*) «any of the types of commercial companies listed in Article 100-2, sub-paragraph 1». However, in such case, those companies and any transactions undertaken by them shall be commercial and subject to the laws and practices of commerce.

(*Law of 23 July 2016*)

«Civil companies, regardless of the date of their incorporation and provided that no provision of their constitutive contract prohibits the same, may also be converted into commercial companies other than a *société à responsabilité limitée simplifiée* by resolution of a general meeting specifically convened for that purpose. Said meeting shall approve the articles of the company. Its resolution shall be valid only if approved by the vote of holders of corporate units representing at least three-fifths of the corporate units of the company.»

(*Law of 7 August 2023*) «An economic interest grouping or a European economic interest grouping may be transformed into a company with legal personality, with the exception of the simplified private limited company. Conversely, a company with legal personality may be transformed into an economic interest grouping or a European economic interest grouping.»

(*Law of 10 August 2016*) «Finally, any of the companies listed in Article 100-2, sub-paragraph 1, irrespective of the original nature of their object or the date of their incorporation and provided that no provision of their constitutive contract prohibits the same, may be converted into a company of one of the other types provided for in that Article or a civil

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<sup>3</sup> Terms deleted by the Law of 10 August 2016.

company but not into a *société européenne* (SE) (Law of 23 July 2016) « and a *société à responsabilité limitée simplifiée*.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 2.4, 37.1, 37.2, 66.1 and 66.2]

«A *société anonyme* governed by Luxembourg law may be converted into a *société européenne* (SE) if for at least two years it has had a subsidiary company (Law of 7 August 2023) «governed by the law of another Member State. »<sup>4</sup>

(Law of 23 July 2016) «The provisions of this law relating to conversion shall also apply to the conversion of legal entities other than companies into any of the forms of companies with legal personality under this law (except the *société à responsabilité limitée simplifiée*), to the extent provided for by the specific legislation governing such legal entities and in compliance with the special provisions of such specific legislation.»

A *société européenne* (SE) with its registered office in the Grand Duchy of Luxembourg, may be converted into a *société anonyme* governed by Luxembourg law. No decision on conversion may be taken before two years have elapsed since its registration and before the first two sets of annual accounts have been approved<sup>5</sup>.

The conversion provided for in this Article shall not give rise to liquidation nor to the creation of a new legal entity.»

(Law of 18 September 1933)

«The rights of third parties are reserved.»

(Law of 23 November 1972)

[2017/132/EU art. 10]

«Art. 100-4.

(Law of 23 July 2016)

*Sociétés en nom collectif, sociétés en commandite simple, sociétés coopératives, civil companies sociétés en commandite spéciale and sociétés à responsabilité limitée simplifiées* shall, on pain of nullity, be established by means of a special notarial deed or by private instrument, conforming in the latter case to Article 1325 of the Civil Code. Two originals shall be sufficient for civil companies, sociétés coopératives, (Law of 12 July 2013) «*sociétés en commandite simple and sociétés en commandite spéciale.*»

*Sociétés anonymes, sociétés en commandite par actions and sociétés à responsabilité limitée* shall, on pain of nullity, be incorporated by means of a special notarial deed.» (Law of 7 July 2023) «The notarial deed may be passed in electronic form without in-person attendance in accordance with the provisions of the Law of 9 December 1976 relating to the organisation of the profession of notary, as amended. An online incorporation may be carried out by using

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<sup>4</sup> The 27 EU Member States, Iceland, Liechtenstein and Norway. Until 31 December 2020, the United Kingdom continued to be considered as an EU Member State in accordance with the EU-UK Withdrawal Agreement and as a member of the EEA in accordance with the Separation Agreement between the United Kingdom, Iceland, Liechtenstein and Norway.

<sup>5</sup> The English version of the Regulation uses the word «or» as does the German version, among others. The French version uses «and» as do the Italian, Portuguese, Spanish and Greek versions, among others.

standard articles of association made available free of charge by the *Chambre des notaires* [the Notaries Society]<sup>6</sup>. »

(*Law of 7 July 2023*)

«The capital represented by cash may be paid-up online to an account opened in the name of the company to be incorporated with a credit institution within the meaning of Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as amended, established in a Member State by means of a widely available online payment service that can be used for cross-border payments, that allows the identification of the person who has made the payment, and that is provided by a financial institution or payment service provider established in a Member State. The proof of such payment may also be provided online. »

(*Law of 10 August 2016*)

[*Regulation (EC) 2157/2001, Art. 11.2 and 11.3*]

**«Art.100-5.**

(1) The companies referred to in Article 100-2, sub-paragraph 1, as well as the *sociétés en commandite spéciale*, shall be designated by a corporate denomination which may be either a particular denomination or the designation of the object of their undertaking.

Said denomination or designation must be different from that of any other company. If it is identical, or if the similarity thereof can lead to error, any interested party may cause it to be changed and may, as the case may be, claim damages.

(2) Only *sociétés européennes* (SE) may include the abbreviation «SE» in their corporate denomination.

Nevertheless, companies and other legal entities registered in a Member State<sup>7</sup> before the date of entry into force of Council Regulation (EC) 2157/2001 of 8 October 2001 on the Statute for a European company (SE)<sup>8</sup>, in the corporate denomination of which the abbreviation «SE» appears, shall not be required to alter their corporate denomination.»

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<sup>6</sup> Article 31-1 of the amended law of 9 December 1976 on the organisation of the profession of notary:

« (1) With the exception of wills and notwithstanding any provision to the contrary, all notarial deeds may be passed, subject to the notary's agreement, in electronic format in accordance with the provisions of this law.

(2) When drawing up a deed in remote electronic format, the notary may require the use of videoconferencing or other technological means offering a real-time audiovisual connection.

(3) For the instruments of incorporation of the companies featured in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 on certain aspects of company law, the notary may refuse to draw up an instrument in remote electronic format only where the company's share capital includes a contribution in kind or where he has grounds to suspect falsification or impersonation or non-compliance with the rules relating to the legal capacity of a party or the power of representation of a company by a party to the instrument.

The notary may in that case require the in-person attendance of that party in order to remove the suspicion. The requirement of in-person attendance may not be systematic».

<sup>7</sup> See definition in the sixth paragraph of Article 100-2.

<sup>8</sup> The date of entry into force was 8 October 2004.

(Law of 10 August 2016)

**«Art. 100-6.**

The constitutive instruments of *sociétés en nom collectif*, *sociétés en commandite simple* and civil companies must, on pain of nullity, contain the following:

- 1° the denomination of the company and its registered office;
- 2° the object of the company;
- 3° the description of the contributions of the members.»

**Art. 100-7.**

Extracts of the deeds or instruments establishing *sociétés en nom collectif*, *sociétés en commandite simple* (Law of 12 July 2013) «and *sociétés en commandite spéciale* » shall be published at the expense of the company.

**Art. 100-8.**

(Law of 12 July 2013)

«The extract must contain the following particulars, failing which the penalties laid down in Article 100-11 shall apply:

- 1° a precise designation of the members who are jointly and severally liable;
- 2° (...)° The denomination of the company, its object and the place where its registered office is located;
- 3° the designation of the managers, their signatory powers as well as, as regards *sociétés en nom collectif*, the nature of, and limits to, their powers;
- 4° the date on which the company commences and the date on which it ends.»

**Art. 100-9.**

The extract of company instruments shall be signed: in the case of notarial deeds, by the notary who retains the complete deed and, in the case of private instruments, by all members who are jointly and severally liable.

(Law of 23 November 1972)

[2017/1132/EU art. 14]

**«Art. 100-10.»**

(Law of 10 August 2016)

«The constitutive instruments of *sociétés anonymes*, *sociétés par actions simplifiées*, *sociétés en commandite par actions*, *sociétés à responsabilité limitée*, *sociétés coopératives* and civil companies shall be published in their entirety. Powers of attorney, irrespective of whether they are in the form of a public deed or private instrument, which are annexed thereto, are not required to be published on the *Recueil électronique des sociétés et associations* or to be deposited at the register of commerce and companies.

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<sup>9</sup> The terms «firm name» has been deleted by the Law of 7 August 2023.

By way of derogation from the first paragraph, in the case of civil companies which are to be regarded as family companies within the meaning of Article III of the Law of 18 September 1933 providing for *sociétés à responsabilité limitée* and making certain changes to the legal and tax regime applicable to commercial and civil companies<sup>10</sup>, the publication of the constitutive instruments thereof may be made in the form of an extract to be signed by the managers, failing whom by all the members, which must contain the following particulars, failing which the penalties laid down in Article 100-11 apply:

- 1° a precise designation of the members;
- 2° the denomination of the company, its object and the place where its registered office is located;
- 3° a designation of its managers and the nature of, and limits to, their powers;
- 4° details of the assets contributed or to be contributed by each of the members, with an accurate valuation of any contributions in kind;
- 5° the date when the company commences and the date when it ends. »<sup>11</sup>

**Art. 100-11.**<sup>12</sup>

(*Law of 27 May 2016*) «Any court action brought by a company whose constitutive instrument has not been published on the *Recueil électronique des sociétés et associations* in accordance with the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, shall be inadmissible.»

(*Law of 23 November 1972*)

[2017/1132/EU art. 10]

**«Art. 100-12.**

Any contractual amendment to the instrument of a company must, on pain of nullity, be made in the form required for the constitutive instrument of the company.»

(*Law of 23 November 1972*)

[2017/1132/EU art. 14]

**Art. 100-13.**

(1) The following shall be filed and published in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register

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<sup>10</sup> Art. III of the Law of 18 September 1933, 2 paragraph: Will be considered as a family company, (...) a civil company, which is not in the form of a commercial company whose partner shares are allocated by the constitutive document, as to 9/10 at least, either to the spouses alone, or to the father and mother or the survivor of them and their direct issue or direct relatives by marriage, or, in case of death of the father and the mother, to the brothers and sisters in co-ownership and to respectively their spouses and their direct issue and direct relatives by marriage.

<sup>11</sup> The former article 9 which followed this Article has been repealed by the Law of 27 May 2016.

<sup>12</sup> The first two original sub-paragraphs have been repealed by the Law of 27 May 2016.

of commerce and companies and the accounting and annual accounts of undertakings<sup>13,14</sup>»:

1° extracts of any instrument relating to the appointment or termination of the appointment of:

[EC Regulation 2157/2001, Art. 13]

a) (Law of 10 August 2016) «directors, members of the management committee, the *directeur général* (managing executive officer), members of the management and of the supervisory boards, managers and *commissaires* [corporate supervisory auditors]<sup>15</sup> of *sociétés anonymes*, *sociétés en commandite par actions*, *sociétés à responsabilité limitée*, *sociétés en commandite simple*, *sociétés en commandite spéciale* and civil companies, as well as chairmen and officers of *sociétés par actions simplifiées*;»

b) (Law of 10 August 2016) «the persons appointed for day-to-day management of *sociétés anonymes* and *sociétés à responsabilité limitée*;»

c) liquidators of companies which have legal personality» (Law of 12 July 2013) «and, as the case may be, of *sociétés en commandite spéciale*.»

(Law of 10 August 2016) «If the liquidator is a legal entity, the extract shall contain the designation and any change to the designation of the individual who represents the legal entity in the exercise of liquidation powers;»

(Law of 28 July 2014)

«d)depositories of *sociétés anonymes* and of *sociétés en commandite par actions* appointed in application of Article 430-6.»

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<sup>13</sup> «Chapter Vbis. – Publications on the *Recueil électronique des sociétés et associations*

**Art. 19-1.** Deeds, extracts therefrom and information the publication of which is provided for by law shall be filed by electronic means with the register of commerce and companies within one month after the date of the finalised deed.

**Art. 19-2.** (1) The publication provided for by law and relating to the persons referred to in Article 1, except for state and municipal public institutions, shall be carried out by electronic means on a central electronic platform for official publications designated as the *Recueil électronique des sociétés et associations*. The publication on the *Recueil électronique des sociétés et associations* shall solely contain information which is required to be published by law, as well as deeds amending information which is required by law to be filed and published. In any legal or regulatory provision or in any deed or document, references to the *Recueil électronique des sociétés et associations* may be made by using its abbreviated form: “RESA”.

(2) Publication shall be made within fifteen days of filing, except for convening notices for general meetings for which the person making the file shall indicate the dates on which publication is to be made.

(3) Information which is required by law to be published on the *Recueil électronique des sociétés et associations* shall be filed and published either in full, or by way of an extract, or by way of a reference to the filing, according to what the law requires.

Publication in full corresponds to the full reproduction of the deed or document.

Publication by way of extract corresponds to publication of the information required by law.

Publication by way of a reference to the filing corresponds to publication of the subject and date of the deed or document filed. »

<sup>14</sup> The first two points of this previous art. 11bis (1) have been repealed by the Law of 27 May 2016.

<sup>15</sup> See footnote under Article 443-1.



(Law of 31 May 1999)

«The extract shall include a precise indication of the first and last names and of the private or professional address of the persons referred to therein;»

- 2° extracts of any instrument providing for the manner of liquidation and the powers of the liquidators if said powers are not exclusively and expressly defined by law or by the articles of the company;
- 3° extracts of any court decision which has (Law of 10 August 2016) «become» final or which is enforceable on a provisional basis which rules that a company is dissolved or that its constitution is void or that amendments to the articles thereof are void.

Such extracts shall contain:

- a) (...) <sup>16</sup> the denomination of the company and the registered office thereof;
- b) the date of the decision and the court which issued it;
- c) (Law of 10 August 2016) «where applicable, the appointment of the liquidator or liquidators with their exact names and first names as well as their private or professional address; if the liquidator is a legal entity, the extract shall contain the designation and any change to the designation of the individual who represents the legal entity in the exercise of liquidation powers»;

(Law of 10 August 2016)

- 4° «extracts of any court decision which has become final or which is enforceable on a provisional basis which invalidates or suspends a decision of the general meeting.

Such extracts shall contain:

- a) the denomination of the company and the registered office thereof;
  - b) the date of the decision and the court which issued it;
- 5° extracts of court decisions which overturn court decisions enforceable on a provisional basis as referred to under 3° and 4° above.»

(2) The following shall be the subject of a declaration signed by the persons or corporate bodies with authority to do so on behalf of the company:

- 1° the dissolution of the company by reason of expiry of its term or for any other reason;
- 2° the death of any of the persons mentioned in paragraph 1, point 1° of this Article;
- 3° in *sociétés à responsabilité limitée* and civil companies, any changes of membership.

The said declarations shall be filed and published in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002<sup>17</sup>.»

(3) (Law of 27 May 2016) «The following documents shall be filed and published by means of a reference to the filing thereof in accordance with the provisions of Title I, Chapter *Vbis* of

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<sup>16</sup> Terms deleted by the Law of 10 August 2016.

<sup>17</sup> See footnote under Article 100-13(1).

the above-mentioned Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings:<sup>18</sup>

1° The full text of the articles of incorporation, in an updated version after each amendment thereof, of *sociétés anonymes, sociétés en commandite par actions and sociétés à responsabilité limitée*;

2° the annual accounts, the consolidated accounts as well as any other documents and information relating thereto and which must be published as required by law.»

(4) (Law of 27 May 2016) «The instruments and information the publication of which is provided for by the foregoing paragraphs are valid vis-à-vis third parties in accordance with the conditions laid down in Article 19-3 of the above-mentioned Law of 19 December 2002<sup>19</sup>».»

(Law of 10 August 2016)

**«Art. 100-14.**

Each company may issue bonds.

Articles 470-1 to 470-19 shall apply to any issue of bonds by a company. However, the instrument of issue of such bonds may derogate from such provisions.

Such provisions may also be made applicable in full or in part to any issue of securities other than shares or units by Luxembourg or foreign companies.»

(Law of 10 August 2016)

**«Art. 100-15.**

The issue by companies other than *sociétés anonymes* of convertible bonds, any other debt instruments convertible into capital or subscription rights, whether stand alone or attached to another security, shall be subject to the legal provisions applicable to the transfer of units or shares or to the approval of non-members. The same provisions shall apply in the event of a transfer *inter vivos* or of a transmission by reason of death. Such approval may be given in advance to identified non-members or to non-members which are capable of being determined in accordance with the approval decision, either upon the issue of such bonds or instruments, or at a later point in time. Such an approval shall be irrevocable if declared as such in the approval decision.»

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<sup>18</sup> See footnote under Article 100-13(1).

<sup>19</sup> Article 19-3 of the Law of 2002: «Deeds or extracts of deeds are only valid vis-à-vis third parties from the day of their publication on the *Recueil électronique des sociétés et associations*, unless the company proves that the relevant third parties had prior knowledge thereof. Third parties may however rely upon deeds or extracts thereof which have not yet been published. With regard to transactions taking place before the sixteenth day following the publication date, these deeds or extracts of deeds will not be valid vis-à-vis third parties who prove that it was impossible for them to have had knowledge thereof.

In the event of any discrepancy between the document filed and the document published on the *Recueil électronique des sociétés et associations*, the latter is not valid vis-à-vis third parties. Third parties may however rely upon the same unless the company proves that they had knowledge of the text of the document filed.»

(Law of 23 November 1972)

[2017/1132/EU art. 8]

«Art. 100-16.

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 39.1]

«Companies shall act through their managers, directors or (Law of 10 August 2016) «, members of the management board or chairman», as the case may be, the powers of which shall be determined by law or by the constitutive instrument and by instruments adopted subsequently in accordance with the constitutive instrument.»

Upon completion of the publication formalities regarding those persons who, as a corporate body, are empowered to commit a company, no irregularity in their appointment may be relied upon vis-à-vis third parties, unless the company proves that the said third parties had knowledge thereof. »

(Law of 23 November 1972)

[2017/1132/EU art. 7.2]

«Art. 100-17.

Any person who enters into a commitment of any kind, including by acting as surety or *gestator rerum* (agent without formal authority), in the name of a company which is in the process of formation and has not yet acquired legal personality, shall be personally and jointly and severally liable therefor, subject to any agreement to the contrary, if the said commitments are not assumed by the company within two months of its incorporation, or if the company is not incorporated within two years after the commitment was entered into.

Where such commitments are taken over by the company, they shall be deemed to have been contracted by the company from the outset.»

(Law of 24 April 1983)

[2017/1132/EU art. 11 point (b)]

«Art. 100-18.

(1) A *société anonyme*, a *société en commandite par actions* and a *société à responsabilité limitée* may be declared void only in the following cases:

- 1° if the constitutive instrument is not drawn up in the form of a notarial deed;
- 2° if such instrument does not state the name of the company, the corporate object, the capital contributions or the amount of capital subscribed for;
- 3° if the corporate object is unlawful or contrary to public policy;
- 4° if there is not at least one founder who is validly committed.

If the clauses of the constitutive instrument regarding the distribution of profits or the apportionment of losses are contrary to Article 1855 of the Civil Code, those clauses shall be deemed not to be written (...)<sup>20</sup>.»

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<sup>20</sup> Terms deleted by the Law of 10 August 2016.

(Law of 10 August 2016)

«(2) In addition to the cases of breach of Article 100-4, a civil company, a *société en nom collectif* or a *société en commandite simple* may be declared void only in the following cases:

- 1° if the corporate object is unlawful or contrary to public policy;
- 2° if the constitutive instrument does not contain any indication as to one or more items listed in Article 100-6;
- 3° if the civil company and the *société en nom collectif* do not include at least two founders who are validly committed or if the *société en commandite simple* does not include at least one unlimited partner and one distinct limited partner who are validly committed.

If the clauses of the constitutive instrument regarding the distribution of profits or the apportionment of losses are contrary to Article 1855 of the Civil Code, those clauses shall be deemed not to be written. »

(Law of 23 November 1972)

[2017/1132/EU art. 11 point (a) and 12]

**«Art. 100-19.**

(1) The avoidance of a company vested with legal personality must be declared by court order.

Such avoidance shall have effect as from the date of the order declaring it.

However, it will be valid against third parties only from the date of publication of the order as provided for by Article 100-13, paragraph 1, point 3° in accordance with the conditions set out (Law of 27 May 2016) «in the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>21</sup>».

(2) (Law of 10 August 2016) «The avoidance of a company vested with legal personality on grounds of formal irregularities, in application of Article 100-4 or Articles 100-18, paragraph 1, points 1° or 2°, and paragraph 2, point 2° and 811-3, paragraph 2, point 1°, as well as the avoidance of a *société en commandite spéciale* on grounds of formal irregularities, in application of Article 320-1, paragraph 8, point 1°, may not be relied upon by the company or by any member vis-à-vis third parties, even as a defence, unless the avoidance has been ordered by a court decision published in accordance with paragraph 1.

(3) (Law of 10 August 2016) «Paragraphs 1 and 2 shall apply to the avoidance of contractual amendments to the constitutive instruments of companies pursuant to the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>22</sup>».

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<sup>21</sup> See footnote under Article 100-13 (4).

<sup>22</sup> See footnotes under Article 100-13.

*(Law of 23 November 1972)*

*[2017/1132/EU art. 12.2 et 12.3]*

**«Art. 100-20.**

The avoidance of a company pursuant to a court order in accordance with Article 100-19 shall entail the liquidation of the company as in the case of a dissolution.

The avoidance shall not of itself affect the validity of the company's commitments or of commitments entered into in favour of the company, without prejudice to the consequences deriving from the fact that the company is in liquidation.

The courts may determine the method of liquidation and appoint the liquidators.»

*(Law of 23 November 1972)*

*[2017/1132/EU art. 12.1]*

**«Art. 100-21.**

No third party objections against a court order which declared that a company vested with legal personality is void or that a contractual amendment to the instruments governing the said company is void shall be admissible upon the expiry of a period of six months from publication of the court order in accordance with Article 100-13, paragraph 1, point 3°.»

*(Law of 10 August 2016)*

**«Art. 100-22.**

(1) Any decision adopted by a general meeting referred to in this law shall be void:

- 1° where the adopted decision is flawed as a result of a formal irregularity, if the applicant proves that this irregularity may have influenced the decision;
- 2° in the event of a breach of the rules relating to its operation or in the event of deliberation on an issue which was not on the agenda where there is a fraudulent intent;
- 3° where the adopted decision is flawed by any other abuse of power or misuse of power;
- 4° in case of the exercise of voting rights which are suspended pursuant to a legal provision not included in this law and where, without such unlawfully exercised voting rights, the quorum and majority requirements for decisions by a general meeting would not have been met;
- 5° for any other reason provided for in this law.

(2) The nullity of a decision by a general meeting must be declared by court order.

A person is barred from pleading the nullity of the contested decision if that person voted in favour of such decision, unless such person's consent was flawed, or if such person expressly or implicitly waived its right to avail itself of such nullity, unless the nullity results from a public policy rule.

(3) The action for nullity shall be brought against the company. The applicant may apply in summary proceedings for the provisional suspension of the implementation of the contested decision. The suspension order and the judgement ordering the nullity shall become effective as from the decision ordering them. However they shall only be effective against third parties upon publication of the decision prescribed by Article 100-13, paragraph 1, point 4° and upon the terms provided for by the provisions of Title I, Chapter *Vbis* of the amended Law of 19

December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>23</sup>.

(4) Where the avoidance is likely to prejudice rights acquired in good faith by a third party towards the company based on the meeting's decision, the court may declare the avoidance not to have any effect vis-à-vis those rights, subject to the applicant's right to damages, as the case may be.»

**Art. 100-23.**

(Law of 12 July 2013)

«*Sociétés commerciales momentanées* and *sociétés commerciales en participation* shall not be subject to the formalities applicable to commercial companies vested with legal personalities.

Their existence shall be determined by the methods of proof accepted in commercial matters.

## **Title II - Sociétés en nom collectif**

**(Unlimited Companies)**

**Art. 200-1.**

(Law of 10 August 2016) «A *société en nom collectif* is a company in which all the members are jointly and severally liable without limitation for all the obligations of the company.»<sup>24</sup>

(Law of 12 July 2013)

### **«Title III - Sociétés en commandite simple and sociétés en commandite spéciale**

**(Common limited partnerships and special limited partnerships)**

#### **Chapter I<sup>st</sup> - Sociétés en commandite simple (Common limited partnerships)»**

**Art. 310-1.**

(Law of 10 August 2016)

«(1) A *société en commandite simple* is a common limited partnership entered into, for a limited or an unlimited period of time, by one or more unlimited partners with unlimited and joint and several liability for all the obligations of the common limited partnership, and one or more limited partners who only contribute a specific amount constituting partnership

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<sup>23</sup> See footnote under Article 100-13 (1).

<sup>24</sup> The former article 15 which followed this Article has been repealed by the Law of 10 August 2016.

interests which may but need not be represented by instruments as provided in the partnership agreement.

(2) The contributions of the partners to the common limited partnership may be in the form of contributions in cash, in kind or in the form of services. The contributions, including the admission of new partners in cases other than a transfer of partnership interests, shall be made in accordance with the conditions and formalities provided in the partnership agreement.

(3) The limited partnership may issue debt instruments.

(4) Unless otherwise provided in the partnership agreement, an unlimited partner may also be a limited partner, provided that there always are at least one unlimited partner and one limited partner who are legally distinct from each other.

(5) Each *société en commandite simple* must maintain a register containing:

- 1° a complete and conformed up-to-date copy of the partnership agreement of the limited partnership;
- 2° a list of all the partners featuring their first and last names, their professions and their private or professional address or, in the case of legal entities, their corporate denominations, their legal forms, their exact addresses and their registration numbers in the register of commerce and companies if the legislation of the State governing the relevant legal entity provides for such number, as well as the partnership interests held by each of them;
- 3° a record of all transfers of partnership interests issued by the limited partnership and the date of notification or acceptance of such transfers.

Each partner may inspect said register, subject to the restrictions provided in the partnership agreement.»

#### **Art. 310-2.**

*(Law of 12 July 2013)*

«The management of a *société en commandite simple* is carried out by one or more managers, who may but need not be unlimited partners, designated in accordance with the partnership agreement.

Managers who are not unlimited partners shall be liable in accordance with Article 441-9.

The partnership agreement may allow the managers to delegate their powers to one or more agents who are liable only for the performance of their mandate.

Unless otherwise provided in the partnership agreement, each manager may on behalf of the common limited partnership take any action necessary or useful to the fulfilment of the corporate object. Any restrictions provided in the partnership agreement with respect to the powers of the managers are not valid vis-à-vis third parties, even if they are published. However, the partnership agreement may authorise one or more managers to represent the limited partnership, either singly or jointly, and a clause to that effect is valid vis-à-vis third parties subject to the conditions laid down in «Title I, Chapter *Vbis* of the amended Law of 19

December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings»<sup>25</sup>.

The common limited partnership shall be bound by any acts of the manager(s), even if such acts exceed the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not, in view of the circumstances, have been unaware of it.

Each manager represents the common limited partnership vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant.

Writs served on behalf of or upon the common limited partnership shall be validly served in the name of the common limited partnership alone.»

**Art. 310-3.**

(Law of 12 July 2013)

«A limited partner may enter into any transaction with the *société en commandite simple* without his capacity as limited partner in itself affecting his rank as general or preferred creditor under the terms of the relevant transaction.

He shall be prohibited from carrying out any act of management vis-à-vis third parties.

A limited partner shall be jointly and severally liable vis-à-vis third parties for any obligations of the common limited partnership in which he participated in violation of the prohibition contained in the foregoing paragraph.

He shall also be jointly and severally liable vis-à-vis third parties for obligations in which he did not participate, if he has regularly carried out acts of management vis-à-vis such third parties.

Do not constitute acts of management for which the limited partner is jointly and severally liable vis-à-vis third parties: the exercise of partner prerogatives, the providing of opinions or advice to the partnership, to its affiliates or to their managers, the carrying out of any control or supervisory measures, the granting of loans, guarantees or securities or the giving of any other type of assistance to the partnership or its affiliates, as well as the giving of any authorisation to the managers in the cases provided for in the partnership agreement for acts outside their powers.

The limited partner may act as a member of a management body or as agent of a manager of the partnership, even if that manager is an unlimited partner, or may execute documents on the manager's behalf under the latter's corporate signature, even acting in the capacity of a representative of the partnership, without incurring as a result unlimited and joint and severable liability for the obligations of the limited partnership, provided the capacity of representative in which he acts is indicated.»

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<sup>25</sup> Amendment resulting initially from Article 20, the "catch all" provision of the Law of 27 May 2016. See footnote under Article 100-13 (4).



**Art. 310-4.**

(Law of 12 July 2013)

«The distributions and repayments to partners as well as the conditions in which the *société en commandite simple* may require they be repaid are governed by the partnership agreement.

Unless otherwise provided in the partnership agreement, profits and losses of the common limited partnership shall be shared among all partners in proportion to their partnership interests.»

**Art. 310-5**

(Law of 12 July 2013)

«(1) Unless otherwise provided in the partnership agreement, the voting rights of each partner shall be in proportion to his partnership interests.

(2) Any amendment of the corporate object as well as the change of nationality, conversion or liquidation must be decided upon by the partners. The partnership agreement shall determine among the other resolutions those which need not be adopted by the partners. It shall also determine the formalities and the conditions for passing such resolutions. In the absence of such provisions in the partnership agreement:

- 1° resolutions of partners shall be adopted at general meetings or by way of consultations in writing during which each partner shall receive the exact wording of the text of the resolutions or decisions to be adopted and shall cast his vote in writing;
- 2° resolutions shall be validly adopted by a majority of the votes cast, regardless of the portion of partnership interests represented, except for resolutions on amendments to the corporate object, a change of nationality, a conversion of legal form or liquidation which shall each be adopted only with the consent of partners representing three-quarters of the partnership interests and in all cases with the consent of all unlimited partners.
- 3° such meetings or written consultations may be called or initiated by the manager(s) or by partners representing more than half of the partnership interests.

(3) Each year at least, the partners shall decide on the annual accounts by special vote which shall occur on such date as determined in the partnership agreement, but no later than six months after the end of the financial year. The partnership agreement may provide that the first special vote may occur within eighteen months after the incorporation of the company. Fifteen days, or any longer period provided in the partnership agreement before the date on which the partners must decide on the annual accounts, the partners may inspect and receive a copy at the registered office of:

- 1° the annual accounts;
- 2° the management report, if any;
- 3° the report of the *réviseurs d'entreprises agréés* [approved statutory auditors], if any;
- 4° any other information provided for in the partnership agreement.»

**Art. 310-6.**

*(Law of 12 July 2013)*

«The partnership interests of limited partners may, on pain of nullity, only be transferred, dismembered or pledged in accordance with the terms and in the manners provided for in the partnership agreement. In the absence of provisions in the partnership agreement, any transfer other than a transmission in case of death, any dismemberment and any pledge of a partnership interest of a limited partner, requires the consent of the unlimited partner(s).

The partnership interests of unlimited partners may, on pain of nullity, only be transferred, dismembered or pledged in accordance with the terms and in the manners provided for in the partnership agreement. In the absence of provisions in the partnership agreement, any transfer other than a transmission in case of death, any dismemberment and any pledge of a partnership interest of an unlimited partner requires the consent of the partners who deliberate in the manner provided for the amendment of the partnership agreement.

Transfers and dismemberments of partnership interests shall not be valid vis-à-vis the limited partnership or third parties until after they shall have been notified to the limited partnership or accepted by it. They will however not be valid against third parties with regard to the obligations of the limited partnership which arose prior to their publication, except if the third party knew or could not have been unaware of them.

The partnership agreement may authorise management or the partners to reduce or to redeem, as the case may be upon request of one or more partners, all or part of the partnership interests of one or more of the partners, and determine the terms of such reduction or redemption.»

**Art. 310-7.**

*(Law of 12 July 2013)*

«In the event of the unlimited partner's death, dissolution, legal incapacity, removal, resignation, inability to act or bankruptcy or in case the unlimited partner is in another situation affecting the rights of creditors generally, and there is no other unlimited partner and it has been provided that [in such an event] the partnership would continue to exist, the unlimited partner shall be replaced. Unless the partnership agreement contains specific provisions dealing with such a situation, the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters may by its order appoint, at the request of any interested party, a provisional administrator, who may, but need not be a partner, who shall alone take all urgent and purely administrative measures, until the partners shall have resolved on the matter, which resolution the administrator shall cause to be passed within fifteen days following his appointment. The administrator shall be liable only for the performance of his mandate. Any interested party may object to the order; the objection shall be notified to the partnership, the person appointed and the person who applied for the appointment. The proceedings regarding the objection shall be heard as in urgency matters.»

(Law of 12 July 2013)

## «Chapter II - Sociétés en commandite spéciale (special limited partnerships)»

(Law of 12 July 2013)

### «Art. 320-1.

(Law of 10 August 2016)

«(1) A *société en commandite spéciale* is a partnership entered into, for a limited or an unlimited period of time, by one or more unlimited partners with unlimited and joint and several liability for all the obligations of the partnership, and one or more limited partners who only contribute a specific amount constituting partnership interests which may but need not be represented by instruments as provided in the partnership agreement.

(2) The *société en commandite spéciale* shall not constitute a legal entity distinct from that of its partners.

(3) The contributions of the partners to the *société en commandite spéciale* may be in the form of contributions in cash, in kind or in the form of services. The contributions, including the admission of new partners in cases other than a transfer of partnership interests, shall be made in accordance with the conditions and formalities provided in the partnership agreement.

(4) The limited partnership may issue debt instruments.

(5) Unless otherwise provided in the partnership agreement, an unlimited partner may also be a limited partner, provided that there always are at least one unlimited partner and one limited partner who are legally distinct from each other.

(6) Each *société en commandite spéciale* must maintain a register containing:

- 1° a complete and conformed up-to-date copy of the partnership agreement of the limited partnership;
- 2° a list of all the partners featuring their first and last names, their professions and their private or professional addresses, or, in the case of legal entities, their corporate denominations, their legal forms, their exact addresses and their registration numbers in the register of commerce and companies if the legislation of the State governing the relevant legal entity provides for such a number, as well as the partnership interests held by each of them;
- 3° a record of all transfers of partnership interests issued by the limited partnership and the date of notification or acceptance of such transfers.

Each partner may inspect said register, subject to the restrictions provided in the partnership agreement.

(7) The domicile of a *société en commandite spéciale* is located at the seat of its central administration (head office). Until evidence to the contrary shall have been finally brought, the central administration is deemed to coincide with the place where its registered office is located as specified in its partnership agreement.

(8) A *société en commandite spéciale* may be declared void only in the following cases:

1° if the constitutive instrument does not state the corporate denomination or its object;

2° if the object is unlawful or contrary to public policy;

if the partnership does not include at least one unlimited partner and one distinct limited partner who are validly committed. Articles 100-19 to 100-21 shall apply. »

(Law of 7 August 2023)

« If the clauses of the constitutive instrument regarding the distribution of profits or the apportionment of losses are contrary to Article 1855 of the Civil Code, those clauses shall be deemed not to be written. »

(Law of 12 July 2013)

**«Art. 320-2.**

(1) Registrations and other formalities regarding the assets pooled within the *société en commandite spéciale* or on which it has any right, shall be made in the name of the *société en commandite spéciale*.

(2) The assets pooled within the *société en commandite spéciale* shall exclusively satisfy the rights of creditors which arose from the constitution, operation or liquidation of the limited partnership.»

(Law of 12 July 2013)

**«Art. 320-3.**

The management of a *société en commandite spéciale* is carried out by one or more managers, who may but need not be unlimited partners, designated in accordance with the partnership agreement.

Managers who are not unlimited partners shall be liable in accordance with Article 441-9.

The partnership agreement may allow the managers to delegate their powers to one or more agents who are liable only for the performance of their mandate.

Unless otherwise provided in the partnership agreement, each manager may on behalf of the limited partnership take any action necessary or useful to the fulfilment of the partnership's object. Any restrictions provided in the partnership agreement with respect to the powers of the managers are not valid vis-à-vis third parties, even if they are published. However, the partnership agreement may authorise one or more managers to represent the limited partnership, either singly or jointly, and a clause to that effect is valid vis-à-vis third parties subject to the conditions laid down in «Title I, Chapter Vbis of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings»<sup>26</sup>.

The limited partnership shall be bound by any acts of the manager(s), even if such acts exceed the object of the partnership, unless it proves that the third party knew that the act exceeded the object of the partnership or could not, in view of the circumstances, have been unaware of it.

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<sup>26</sup> Amendment resulting initially from Article 20, the “catch all” provision of the Law of 27 May 2016. See footnote under Article 100-13 (4).

Each manager represents the limited partnership vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant.

Writs served on behalf of or upon the *société en commandite spéciale* shall be validly served in the name of the *société en commandite spéciale* alone, represented by one of its managers.»

(Law of 12 July 2013)

**«Art. 320-4.**

A limited partner may enter into any transaction with the *société en commandite spéciale* without his capacity as limited partner in itself affecting his rank as general or preferred creditor under the terms of the relevant transaction.

He shall be prohibited from carrying out any act of management vis-à-vis third parties.

A limited partner shall be jointly and severally liable vis-à-vis third parties for any obligations of the limited partnership in which he participated in violation of the prohibition contained in the foregoing paragraph.

He shall also be jointly and severally liable vis-à-vis third parties for obligations in which he did not participate, if he has regularly carried out acts of management vis-à-vis such third parties.

Do not constitute acts of management for which the limited partner is jointly and severally liable vis-à-vis third parties: the exercise of partner prerogatives, the providing of opinions or advice to the *société en commandite spéciale*, to its affiliates or to their managers, the carrying out of any control or supervisory measures, the granting of loans, guarantees or securities or the giving of any other type of assistance to the *société en commandite spéciale* or its affiliates, as well as the giving of any authorisation to the managers in the cases provided for in the partnership agreement for acts outside their powers.

The limited partner may act as a member of a management body or as agent of a manager of the *société en commandite spéciale*, even if that manager is an unlimited partner, or may execute documents on the manager's behalf under the latter's corporate signature, even acting in the capacity of a representative of the *société en commandite spéciale*, without incurring as a result unlimited and joint and severable liability for the obligations of the limited partnership, provided the capacity of representative in which he acts is indicated.»

(Law of 12 July 2013)

**«Art. 320-5.**

The distributions and repayments to partners as well as the conditions in which the *société en commandite spéciale* may require they be repaid are governed by the partnership agreement.

Unless otherwise provided in the partnership agreement, profits and losses of the *société en commandite spéciale* shall be shared among all partners in proportion to their partnership interests.»

*(Law of 12 July 2013)*

**«Art. 320-6.**

Unless otherwise provided in the partnership agreement, the voting rights of each partner shall be in proportion to his partnership interests.

Any amendment of the corporate object, as well as the change of nationality, conversion or liquidation must be decided upon by the partners. The partnership agreement shall determine among the other resolutions those which need not be adopted by the partners. It shall also determine the formalities and conditions for passing such resolutions. In the absence of such provisions in the partnership agreement:

- 1° resolutions of partners shall be adopted at general meetings or by way of consultations in writing during which each partner shall receive the exact wording of the text of the resolutions or decisions to be adopted and shall cast his vote in writing;
- 2° resolutions shall be validly adopted by a majority of the votes cast, regardless of the portion of partnership interests represented, except for resolutions on amendments to the partnership's object, a change of nationality, or a conversion or liquidation which shall be adopted only with the consent of partners representing three-quarters of the partnership interests and in all cases with the consent of all unlimited partners.
- 3° such meetings or written consultations may be called or initiated by the manager(s) or by partners representing more than half of the partnership interests.

Only the information provided for in the partnership agreement must be submitted to the partners. »

*(Law of 12 July 2013)*

**«Art. 320-7.**

The partnership interests of limited partners may, on pain of nullity, only be transferred, dismembered or pledged in accordance with the terms and in the manners provided for in the partnership agreement. In the absence of provisions in the partnership agreement, any transfer other than a transmission in the case of death, any dismemberment and any pledge of a partnership interest of a limited partner, requires the consent of the unlimited partner(s).

The partnership interests of unlimited partners may, on pain of nullity, only be transferred, dismembered or pledged in accordance with the terms and in the manners provided for in the partnership agreement. In the absence of provisions in the partnership agreement, any transfer other than a transmission in the case of death, any dismemberment and any pledge of a partnership interest of an unlimited partner, requires the consent of the partners who deliberate in the manner provided for the amendment of the partnership agreement.

Transfers and dismemberments of partnership interests shall not be valid vis-à-vis the limited partnership or third parties until they shall have been notified to the limited partnership or accepted by it. They will however not be valid against third parties with regard to the obligations of the limited partnership which arose before their publication, except if the third party knew or could not have been unaware of them.

The partnership agreement may authorise management or the partners to reduce or to redeem, as the case may be upon request of one or more partners, all or part of the interests of one or more partners in the partnership and determine the terms thereof.»

(Law of 12 July 2013)

**«Art. 320-8.**

In the event of the unlimited partner's death, dissolution, legal incapacity, removal, resignation, inability to act or bankruptcy or in case the unlimited partner is in another situation affecting the rights of creditors generally, and there is no other unlimited partner and it has been provided that [in such an event] the *société en commandite spéciale* would continue to exist, the unlimited partner shall be replaced. Unless the partnership agreement contains specific provisions dealing with such a situation, the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters may by its order appoint, at the request of any interested party, a provisional administrator, who may, but need not be a partner, who shall alone take all urgent and purely administrative measures, until the partners shall have resolved on the matter, which resolution the administrator shall cause to be passed within fifteen days following his appointment. The administrator shall be liable only for the performance of his mandate. Any interested party may object to the order; the objection shall be notified to the partnership, the person appointed and the person who applied for the appointment. The proceedings regarding the objection shall be heard as in urgency matters.»

(Law of 12 July 2013)

**«Art. 320-9.**

The conversion of a *société en commandite spéciale* into a company of one of the other types provided for in Article 100-2, paragraph 1, shall give rise to a new legal entity. In addition to the conditions provided for in the partnership agreement, the substantive and formal requirements applicable to the incorporation of a company with the corporate form into which the *société en commandite spéciale* is converted shall apply.»

(Law of 25 August 2006)

## «Title IV - Sociétés Anonymes and Sociétés Européennes (SE)

(Public companies limited by shares and European Companies)

### Chapter I<sup>st</sup> - On the nature and classification of sociétés anonymes and sociétés européennes (SE)»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 1, 7, 8, 9, 10, 12.1, 13, 15]

#### «Art. 410-1<sup>27</sup>.

(1) A *société anonyme* is a company whose capital is divided into shares and which is formed by one or more persons who only contribute a specific amount.

In case the company comprises one person only, such person shall be designated as the «sole shareholder».

The *société anonyme* may have a sole shareholder at its formation and as a result of all its shares being subsequently held by a single person.

The death or the dissolution of the sole shareholder does not result in the dissolution of the company.

(2) The *société européenne* (SE) is a *société anonyme* set up in accordance with Article 2 of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE), which has established its registered office and its central administration in the Grand Duchy of Luxembourg.

It has the possibility to transfer its registered office to another Member State<sup>28</sup> without loss of its legal personality.

It shall be governed by the provisions of the present law applicable to the *société anonyme* and by the provisions specifically applicable to the *société européenne* (SE) under Council Regulation (EC) 2157/2001 of 8 October 2001 on the Statute for a European Company.»

(Law of 25 August 2006)

### «Chapter II - The incorporation of sociétés anonymes and sociétés européennes (SE)»

#### Art. 420-1.

(Law of 24 April 1983)

[2017/1132/EU art. 45 and art. 48 1<sup>st</sup> paragraph]

«(1) The following requirements shall apply to the incorporation of a *société anonyme*:

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<sup>27</sup> This Chapter I (previously §1) contained three articles, among which former articles 24 and 25 (on the corporate denomination) which followed this Article and which were repealed by the Law of 10 August 2016.

<sup>28</sup> See definition in the sixth paragraph of Article 100-2.



- 1° (*Law of 25 August 2006*) «there must be at least one member;»
  - 2° (*Law of 10 August 2016*) «the capital must be at least 30 000 euros»; however, that amount may be increased by Grand Ducal regulation to be adopted upon consultation of the *Conseil d'Etat* in order to take into account either variations in national currency in relation to the unit of account or changes in European regulations; (*Law of 25 August 2006*) «For a *société européenne* (SE), the capital must be at least 120 000 euros;»
  - 3° the capital must be subscribed for in its entirety;
  - 4° (*Law of 10 August 2016*) «at least one fourth of each share must be paid-up in cash or by means of contributions in kind.»
- (2) «(*Law of 10 June 2009*) The notary, drawing up the instrument, shall verify that these conditions and those set in Articles 420-10, paragraph 2, 420-12 and 420-14 have been satisfied and shall expressly ascertain compliance therewith.»

(*Law of 25 August 2006*)

[*EC Regulation 2157/2001, Art. 2.1, 2.2., 2.3, 2.5, 24.1*]

**«Art. 420-2.**

(1) A *société européenne* (SE) may be formed by means of a merger of *sociétés anonymes* formed under the laws of a Member State with their registered office and central administration (head office) within the European Union<sup>29</sup> provided at least two of them are governed by the law of different Member States.

In that case, the law of the Member State<sup>30</sup> governing each merging company shall apply as in the case of a merger of *sociétés anonymes*, taking into account the cross-border character of the merger, with regard to the protection of the interests of:

- 1° creditors of the merging companies;
- 2° holders of bonds of the merging companies;
- 3° holders of securities, other than shares, which carry special rights in the merging companies.

(2) A *société européenne* (SE) holding (holding SE) may be formed by *sociétés anonymes* and *sociétés à responsabilité limitée* formed under the law of a Member State with their registered office and central administration (head office) within the European Union<sup>31</sup> provided at least two of them:

- 1° are governed by the law of different Member States, or
- 2° have for at least two years had a subsidiary company governed by the law of another Member State or a branch situated in another Member State.

(3) A subsidiary *société européenne* (SE) may be formed by civil [i.e. non commercial] or commercial companies with legal personality save for those companies which do not aim to

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<sup>29</sup> Following the entry into force of the Decision of the EEA Joint Committee No 93/2002 amending Annex XXII (Company law) to the EEA Agreement, this should be read as including «or in the European Economic Area». See also the definition «of Member State» in the sixth paragraph of Article 100-2.

<sup>30</sup> See definition in the sixth paragraph of Article 100-2.

<sup>31</sup> See the footnote under paragraph (1) above.

realise profits, and by other legal bodies governed by public or private law, formed under the law of a Member State, with their registered office and central administration (head office) within the European Union<sup>32</sup> and who subscribe for its shares, provided at least two of them:

- 1° are governed by the laws of different Member States, or
- 2° have for at least two years had a subsidiary company governed by the law of another Member State or a branch situated in another Member State.

(4) A company the central administration (head office) of which is not in a Member State may participate in the formation of a *société européenne* ( SE) provided that company is formed under the law of a Member State, has its registered office in that same Member State and has a real and continuous link with a Member State's economy.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 32.1]

**«Art. 420-3.**

A *société européenne* (SE) holding may be formed in accordance with Article 420-2 paragraph 2.

The companies promoting the formation of a *société européenne* (SE) shall continue to exist.

Articles 420-4 to 420-8 shall apply.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 32.2]

**«Art. 420-4.**

The management bodies of the companies which promote the operation shall draw up draft terms for the formation of the *société européenne* (SE).

The draft terms shall include a report explaining and justifying the legal and economic aspects of the formation and indicating the implications for the shareholders and for the employees of the adoption of the form of a *société européenne* (SE).

The draft terms shall also indicate:

- 1° the corporate denomination and registered office of the companies forming the *société européenne* (SE) together with those proposed for the *société européenne* (SE);
- 2° the exchange ratio for the shares or corporate units and if applicable the amount of any cash compensation;
- 3° the terms for the allotment of shares in the *société européenne* (SE);
- 4° the rights conferred by the *société européenne* (SE) on the shareholders having special rights and on the holders of securities other than shares or corporate units, or the measures proposed concerning them;
- 5° (Law of 7 August 2023) «any special advantage granted to the experts who examine the draft terms for the formation or to the members of the administrative, management, supervisory or controlling bodies of the companies which promote the operation ;»

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<sup>32</sup> See the footnote under paragraph (1) above.

- 6° the articles of incorporation of the *société européenne* (SE);
- 7° information on the procedures by which arrangements for employee involvement are determined in implementation of Directive 2001/86/EC supplementing the Statute for a European company with regard to the involvement of employees<sup>33</sup>;
- 8° the minimum proportion of the shares or corporate units in each of the companies promoting the operation which the shareholders must contribute in order for the *société européenne* (SE) to be formed.

That proportion shall be shares or corporate units conferring more than 50 percent of the permanent voting rights.

*(Law of 25 August 2006)*

[*EC Regulation 2157/2001, Art. 32.3*]

**«Art. 420-5.»**

*(Law of 10 August 2016)*

«The draft terms for the formation shall be published for each of the companies promoting the operation in accordance with the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>34</sup> or in the manner laid down in each Member State<sup>35</sup>'s national law in accordance with «Article 16 of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>36</sup>, at least one month before the date of the general meeting called to decide on the draft terms of formation.»

*(Law of 25 August 2006)*

[*EC Regulation 2157/2001, Art. 32.4 and 32.5*]

**«Art. 420-6.**

(1) The draft terms for the formation shall be examined and a written report shall be drawn up for the shareholders. For each company promoting the operation, such examination shall be made and such report shall be drawn up by one or more independent experts who shall be appointed or approved by a judicial or administrative authority in the Member State<sup>37</sup> to which each company is subject in accordance with national provisions adopted in implementation of «Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>38</sup>.

*(Law of 23 July 2016)* «For companies subject to Luxembourg law, such experts are appointed by the management body and must be selected among the *réviseurs d'entreprises* [statutory auditors].» However, the report may be drawn up by one or more independent experts for all the companies promoting the operation. In that case, the appointment is made, on the joint

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<sup>33</sup> This directive has been implemented in Article L. 441-1 et seq. of the Labour Code.

<sup>34</sup> See footnote under Article 100-13 (1).

<sup>35</sup> See definition in the sixth paragraph of Article 100-2.

<sup>36</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>37</sup> See definition in the sixth paragraph of Article 100-2.

<sup>38</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

application of the companies concerned, by a judicial or administrative authority in the Member State to which one of the companies concerned or the proposed *société européenne* (SE) is subject to in accordance with national provisions adopted in implementation of «Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>39</sup>, which authority in Luxembourg will be the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing in commercial matters in the district in which the registered office of one of the concerned companies is located, sitting as in urgency matters.

(2) In the report referred to in paragraph 1, the experts shall in any case declare whether the proposed share exchange ratio is or is not fair and reasonable. Such declaration shall:

- 1° indicate the methods used for the determination of the proposed exchange ratio;
- 2° indicate whether such methods are adequate in the circumstances and the values arrived at by each such method, and give an opinion as to the relative importance attributed to such methods in determining the value actually arrived at.

In addition, the report shall describe any particular difficulties of valuation.

(3) The rules provided in Article 420-10 paragraphs 2 to 9 shall not apply.

(4) Each expert shall be entitled to obtain from the companies promoting the operation all information and documents and to carry out all necessary verifications.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 32.6]

**«Art. 420-7.**

The general meeting of each company promoting the operation as well as, if applicable, the general meeting of the holders of securities other than shares or corporate units, shall approve the draft terms for the formation of the *société européenne* (SE).

Employee involvement in the *société européenne* (SE) shall be decided pursuant to the provisions adopted in implementation of the above-mentioned Directive 2001/86 EC<sup>40</sup>. The general meeting of each company promoting the operation may reserve the right to make registration of the *société européenne* (SE) conditional upon its express ratification of the arrangements so decided.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 33]

**«Art. 420-8.**

(1) The shareholders of the companies promoting the operation shall have a period of three months in which to inform the promoting companies whether they intend to contribute their shares or corporate units to the formation of the *société européenne* (SE). That period shall begin on the date upon which the instrument of incorporation of the *société européenne* (SE) shall have been approved by the meetings referenced to in Article 420-7.

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<sup>39</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>40</sup> This directive has been implemented in Article L. 441-1 et seq. of the Labour Code.

(2) The *société européenne* (SE) shall be formed only if, within the period referred to in paragraph 1, the shareholders of the companies promoting the operation have contributed the minimum percentage of shares or corporate units in each company provided for in the draft terms for the formation and if all the other conditions are fulfilled.

(3) The establishment by the notary that all the conditions for the formation of the *société européenne* (SE) are fulfilled in accordance with paragraph 2 shall, in respect of each of the promoting companies, be published in the manner laid down in (*Law of 27 May 2016*) «the provisions of Title I, of Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>41</sup> or in the form provided by the national law of each Member State<sup>42</sup> adopted in implementation of «Article 16 of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>43</sup>.

Shareholders of the companies concerned who have not indicated within the period referred to in paragraph 1 whether they intend to make their shares or corporate units available to the promoting companies for the purpose of forming the *société européenne* (SE) shall have a further month in which to do so.

(4) Shareholders who have contributed their securities to the formation of the *société européenne* (SE) shall receive shares therein.

(5) The *société européenne* (SE) may not be registered until it is shown that the formalities referred to in Articles 420-3 to 420-7 and the conditions referred to in paragraph 2 have been fulfilled.»

(*Law of 25 August 2006*)

[*EC Regulation 2157/2001, Art. 36*]

**«Art. 420-9.**

A subsidiary *société européenne* (SE) may be formed in accordance with Article 420-2 paragraph 3.

Companies and other legal entities referred to in Article 420-2 paragraph 3 participating in such an operation shall be subject to the provisions governing their participation in the formation of a subsidiary in the form of a *société anonyme* under national law.»

(*Law of 24 April 1983*)

[*2017/1132/EU art. 48 2<sup>nd</sup> paragraph*]

**«Art. 420-10.**

(1) Any shares issued against (*Law of 10 August 2016*) «contributions in kind» must be paid-up within a period of five years after the time of incorporation.»

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<sup>41</sup> See footnote under Article 100-13(1).

<sup>42</sup> See definition in the sixth paragraph of Article 100-2.

<sup>43</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

(Law of 18 December 2009)

[2017/1132/EU art. 49]

«(2) (Law of 10 August 2016) «Contributions in kind» shall, prior to the incorporation, be reported upon by a *réviseur d'entreprises* (...)»<sup>44</sup> [statutory auditor] who shall be appointed by the founders. »

(Law of 24 April 1983)

[2017/1132/EU art. 49]

«(3) This report must give a description of each of the proposed contributions as well as of the methods of valuation used and shall state whether the values arrived at by the application of these methods correspond at least to the number and nominal value, or, in the absence of a nominal value, the accounting par value and, where applicable, the share premium of the shares to be issued in consideration thereof. The report shall remain annexed to the instrument provided for in Article 420-15 or the draft instrument provided for in Article 420-17. The conclusions thereof must be reproduced in the abovementioned documents.

(Law of 10 June 2009)

[2017/1132/EU art. 50]

«(4) Where, upon a decision of the board of directors or the management board, (Law of 10 August 2016) «the contribution in kind» is made up of transferable securities as defined in (Law of 7 August 2023) «Article 4, paragraph 1, point 44), of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU»<sup>45</sup> or money-market instruments as defined in (Law of 7 August 2023) «Article 4, paragraph 1, point 17), of the above-mentioned Directive 2014/65/EU»<sup>46</sup> and those securities or instruments are valued at the weighted average price at which they have been traded on one or more regulated market(s) as defined in (Law of 7 August 2023) «Article 4, paragraph 1, point 21), of the above-mentioned Directive 2014/65/EU»<sup>47</sup> during a period of six months preceding the

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<sup>44</sup> The term «*agrée*» [approved] was deleted by the Law of 23 July 2016 on the audit profession.

<sup>45</sup> «'Transferable securities' [within the meaning of MiFid II] means those classes of securities which are negotiable on the capital market, with the exception of instruments of payment, such as:

- (a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;
- (b) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;
- (c) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures;»

<sup>46</sup> «'Money-market instruments' [within the meaning of MiFID II] means those classes of instruments which are normally dealt in on the money market, such as treasury bills, certificates of deposit and commercial papers and excluding instruments of payment.»

<sup>47</sup> «'Regulated market', [within the meaning MiFID II] means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments [Note: meaning those instruments specified in Section C of Annex I of that Directive] – in the system and in accordance with its non-discretionary rules – in a way that results in a contracts in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of [that] Directive.»

effective date of (*Law of 10 August 2016*) «the contribution in kind», paragraphs 2 and 3 are not applicable.

However, where that price has been affected by exceptional circumstances that would significantly change the value of the asset at the effective date of its contribution, including situations where the market for such transferable securities or money-market instruments has become illiquid, a revaluation shall be carried out on the initiative and under the responsibility of the board of directors or the management board. For the purposes of the aforementioned revaluation, paragraphs 2 and 3 shall apply.

(5) Where, upon a decision of the board of directors or the management board, (*Law of 10 August 2016*) «the contribution in kind» is made up of assets other than the transferable securities and money-market instruments referred to in paragraphs 4 to 6 which have already been subject to a fair value opinion by a *réviseur d'entreprises (...)*<sup>48</sup>[statutory auditor] and where the following conditions are fulfilled:

- 1° the fair value is determined for a date not more than six months before the effective date of the contribution;
  - 2° the valuation has been performed in accordance with generally accepted valuation standards and principles in the Grand Duchy of Luxembourg, which are applicable to the kind of assets to be contributed,
- paragraphs 2 and 3 are not applicable.

In the case of new circumstances<sup>49</sup> that would significantly change the fair value of the asset at the effective date of its contribution, a revaluation shall be carried out on the initiative and under the responsibility of the board of directors or the management board. For the purposes of the aforementioned revaluation, paragraphs 2 and 3 shall apply.

In the absence of such a revaluation, one or more shareholders holding an aggregate percentage of at least 5 percent of the company's subscribed capital on the day the decision on the increase in the capital is taken may demand a valuation by a *réviseur d'entreprises (...)*<sup>50</sup> [statutory auditor], in which case paragraphs 2 and 3 are applicable. Such shareholder(s) may submit a demand up until the effective date of the contribution, provided that, at the date of the demand, the shareholder(s) in question still hold(s) an aggregate percentage of at least 5 percent of the company's subscribed capital, as was the case on the day the decision on the increase in the capital was taken.

(6) Where, upon a decision of the board of directors or the management board, (*Law of 10 August 2016*) «the contribution in kind» is made of assets other than the transferable securities and money-market instruments referred to in paragraph 4 whose fair value is derived for each individual asset from the statutory accounts of the previous financial year,

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<sup>48</sup> The term « *agrée* » [approved] included pursuant to Article 103 of the Law of 18 December 2009 on the audit profession has been removed by the Law of 23 July 2016 on the audit profession.

<sup>49</sup> The French version of the Directive (like the law) speaks of «new circumstances» (*circonstances nouvelles*) whereas the English version speaks of «new qualifying circumstances» and the German version of «*neue erhebliche Umstände*» (i.e. new significant circumstances). This can be compared to the consistency of the different language versions of the directive corresponding to the second sub-paragraph of paragraph (4).

<sup>50</sup> The term « *agrée* » [approved] included pursuant to Article 103 of the Law of 18 December 2009 on the audit profession has been removed by the Law of 23 July 2016 on the audit profession.

provided that the statutory accounts have been subject to an audit in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, paragraphs 2 and 3 shall not apply.

Sub-paragraphs 2 and 3 of paragraph 5, shall apply *mutatis mutandis*.

[2017/1132/EU art. 51]

(7) Where a (*Law of 10 August 2016*) «contribution in kind» as referred to in paragraphs 4 to 6 occurs without a report of a *réviseur d'entreprises (...)*<sup>51</sup> [statutory auditor] as referred to in paragraphs 2 and 3, a declaration containing the following particulars shall be published in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>52</sup>» within one month after the effective date of the contribution:

- 1° a description of the relevant (*Law of 10 August 2016*) «contribution in kind»;
- 2° its value, the source of this valuation and, where appropriate, the method of valuation;
- 3° a statement whether the value arrived at corresponds at least to the number, to the nominal value or, where there is no nominal value, the accounting par value and, where appropriate, to the premium on the shares to be issued against such contribution;
- 4° a statement that no new circumstances<sup>53</sup> with regard to the original valuation have occurred.

The declaration shall also include indications on the nominal value of the shares or where there is no such value, the number of shares issued against each c (*Law of 7 August 2023*) «contribution in kind », as well as the name of the investor having made the contribution.

[2017/1132/EU art. 51]

(8) Where a (*Law of 10 August 2016*) «contribution in kind» is proposed to be made without a report by a *réviseur d'entreprises (...)*<sup>54</sup> [statutory auditor] as referred to in paragraphs 2 and 3 in relation to an increase in the capital which is proposed to be made under Article 420-22, paragraphs 2 and 3, an announcement containing the date when the decision on the increase was taken and the information listed in paragraph 7 shall be published in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002<sup>55</sup>» before the contribution of the asset as (*Law of 10 August 2016*) «contribution in kind» is to become effective. In that event, the declaration

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<sup>51</sup> The term « *agrée* » [approved] included pursuant to Article 103 of the Law of 18 December 2009 on the audit profession has been removed by the Law of 23 July 2016 on the audit profession.

<sup>52</sup> See footnote under Article 100-13 (1).

<sup>53</sup> Same discrepancy between language versions as described in the footnote under paragraph (3ter).

<sup>54</sup> The term « *agrée* » [approved] included pursuant to Article 103 of the Law of 18 December 2009 on the audit profession has been removed by the Law of 23 July 2016 on the audit profession.

<sup>55</sup> See footnote under Article 100-13(1).



pursuant to paragraph 7, sub-paragraph 1, shall be limited to a statement that no new circumstances<sup>56</sup> have occurred since the aforementioned announcement was published.»

(9) (*Law of 10 August 2016*) «Paragraphs 2 and 3 are not applicable where at least 90 per cent of the nominal value or accounting par value of all the shares are issued against contributions in kind made by one or more companies and where the following requirements are met»:

- 1° with regard to the company to which the contributions are made, the natural or legal persons referred to in Article 420-15 have agreed to dispense with the expert's report;
- 2° a record of the dispense remains annexed to the instrument;
- 3° the companies making such contributions have reserves which under law or their articles may not be distributed and which are at least equal to the nominal value, or in the absence of a nominal value, the accounting par value, of the shares issued against (*Law of 10 August 2016*) «contributions in kind»;
- 4° the companies making such contributions guarantee, up to an amount equal to that indicated in point 3°, the debts of the recipient company arising between the time the shares are issued against (*Law of 10 August 2016*) «contributions in kind» and one year after publication of that company's annual accounts for the financial year during which those contributions were made. Any transfer of these shares is prohibited within this period;
- 5° the guarantee referred to under point 4° must be given in an annex to the instrument provided for in Article 420-15;
- 6° the companies making these contributions shall place a sum equal to that indicated in point 3° into a reserve which may not be distributed until three years after publication of the annual accounts of the recipient company for the financial year during which the contributions were made or, where applicable, until such later date as all the claims relating to the guarantee referred to in point 4° which are submitted during that period shall have been settled.»

(*Law of 24 April 1983*)

[2017/1132/EU art. 52]

**«Art. 420-11.**

(1) The acquisition by a company, within the two years following its incorporation, of any asset belonging to a natural or legal person, by whom or on whose behalf the constitutive instrument was signed, for a consideration of not less than one tenth of the subscribed capital, shall be subject to a verification and publication in the manner provided by Article 420-10 and shall be subject to approval by the general meeting of shareholders.»

The *réviseur d'entreprises* [statutory auditor] is appointed by the board of directors or by the management board, as the case may be.»

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<sup>56</sup> The French and German versions of the directive coincide as they speak of «no new circumstances» («*aucune circonstance nouvelle*», «*keine neuen Umstände*»). The English version speaks of «no new qualifying circumstances».

*(Law of 24 April 1983)*

«(2) Paragraph 1 shall not apply to acquisitions made in the normal course of the company's business nor to acquisitions made at the instance or under the supervision of an administrative or judicial authority or to stock exchange acquisitions.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 46]*

**«Art. 420-12.**

*(Law of 10 August 2016)*

«Contributions other than in cash may be remunerated by shares only if they consist of assets capable of economic assessment, other than assets consisting of undertakings to perform work or supply services.

Such contributions shall be referred to as contributions in kind.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 53]*

**«Art. 420-13.**

Subject to the provisions concerning the reduction of the subscribed capital, shareholders may not be released from their obligation to pay-up their contribution.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 47]*

**«Art. 420-14.**

*(Law of 10 August 2016)*

«(1) Shares may not be issued for an amount lower than their nominal value. In the absence of a nominal value, shares may be issued below their accounting par value, subject to compliance with the conditions provided for in Article 420-22, paragraphs 6 and 7.

(2) However, notwithstanding Article 420-22, paragraphs 6 and 7, those persons who, professionally, undertake the placing of shares, may, with the consent of the company, pay less than the total price of the shares subscribed by them during such a transaction.

(3) The minimum amount to be paid by the subscribers referred to in paragraph 2 shall be fixed at 90 per cent of the total subscription price of the shares subscribed by them.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 3 and 4]*

**«Art. 420-15.**

The instrument constituting the company shall indicate:

- 1° *(Law of 25 August 2006)* «the identity of the natural or legal person or persons by whom or on whose behalf it has been signed»;
- 2° the form of the company and its denomination;
- 3° the registered office;
- 4° the corporate object;
- 5° the amount of the subscribed capital and, where applicable, of the authorised capital;

- 6° the amount of the subscribed capital initially paid-up;
- 7° the classes of shares, where several classes exist, the rights attaching to each class, the number of shares subscribed to and, in the case of an authorised capital, the shares to be issued in each such class and the rights concerning each class, as well as:
  - a) the nominal value of the shares or the number of shares for which no nominal value is specified;
  - b) any special conditions restricting the transfer of shares;
- 8° (*Law of 6 April, 2013*) «whether the shares are in registered, bearer, or dematerialised form and of any provision supplemental to, or derogating from, the law;»
- 9° (*Law of 23 July 2016*) «particulars of each contribution in kind, the conditions on which it is made, the name of the contributor and the conclusions of the report of the *réviseur d'entreprises* [statutory auditor] provided for in Article 420-10;»
- 10° the reason for, and the extent of, any special advantages conferred at the time of incorporation of the company upon any person who participated in the incorporation of the company;
- 11° if applicable, the number of securities or units which do not represent the stated capital, as well as the rights attaching thereto, in particular the right to vote at general meetings;
- 12° insofar as they are not provided for by law, the rules determining the number and method of appointment of the members of the corporate bodies responsible for representing the company with regard to third parties, administration, management, supervision or control of the company and the allocation of powers among such corporate bodies;
- 13° the duration of the company;
- 14° at least the approximate amount of the costs, expenses and remuneration or charges of whatever form, which are payable by the company or chargeable to it by reason of its incorporation.»

(*Law of 24 April 1983*)

**«Art. 420-16.**

The company may be constituted by means of one or more notarial instruments to which all the members are parties, either in person or by representative(s) holding notarised or private proxies.

The parties to those instruments shall be deemed to be the founders of the company.

However, if the instruments designate as founder(s) one or more shareholders who together hold at least one third of the capital of the company, the other parties who merely subscribe for shares in cash and are not granted, directly or indirectly, any special advantage, shall be regarded as mere subscribers.

If the payments have been made in application of Article 420-1 before the execution of any of the constitutive instruments, the proof thereof may be furnished in the form of a private receipt, to be drawn up in duplicate.»

(Law of 24 April 1983)

**«Art. 420-17.**

(Law of 10 August 2016)

- «(1) The company may also be constituted by means of subscriptions.
- (2) The constitutive instrument shall be drawn up in advance in the form of a notarial instrument and shall be published as a draft. The parties to that instrument shall be deemed to be the founders of the company.
- (3) Subscriptions shall contain a notice convening the subscribers to a meeting to be held within three months for the purpose of the final incorporation of the company.

(Law of 24 April 1983)

**«Art. 420-18.**

- (1) On the scheduled date, the founder(s) shall present to the meeting, which shall be held in the presence of a notary, proof, together with supporting documents, that the conditions laid down by Article 420-1 have been satisfied.
- (2) If the majority of the subscribers present in person or represented by the holder(s) of notarised or private proxies, other than the founder(s), have no objection to the incorporation of the company, the founder(s) shall declare that it is finally incorporated.
- (3) If the targeted capital has not been subscribed for in its entirety, the company may nevertheless be incorporated with an amount of capital corresponding to the total amount subscribed for, provided that the instrument published in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>57</sup>» has allowed for such a possibility.
- (4) The notarised minutes of the meeting of the subscribers, which shall contain a list of the subscribers and a statement of the payments made, shall finally incorporate the company.

(Law of 24 April 1983)

**«Art. 420-19.**

- (1) The founders shall be jointly and severally liable towards all interested parties, notwithstanding any provision to the contrary for:
  - 1° any portion of the capital which will not have been validly subscribed for, and any outstanding balance between the minimum capital provided for by Article 420-1 and the amount subscribed for; they shall *ipso jure* be deemed to be subscribers thereof;
  - 2° the full and complete payment of one fourth of the shares subscribed for, and the payment within a period of five years of the shares issued against contributions (Law of 10 August 2016) «in kind»; they shall likewise be under a joint and several obligation for the full and complete payment of the portion of the capital of which they are deemed to be the subscribers pursuant to the foregoing paragraph;
  - 3° the indemnification of the damage which is the immediate and direct result of either the avoidance of the company or the omission or incorrectness in the instrument or draft

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<sup>57</sup> See footnote under Article 100-13 (1).

instrument of the company or in the subscription forms of the statements prescribed by Articles 420-15 and 420-17.

(2) Any person who enters into a commitment for a third party mentioned by name in the instrument and acting either as agent or as surety shall be deemed to be personally committed if they have no valid mandate or the commitment is not ratified within two months of the commitment.

The founders shall be jointly and severally liable for these commitments.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 66.3, 66.4, 66.5, 66.6]

«Art. 420-20<sup>58</sup>.

The following procedure shall be observed in case of conversion of a *société européenne* (SE) into a *société anonyme* in accordance with Article 100-3:

- 1° the management body of the *société européenne* (SE) shall draw up draft terms of conversion in writing and a report explaining and justifying the legal and economic aspects of the conversion and indicating the implications for the shareholders and for the employees of the adoption of the form of a *société anonyme*;
- 2° the draft terms of conversion shall be published in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>59</sup>» at least one month before the date of the general meeting called to decide on the draft terms of conversion;

(Law of 23 July 2016)

- 3° «prior to the general meeting referred to in paragraph 4, one or more *réviseurs d'entreprises* [statutory auditors] appointed by the management body shall certify that the company has (Law of 7 August 2023) «net assets» at least equivalent to its capital;
- 4° the general meeting of the *société européenne* (SE) shall approve the draft terms of conversion together with the articles of the *société anonyme*. The decision of the general meeting requires that the conditions as to quorum and majority laid down for the amendments to the articles are fulfilled.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 37.3 -37.7, Art. 37.9]

«Art. 420-21.

The following procedure shall be observed in case of conversion of a *société anonyme* into a *société européenne* (SE) in accordance with Article 100-3:

- 1° the management body of the *société anonyme* shall draw up draft terms for the conversion in writing and a report explaining and justifying the legal and economic

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<sup>58</sup>This Article was preceded by an Article 31-1 regarding the conversion into a *société anonyme* which was abrogated by the Law of 10 August 2016.

<sup>59</sup> See footnote under Article 100-13 (1).

aspects of the conversion and indicating the implications for the shareholders and for the employees of the adoption of the form of a *société européenne* (SE);

- 2° the draft terms of conversion shall be published in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>60</sup>» at least one month before the date of the general meeting called to decide on the draft terms of conversion;

(*Law of 23 July 2016*)

- 3° «prior to the general meeting referred to in paragraph 4, one or more *réviseurs d'entreprises* [statutory auditors] appointed by the management body shall certify that the company has net assets at least equivalent to its capital plus the reserves which may not be distributed under law or by virtue of the articles;»
- 4° the general meeting of the *société anonyme* shall approve the draft terms of conversion together with the articles of the *société européenne* (SE). The decision of the general meeting requires that the conditions as to quorum and majority laid down for the amendments to the articles are fulfilled;
- 5° the rights and obligations of the company to be converted on terms and conditions of employment arising from national law, practice and individual employment contracts or employment relationships and existing at the date of the registration shall, by reason of such registration, be transferred to the *société européenne* (SE);
- 6° the registered office may not be transferred to another Member State<sup>61</sup> pursuant to Chapter IX of the present Title, at the same time as the conversion is effected.»

(*Law of 24 April 1983*)

[2017/1132/EU art. 68.1 and 68.2]

**«Art. 420-22.**

(1) Any increase of capital shall be decided upon by the general meeting at the conditions provided for amendments to the articles<sup>62</sup>.

(2) (*Law of 25 August 2006*) «The constitutive instrument may, however, authorise the board of directors or the management board to increase the capital on one or more occasions up to a specified amount.»

(3) The general meeting may also grant such authorisation by means of an amendment to the articles.

(4) The rights attaching to the new shares shall be defined in the articles.

(5) (*Law of 10 August 2016*) «The authorisation shall be valid only for a period of up to five years from publication of the constitutive instrument or the amendment of the articles, or, if

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<sup>60</sup> See footnote under Article 100-13 (1).

<sup>61</sup> See definition in the sixth paragraph of Article 100-2.

<sup>62</sup> This principle has been set aside for certain conversions of share capital expressed in one of the currencies of one of the member states of the European Community having adopted the common currency into euro carried out no later than 31 December 2001 (or in one scenario, 30 June 2002) under the Law of 10 December, 1998 (as amended with effect from 1 January 2002 by the Law of 1 August 2001);

so provided by the articles, from the date of the constitutive instrument or the instrument amending the articles». It may be renewed on one or more occasions by the general meeting deliberating in accordance with the requirements for amendments to the articles, for a period which, for each renewal, may not exceed five years.»

*(Law of 10 August 2016)*

«(6) In case the issue of shares without nominal value at below the par value of the existing shares of the same category is on the agenda of a general meeting, this must be expressly specified in the convening notice.

The transaction must be the subject of a detailed report from the board of directors or the management board, as the case may be, on, in particular, the issue price and the financial consequences of the transaction for the shareholders. A report shall be drawn up by a *réviseur d'entreprises* [statutory auditor] appointed by the board of directors or the management board, in which he certifies that the financial and accounting information contained in the report from the board of directors or the management board is fair and adequate to inform the general meeting called to vote on the proposal.

These reports shall be filed in accordance with the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>63</sup>. They shall be announced in the agenda. Every shareholder shall be entitled to obtain a copy of the reports free of charge, upon production of his title, eight days before the meeting. A copy thereof shall be sent to the registered shareholders at the same time as the convening notice.

The failure to provide the report by the *réviseur d'entreprises* [statutory auditor] as provided for in sub-paragraph 2 shall invalidate the decision of the general meeting, unless all the shareholders of the company have waived the report.»

*(Law of 10 August 2016)*

«(7) Notwithstanding paragraph 6, the issue of shares without nominal value at below the par value of the existing shares of the same category may also be carried out within the authorised capital, provided however that the delegation to the board of directors or, as the case may be, the management board in accordance with paragraphs 2 or 3 includes an authorisation to issue new shares below the par value of the existing shares of the same category.

Where the proposal to authorise the board of directors or, as the case may be, the management board to issue new shares below the par value of the existing shares of the same category is on the agenda of a general meeting, the conditions referred to paragraph 6, sub-paragraphs 1 to 3 must be complied with.

The report of the board of directors or, as the case may be, the management board, referred to paragraph 6, sub-paragraph 2, shall, in that case, mention the minimum subscription price of the shares to be issued within the authorised capital.»

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<sup>63</sup> See footnote under Article 100-13 (1).

(Law of 24 April 1983)  
[2017/1132/EU art. 70]

**«Art. 420-23.**

(Law of 10 August 2016)

«(1) The formalities and conditions provided for the incorporation of companies shall apply to increases of capital by means of new contributions, subject to the following provisions.

(2) The members of the board of directors or of the management board, as the case may be, shall jointly and severally have the liability imposed on founders by Article 420-19.

(3) If the proposed increase of capital is not entirely subscribed for, the capital shall be increased by the amount of subscriptions received provided the conditions of the issue expressly provided for that possibility.

(4) The increase of capital shall be recorded in a notarial instrument, prepared at the request of the board of directors or of the management board, as the case may be, against presentation of the documents proving the subscriptions and payments in the case of an increase carried out by way of subscriptions or where it is effected pursuant to the authorisation provided for in Article 420-22. The notarial instrument must be drawn-up within one month from the end of the subscription period or within three months from the day on which that period commenced.

(5) At least one fourth of each share must be paid up, either by way of a contribution in cash, including by way of a set-off against claims on the company which are certain, of a fixed amount and due and payable or by way of a contribution in kind, or by way of incorporation of reserves, profits or share premium.

(6) In the case of contributions in kind, the shares must be paid up in full within five years from the time the increase of capital was resolved. A report shall be drawn up by a *réviseur d'entreprises* [statutory auditor] in accordance with Article 420-10; this *réviseur d'entreprises* [statutory auditor] shall be appointed by the board of directors or by the management board, as the case may be. The report of the *réviseur d'entreprises* [statutory auditor] shall be filed in accordance with the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>64</sup>.»

(Law of 10 August 2016)

**«Art. 420-24.**

In the event of a capital increase by way of incorporation of reserves, the new shares shall belong to the bare owner, subject to the rights of the usufructuary.»

(Law of 24 April 1983)  
[2017/1132/EU art. 69]

**«Art. 420-25.**

Where a share premium is provided for, the amount thereof must be paid up in full.»

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<sup>64</sup> See footnote under Article 100-13 (1).



*(Law of 24 April 1983)*

*[2017/1132/UE art. 72.1, 2, 3, 4, 5 et 7]*

**«Art. 420-26.**

(1) Shares to be subscribed for in cash shall be offered on a pre-emptive basis to shareholders in the proportion of the capital represented by their shares.

(2) The articles may provide that paragraph 1 shall not apply to shares which have different rights to participate in distributions or in the assets in the event of liquidation. The articles may also provide that, where the subscribed capital of a company with several classes of shares is increased by the issue of new shares of only one class, the pre-emptive right of the holders of shares of the other classes may not be exercised until after that right has been exercised by the holders of the shares of the class in which the new shares are issued.

(3) *(Law of 10 August 2016)* «The right to subscribe may be exercised within a period determined by the board of directors or by the management board, as the case may be, which may not be less than fourteen days from the publication of the offer on the *Recueil électronique des sociétés et associations* and in one newspaper published in the Grand Duchy of Luxembourg. However where all the shares are in registered form, the shareholders may be notified by registered letter, without prejudice to other means of communication which need to be accepted individually by their addressees and which warrant notification.»

(4) *(Law of 10 August 2016)* «The right to subscribe shall be transferable throughout the subscription period, and no restrictions may be imposed on such transferability.

By way of exception to the first sub-paragraph, the restrictions applicable to the securities in respect of which the subscription right arises shall also apply to such right.»

(5) *(Law of 25 August 2006)* «The articles may not withdraw or restrict pre-emption rights.

They may nevertheless authorise the board of directors or the management board, as the case may be, to withdraw or restrict these rights in relation to an increase of capital made within the authorised capital provided for in accordance with Article 420-22. Such authorisation shall not be valid for a longer period than the period provided for in Article 420-22, paragraph 5.

*(Law of 10 August 2016)* «A general meeting called upon to resolve, at the conditions prescribed for amendments to the articles, either upon an increase of capital or upon the authorisation to increase the capital in accordance with Article 420-22, paragraph 1, may limit or withdraw pre-emptive subscription rights or authorise the board of directors or the management board, as the case may be, to do so. Any proposal to that effect must be specifically announced in the convening notice. Detailed reasons therefor must be set out in a report prepared by the board of directors or by the management board, as the case may be, and presented to the meeting, dealing in particular with the proposed issue price. The failure to provide that report shall invalidate the decision of the general meeting, unless all the shareholders of the company have waived such report.»

*(Law of 10 August 2016)*

«(6) The articles may authorise the board of directors or the management board, as the case may be, to allocate existing shares or new shares to be issued free of charge, to salaried staff members of the company, or to certain categories of staff. Where the authorisation relates to shares to be issued, the provisions of paragraph 5 shall apply subject to the provisions of

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the present paragraph, and the authorisation granted by the general meeting shall by operation of law, operate as a waiver by the existing shareholders of their preferential subscription right for the benefit of the recipients of the shares allotted free of charge.

The general meeting may determine or authorise the board of directors or the management board, as the case may be, to determine the terms and conditions of the allocation, which may comprise a period [after which] the allocation is final and a minimum holding during which the recipients must retain the shares.

Shares may be allocated under the same conditions:

- 1° to salaried staff members of companies or economic interest groupings, at least 10 per cent of the capital or voting rights of which is directly or indirectly held by the company allocating the shares;
- 2° to salaried staff members of companies or economic interest groupings which directly or indirectly hold at least 10 per cent of the capital or voting rights of the company allocating the shares;
- 3° to salaried staff members of companies or economic interest groupings at least 50 per cent of the capital or voting rights of which are directly or indirectly held by a company which itself directly or indirectly holds at least 50 per cent of the capital of the company allocating the shares;
- 4° to corporate officers<sup>65</sup> of the company allocating the shares or of the companies and economic interest groupings, mentioned above or to certain categories thereof.»

(7) The pre-emptive subscription rights are not excluded as provided for in paragraph 5 where, in accordance with the decision relating to the increase of the subscribed capital, the shares are issued to banks or other financial institutions with a view to their being offered to the shareholders of the company in accordance with paragraphs 1 and 3.»

(8) *(Law of 7 August 2023)* « In the absence of provisions in the articles, third parties may take part in the capital increase at the end of the preferential subscription period set out in paragraph 3, except if the board of directors or, as the case may be, the management board decides that preferential rights shall be exercised in proportion to the capital represented by their shares, by the existing shareholders who already exercised their right during the preferential subscription period. In that case, the subscription terms of the existing shareholders shall be determined by the board of directors or, as the case may be, the management board.»

*(Law of 10 August 2016)*

«(9) Where shares are encumbered by usufruct, the preferential subscription right attached to such shares belongs to the bare owner. If the bare owner sells the subscription rights, the proceeds of the sale or the property acquired by the bare owner with such proceeds shall be subject to the usufruct. If the bare owner fails to exercise his right, the usufructuary may substitute himself to the bare owner to subscribe for the new shares or to sell the rights.

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<sup>65</sup> This includes directors and members of the management board and supervisory board.

In the latter case, the bare owner may demand that the proceeds of the sale be re-invested; the property so acquired shall be subject to the usufruct. *Vis-à-vis* the usufructuary, the bare owner of shares shall be deemed to have failed to exercise the preferential subscription right for the new shares issued by the company, where he has neither subscribed for new shares, nor sold the subscription rights, eight days before the expiry of the subscription period available to the shareholders.

The bare ownership of the new shares belongs to the bare owner and the usufruct of the new shares belongs to the usufructuary. However, in the event of payment of funds by the bare owner or the usufructuary in order to make or complete a subscription, the new shares shall belong to the bare owner and to the usufructuary only up to the value of the subscription rights; the excess of the new shares shall belong, in full ownership, to the party who has paid such funds.

The present paragraph shall also apply in the case of allocation of free securities. Where the bare owner must apply for the allocation of securities, he shall be deemed, *vis-à-vis* the usufructuary, to have failed to exercise his right to the allocation of free shares, where he has neither applied for such allocation nor sold the rights, three months after the start of the allocation proceedings.

The provisions of the present paragraph shall apply in the absence of provisions in the agreement between the parties.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 68.4 and art. 72.6]*

**«Art. 420-27.»**

*(Law of 10 August 2016)*

«Articles 420-22, 420-23 excluding its paragraph 6, and 420-26 shall apply to the issue of convertibles bonds, any other debt instruments convertible into capital and subscription rights which are separated or attached to another security. Article 420-23, paragraph 6, shall however apply to the issue of convertible bonds and any other debt instruments convertible into capital where the subscription price of such instruments is paid up in kind.

Article 420-25 shall apply to the conversion of convertible bonds and any other debt instruments convertible into capital as well as to the exercise of subscription rights which are separated or attached to another security. Articles 420-22, 420-23 and 420-26 shall not apply to the cases referred to in this paragraph.

The conversion of convertible bonds is regarded as a contribution in cash payable by way of a set-off against a claim on the company, and shall be subject to the same conditions as such a contribution.

The decision by the board of directors to issue convertible bonds or any other debt instruments convertible into capital or subscription rights must be passed during the authorisation period. This decision shall reduce the available amount of the authorised capital accordingly. The conversion of convertible bonds or the exercise of subscription rights

may occur after the end of the authorisation period.»<sup>66</sup>

### Chapter III - The shares and their transfer

(Law of 21 December 2006)

«Art. 430-1.»

(Law of 10 August 2016)

«(1) The capital of *sociétés anonymes* shall be divided into shares, with or without an indication of value.

Securities may be created which do not represent the corporate capital and which are referred to by the present law as «profit units». The articles shall specify the rights attaching thereto.

Shares and profit units are in registered, bearer or dematerialised form.

Shares may be issued in denominations of less than one share, an appropriate number thereof conferring the same rights as a share subject to article 450-4.

Shares and smaller denominations of shares shall bear a serial number, unless they are dematerialised.»

(Law of 10 August 2016)

«(2) The articles, the issue instruments of convertible bonds or of subscription rights may restrict the transferability *inter vivos* or the transmissibility upon death of shares of any kind, profit units, subscription rights or any other securities carrying the right to acquire shares, including convertible bonds, bonds with subscription rights or bonds redeemable in shares or any other debt instruments convertible into capital.

Inalienability clauses must be limited in time.

However where the restriction results from an approval clause or a clause providing for a pre-emption right, the application of such clauses may not result in the extension of the non-transferability by more than twelve months from the application for approval or the invitation to exercise the pre-emption right.

Where the clauses referred to in sub-paragraph 3 provide for a time limit exceeding twelve months, this time limit shall automatically be reduced to twelve months.

If the articles do not specify the terms for determining the sale price of the shares, profit units, rights or securities referred to in first sub-paragraph, this price shall, in the absence of agreement between the parties, be determined by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters. The value of the shares, profit units, rights or securities referred to in first sub-paragraph shall be determined on the day of notification of the sale in the event of a sale *inter vivos* and on the day of death in the event of a transmission upon death.

Any sale in breach of the provisions of the articles shall be void.»

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<sup>66</sup> This Article was followed by the four former Articles 33 to 36 repealed by the Law of 10 July 2005.

**Art. 430-2.**

If there are several owners of a share or smaller denomination of one share, the company shall be entitled to suspend the exercise of the rights attaching thereto until one person is designated as being the owner, vis-à-vis the company, of the share or smaller denomination. (Law of 10 August 2016) «Joint owners have nevertheless the right to information provided for in Article 461-6.»

**Art. 430-3.**

A register of the registered shares shall be maintained at the registered office and every shareholder may examine it; the register shall specify:

- 1° the precise designation of each shareholder and the number of shares or fractional shares held by him;
- 2° the payments made on the shares;
- 3° (Law of 6 April 2013) «transfers and the dates thereof or the conversion of shares into shares in bearer or dematerialised form, if the articles allow therefor.»

**Art. 430-4.**

Ownership of registered shares shall be established by an entry in the register prescribed in the foregoing Article.

(Law of 6 April 2013) «The company must satisfy the request of a person inscribed in the register to issue a certificate relating to the shares registered under that person's name.»

Transfers shall be carried out by means of a declaration of transfer entered in the said register, dated and signed by the transferor and the transferee or by their duly authorised representatives, and in accordance with the rules on the assignment of claims laid down in Article 1690 of the Civil Code. The company may accept and enter in the register a transfer on the basis of correspondence or other documents recording the agreement between the transferor and the transferee.

Subject to any contrary provisions of the articles, transmission, in the case of death, shall be validly established vis-à-vis the company, provided that no objection is filed, on production of a death certificate, the certificate of registration and an affidavit (*acte de notoriété*) attested by a *juge de paix* or a notary.

**Art. 430-5.**

(Law of 10 August 2016)

«Bearer shares shall be signed by two directors or two members of the management board, as the case may be, or where the company comprises a single director or where the management board is composed of a single person, by such person. Subject to contrary provisions of the articles, the signature may be manual, in facsimile or affixed by means of a stamp.

However, one of the signatures may be affixed by a person delegated for that purpose by the board of directors or by the management board, as the case may be. In such case, it must be manual.

A certified true copy of the instrument delegating authority to such a person who is not a member of the board of directors or of the management board, as the case may be, shall be filed in advance in accordance with the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>67</sup>.

The share shall indicate:

- 1° the date of the constitutive instrument of the company and the date of publication thereof;
- 2° the capital of the company, the number and type of each class of shares and the nominal value of the securities or the interest in the company which they represent;
- 3° a brief description of the contributions made to the company and the conditions on which they are made;
- 4° any special advantages conferred upon the founders;
- 5° the duration of the company.

The preceding paragraph is not applicable to global share certificates taking the form of global bearer certificates deposited with a securities settlement system. The number of (*Law of 7 August 2023*) «shares represented» by these certificates must be determined or be capable of being determined.»

**Art. 430-6.**

(*Law of 28 July 2014*)

(1) Bearer shares shall be deposited with a depositary appointed by the board of directors or the management board, as the case may be, and which meets the conditions set out in paragraph 2.

(2) The depositary may not be a shareholder of the issuing company. Only the following professionals established in the Grand Duchy of Luxembourg can be appointed as depositaries:

- 1° credit institutions;
- 2° private portfolio managers;
- 3° distributors of units in UCIs;
- 4° specialised professionals of the financial sector (PFS) approved as Family Office, corporate domiciliary agent, professional providing company incorporation and management services, registrar agent or professional depositary of financial instruments;
- 5° *avocats à la Cour* registered on List I and European lawyers practising under their professional home-country titles registered on List IV of the bar roll referred to in Article 8, paragraph 3 of the amended Law of 10 August 1991 on the legal profession;
- 6° notaries;

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<sup>67</sup> See footnote under Article 100-13 (1).

7° *réviseurs d'entreprises* [statutory auditors] and *réviseurs d'entreprises agréés* [approved statutory auditors];

8° chartered accountants.

(3) The depositary shall maintain a register of bearer shares in the Grand Duchy of Luxembourg; the register shall specify:

1° the precise designation of each shareholder and the number of shares or fractional shares;

2° the deposit date;

3° transfers and the dates thereof or the conversion of shares into registered shares.

Each bearer shareholder has the right to examine only the registrations which concerns him/her.

(4) The depositary shall hold the shares deposited in accordance with paragraph 1 on behalf of the shareholder who owns them. The ownership of the bearer share shall be registered in the register. Upon written request by the bearer shareholder, a certificate recording all registrations regarding him/her shall be delivered to him/her by the depositary.

Transfers are effective vis-à-vis third parties upon registration thereof on the register by the depositary. The depositary may for these purposes accept any document or notification recording the transfer of ownership between the transferor and the transferee.

Unless otherwise provided in the articles, the notification of a transfer in case of death shall be validly established vis-à-vis the depositary, provided no objection has been filed, on production of a death certificate, the registration certificate and a witness affidavit (*acte de notoriété*) passed before a *juge de paix* or a notary.

(5) The rights attaching to bearer shares may only be exercised on deposit of the bearer share with the depositary and on registration of all particulars in the register in accordance with paragraph 3.

(6) The depositary may not release bearer shares, except in the following cases where it must deliver the bearer shares:

1° to its successor in its capacity as depositary, in the event of termination of its appointment;

2° to the company, in the event of conversion of the bearer shares into registered shares, in the event of repurchase by the company of its own shares in accordance with Articles 430-15 and 430-16 and in the event of amortisation of the capital in accordance with Article 450-6.

(7) The liability of the depositary, insofar as it derives from its obligations under paragraphs 3, 4 and 6, shall be determined according to the same rules as those applicable to the liability of directors or of the members of the management board, as the case may be.»<sup>68</sup>

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<sup>68</sup> Article 6 of the Law of 28 July 2014 regarding the immobilisation of bearer shares and units and the keeping of the register of registered shares and the register of bearer shares, published on 14<sup>th</sup> August 2014:

(Law of 6 April 2013)

**«Art. 430-7.**

Dematerialised shares are materialised by way of an inscription in a securities account in the name of the accountholder held at a settlement institution, a central account keeper, an accounts' keeper or a foreign accounts' keeper. Transfers shall be carried out by way of book entry<sup>69</sup>.»

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«(1) *Sociétés anonymes, sociétés en commandite par actions* and management companies of undertakings for collective investment set up in the form of common funds (*fonds commun de placement*) having issued bearer shares or units prior to the entry into force of this law, shall appoint a depositary within six months from the entry into force of this law.

(2) Bearer shares or units issued by *sociétés anonymes, sociétés en commandite par actions* and management companies of undertakings for collective investment set up in the form of common funds (*fonds commun de placement*) having issued bearer shares or units prior to the entry into force of this law must be deposited with the appointed depositary within eighteen months from the entry into force of this law.

(3) Voting rights attached to bearer shares or units which have not been immobilised within six months from the entry into force of this law shall automatically be suspended at the end of that period until their immobilisation. When this same period expires, distributions shall be deferred until the date of immobilisation, subject to the distribution rights not being time-barred, and such deferral shall not give rise to the payment of any interest.

(4) Those shares or units whose voting rights have been suspended shall not be taken into account when calculating the quorum and majority during general meetings. Holders of such shares or units shall not be admitted to these general meetings.

(5) Bearer shares or units which have not been immobilised within eighteen months from the entry into force of this law, shall be cancelled and the subscribed capital shall be reduced by a corresponding amount.

The cancellation of the shares or units shall be carried out at price obtained by dividing the amount of equity in the company, resulting from the company's latest balance sheet drawn up as at a date which may not be earlier than two months prior to the cancellation decision, by the number of shares or units of the company in issue, such price being reduced by the amount of share premium and reserves which, according to the law and the articles, may not be distributed as well as by the fees and commissions relating to the deed of capital reduction.

The funds corresponding to the shares or units so cancelled or, in the absence thereof, other assets with a value equal to the cancelled shares or units shall be deposited with the *Caisse de consignation* (Consignment Office) until such time as a person who has been able to prove his/her capacity as holder applies for their remittance.

(6) Managers or directors are punishable by a fine of 5,000 to 125,000 euros in case they knowingly:

1° fail to appoint a depositary in accordance with the provisions of paragraph 1;

2° recognise rights attaching to bearer shares or units, in breach of the provisions of paragraphs 3 and 4;

3° fail to cancel non-immobilised bearer shares or units, to reduce the subscribed capital and to deposit the corresponding funds pursuant to the provisions of paragraph 5.»

<sup>69</sup>Certain terms used in this Article are defined in Article 1 of the Law of 6 April 2013 on dematerialised securities:

- «accountholder» means «a person, a common fund or a securitisation fund in whose name a settlement institution, a central account keeper or an accounts' keeper keeps a securities account irrespective of whether such person is acting on its own account or on account of a third party»;
- «accounts' keeper» means «a person who is authorised under Luxembourg law to keep securities accounts, including domestic or international public institutions established in Luxembourg and operating in the financial sector»;
- «central account keeper» means «any person authorised by the Minister with responsibility for the CSSF as a central account keeper in accordance with the provisions of the amended Law of 5 April 1993 on the financial sector»;
- «foreign accounts' keeper» means «any person, other than [a Luxembourg accounts keeper] whose securities accounts' keeping activity is subject to foreign law»;
- «securities account» means «an account at a settlement institution, a central account keeper or an accounts' keeper on which securities may be credited or from which securities may be debited. The



**Art. 430-8<sup>70</sup>.**

Shares shall be in registered form until they are fully paid-up.

*(Law of 6 April 2013)*

«The owners of shares or securities<sup>71</sup> in bearer form may, at any time, request that they be converted, at their expense, into shares or securities in registered form or, if the articles so provide, into shares or securities in dematerialised form<sup>72</sup>. In the latter case, costs are to be borne by the person provided for in the law on dematerialised securities<sup>73</sup>.

Unless the articles expressly provide otherwise, the owners of shares or securities in registered form may, at any time, request conversion thereof into shares or securities in bearer form.

If the articles so provide, the owners of shares or securities in registered form may request conversion thereof into shares or securities in dematerialised form. Costs are to be borne by the person provided for in the law on dematerialised securities.

The holders of dematerialised shares or securities may, at any time, request that they be converted, at their expense, into shares or securities in registered form unless the articles provide for mandatory dematerialisation of shares or securities.»<sup>74</sup>

*(Law of 8 August 1985)*

**«Art. 430-9.»**

*(Law of 10 August 2016)*

(1) «Non-voting shares may be issued:

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issuance account at a settlement institution or a central account keeper does not constitute a securities account»;

- «settlement institution» means «a securities settlement system within the meaning of the law on payment services, designated as such by the Luxembourg Central Bank and notified to the European Commission by the Minister responsible for the financial center, and where the operator of the system is established in Luxembourg».

<sup>70</sup> This Article included a first sub-paragraph repealed by the Law of 10 August 2016.

<sup>71</sup> This term is defined in Article 1 of the Law of 6 April 2013 on dematerialised securities as follows:

«securities» means «in the broadest sense:

(a) equity securities issued by joint-stock corporations governed by Luxembourg law including shares, profit units, subscription rights and units of common funds;

(b) debt securities governed by Luxembourg law, such as financial instruments which may be in bearer form, and instruments representing public debt.

(c) For the purposes of the present law, the following are not considered securities:

– bills of exchange

– securities which are redeemable by drawing of numbered lots

– shares issued by pension savings companies with variable capital.»

<sup>72</sup> This term is defined in Article 1 of the Law of 6 April 2013 on dematerialised securities as follows:

«dematerialised securities» means «securities of an issuer issued or converted exclusively by way of registration in an issuance account held at a settlement institution or a central account keeper»

<sup>73</sup> Article 18(1) of the Law of 6 April 2013 on dematerialised securities states that: «If the conversion of equity securities is optional, the conversion costs incurred by the issuer shall be borne by the person designated in the articles or the management regulations of the issuer. If there is no indication in the articles or the management regulations, the costs shall be borne by the issuer.»

<sup>74</sup> This Article was followed by an Article 44 repealed by the Law of 10 August 2016.

- 1° at the incorporation of the company if provided for by the articles;
- 2° by an increase of capital;
- 3° by the conversion of ordinary shares into non-voting shares.

In the latter two cases, the general meeting shall deliberate in accordance with the rules laid down in Article 450-3, paragraphs 1 and 2.

(2) Non-voting shares may be issued only if the right to a dividend in the event of distribution of profits, the right to reimbursement of the contribution and, as the case may be, the right to distribution of liquidation proceeds are determined by the articles.

(3) The general meeting shall determine the maximum amount of such shares to be issued.

(4) If non-voting shares are created by the conversion of ordinary shares in issue or, where authority for that purpose is included in the articles if non-voting shares are converted into ordinary shares, the general meeting shall determine the maximum amount of shares to be converted and the conditions for conversion.

The offer for conversion shall be made at the same time to all shareholders in proportion to the amount of capital held. The right to subscribe may be exercised within a period to be determined by the board of directors or by the management board, as the case may be, which may not be less than thirty days from the start of the subscription period which shall be announced by means of a notice determining the subscription period which shall be published on the *Recueil électronique des sociétés et associations* and in one newspaper published in the Grand Duchy of Luxembourg.

However, where all shares are in registered form, the shareholders may be notified by registered letter without prejudice to other means of communication which need to be accepted individually by their addressees and must guarantee [their] information. »

*(Law of 8 August 1985)*

**«Art. 430-10.»**

*(Law of 10 August 2016)*

«(1) Non-voting shares shall be entitled to vote where the deliberation of the general meeting is such that it may result in an amendment of the rights attaching to the non-voting shares as well as in any general meeting called upon to decide on the reduction of capital or on the early dissolution of the company.

(2) Save where they have voting rights, no account shall be taken of non-voting shares in determining the conditions as to quorum and majority at general meetings.»

*(Law of 8 August 1985)*

**«Art. 430-11.»**

*(Law of 10 August 2016)*

«The convening notices, reports and documents which, by virtue of the provisions of this law, must be sent or notified to the shareholders of the company shall likewise be sent or notified to the holders of non-voting shares within the periods prescribed for that purpose.»

**Art. 430-12.**

A statement regarding the capital of the company shall be published once each year, at the end of the balance sheet.

*(Law of 24 April 1983)*

*[2017/1132/EU art. 4]*

«It shall comprise:

- 1° the number of shares subscribed for;
- 2° the amounts paid-up;
- 3° a list of the shareholders who have not yet paid-up their shares, specifying the sums remaining due from them.»

The publication of this list shall, as regards the changes of the shareholders recorded therein, have the same effect as a publication made in accordance with Article 100-13.

In the event of an increase of capital, the statement shall indicate a mention of the portion of the capital which shall not yet have been subscribed for.

**Art. 430-13.**

Notwithstanding any provision to the contrary, shareholders shall be liable for the total amount of their shares.

However, a valid transfer of the shares shall release them, vis-à-vis the company, from the obligation to make any contribution to debts arising after the transfer, and vis-à-vis third parties they shall be released from the obligation to make any contribution to debts arising after publication of the transfer.

Every transferor shall have a right of recourse jointly and severally against his immediate transferees and the subsequent transferees.

*(Law of 24 April 1983)*

*[2017/1132/EU art. 59]*

**«Art. 430-14.**

(1) The shares of a company may not be subscribed for by the company itself.

(2) If the shares of a company have been subscribed for by a person acting in his own name but on behalf of the company, the subscriber shall be deemed to have subscribed for them for his own account.»

(3) *(Law of 10 August 2016)* «The natural or legal persons referred to in Article 420-15, point 1°, as well as the parties to the instrument referred to in Article 420-17, paragraph 2 or, in the case of an increase of the subscribed capital, the members of the board of directors or of the management board, as the case may be, shall be jointly and severally obliged to pay-up any shares subscribed for in contravention of the present Article.

However, the above-mentioned persons may be released from that obligation on proving that no misconduct is attributable to them personally.»

*(Law of 24 April 1983)*  
*[2017/1132/EU art. 60]*

**«Art. 430-15.**

(1) *(Law of 10 June 2009)* Without prejudice to the principle of equal treatment of all shareholders who are in the same position, (...) <sup>75</sup> the company may acquire its own shares, either itself or through a person acting in its own name but on the company's behalf, only subject to the following conditions:

- 1° the authorisation to acquire shares shall be given by the general meeting, which shall determine the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the authorisation is given and which may not exceed 5 years and, in the case of acquisition for value, the maximum and minimum consideration. The board of directors or the management board shall satisfy themselves that, at the time of each authorised acquisition, the conditions referred to in points 2° and 3° are respected;
- 2° the acquisitions, including shares previously acquired by the company and held by it, and shares acquired by a person acting in his own name but on the company's behalf, may not have the effect of reducing the net assets below the amount mentioned in Article 461-2, paragraphs 1 and 2;
- 3° only fully paid-up shares may be included in the transaction;»

*(Law of 10 August 2016)*

- 4° «the acquisition offer must be made on the same terms and conditions to all the shareholders who are in the same position, except for acquisitions which were unanimously decided by a general meeting at which all the shareholders were present or represented: in addition, listed companies may repurchase their own shares on the stock exchange without an acquisition offer having to be made to the shareholders.»

(2) *(Law of 25 August 2006)* «Where the acquisition of the company's own shares is necessary in order to prevent serious and imminent harm to the company, the condition under paragraph 1, point 1°, above shall not apply.

In such a case, the next general meeting must be informed by the board of directors or by the management board, as the case may be, of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value, of the shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.»

(3) *(Law of 10 August 2016)* «The condition under paragraph 1, point 1°, shall likewise not apply in the case of shares acquired by either the company itself or by a person acting in its own name but on behalf of the company for the distribution thereof to the staff of the company or to the staff of a company with which it is in a control relationship. For the purposes of this Article, control relationship means the relationship existing between a parent company and a subsidiary in the cases referred to in Article 1711-1.»

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<sup>75</sup> Terms deleted by the Law of 7 August 2023.

The distribution of any such shares must take place within twelve months from the date of their acquisition.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 61]*

**«Art. 430-16.**

(1) *(Law of 10 August 2016)* «Article 430-15 shall not apply to:

- 1° shares acquired pursuant to a decision to reduce the capital or in the circumstances referred to in Article 430-22;
- 2° shares acquired as a result of a universal transfer of assets;
- 3° fully paid-up shares acquired free of charge or acquired by banks and other financial institutions pursuant to a purchase commission contract<sup>76</sup>;
- 4° shares acquired by reason of a legal obligation or a court order for the protection of minority shareholders, in the event, particularly of a merger, the division of the company, a change in the company's object or form, the transfer abroad of the registered office or the introduction of restrictions on the transfer of shares;
- 5° shares acquired from a shareholder in the event of failure to pay them up;
- 6° fully paid-up shares acquired pursuant to an allotment by court order for the payment of a debt owed to the company by the owner of the shares;
- 7° fully paid-up shares issued by an investment company with fixed capital as defined in Article 461-4 and acquired at the investor's request by that company or by a person acting in his own name but on behalf of that company.»

These acquisitions may not have the effect of reducing the net assets below the aggregate of the subscribed capital and the reserves which may not be distributed under law.

(2) Shares acquired in the cases indicated under paragraph 1, points 2° to 6° of paragraph 1 must however be disposed of within a maximum period of three years after their acquisition, unless the nominal values, or, in the absence of nominal value, the accounting par value of the shares acquired, including shares which the company may have acquired through a person acting in its own name, but on behalf of the company, does not exceed 10 percent of the subscribed capital.

(3) If the shares are not disposed of within the period prescribed in paragraph 2, they must be cancelled. The subscribed capital may be reduced by a corresponding amount. Such a reduction shall be compulsory where the acquisitions of shares to be cancelled results in the net assets having fallen below the amount referred to in Article 461-2.»

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<sup>76</sup> The directive speaks of « fully paid up shares (...) acquired by banks (...) as purchasing commission. »

*(Law of 24 April 1983)*  
*[2017/1132/EU art. 62]*

**«Art. 430-17.**

Any shares acquired in contravention of Articles 430-15 and 430-16 paragraph 1, point 1°, must be disposed of within a period of one year after the acquisition. Should they not be disposed of within that period, Article 430-16 paragraph 3 shall apply.»

*(Law of 24 April 1983)*  
*[2017/1132/EU art. 63]*

**«Art. 430-18.**

(1) In those cases where the acquisition by the company of its own shares is permitted in accordance with Articles 430-15 and 430-16, the holding of such shares shall be subject to the following conditions:

1° *(Law of 10 August 2016)* «voting rights in respect of the shares held by the company shall be suspended. Repurchased shares shall not be taken into account when calculating the quorum and majority in meetings.

If the board of directors decides to suspend the right to dividends of the shares held by the company, the dividend coupons shall remain attached thereto. In that case, the distributable profit shall be reduced according to the number of securities held and the sums which should have been allocated shall be retained until the sale of the shares with coupons attached. The company may also maintain the distributable profit at the same amount and allocate it among the shares in respect of which the exercise of rights is not suspended. In the latter case, matured coupons shall be cancelled.

If the company holds repurchased profit units, it may not exercise attached voting rights.

If the company holds profit units entitled to dividends, the provisions of the second subparagraph shall apply;»

2° if the said shares are included among the assets shown in the balance sheet, a non-distributable reserve of the same amount shall be created among the liabilities.

(2) Where a company has acquired its own shares in accordance with Articles 430-15 and 430-16, the management report must indicate:

1° the reasons for acquisitions made during the financial year;

2° the number and the nominal value, or in the absence of nominal value, the accounting par value, of the shares acquired and disposed of during the financial year and the proportion of the subscribed capital which they represent;

3° in the case of acquisition or disposal for value, the consideration for the shares;

4° the number and nominal value, or, in the absence of nominal value, the accounting par value, of all the shares acquired and held in the company's portfolio as well as the proportion of the subscribed capital which they represent.»

(Law of 24 April 1983)  
[2017/1132/EU art. 64]  
«Art. 430-19.

(1) (Law of 10 June 2009) «A company may not directly or indirectly, advance funds or make loans or provide security with a view to the acquisition of its shares by a third party except under the following conditions:

(Law of 10 August 2016)

1° «These transactions take place under the responsibility of the board of directors or of the management board at fair market conditions, especially with regard to interest received by the company and with regard to security provided to the company for the loans and advances referred to above.» The credit standing of the third party or, in the case of multiparty transactions, of each counterparty thereto shall have been duly investigated.

(Law of 10 August 2016)

2° «The transactions shall be submitted by the board of directors or the management board for prior approval to the general meeting deliberating under the same conditions as for amendments to the articles. The board of directors or the management board shall present a written report to the general meeting, indicating the reasons for the transaction, the interest of the company in entering into the transaction, the conditions on which the transaction is entered into, the risks involved in the transaction for the liquidity and solvency of the company and the price at which the third party is to acquire the shares. This report shall be deposited at the register of commerce and companies in accordance with the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>77</sup> and will be published on the *Recueil électronique des sociétés et associations* in accordance with Article 100-13, paragraph 3. »

3° The aggregate financial assistance granted to third parties shall at no time result in the reduction of the net assets below the amount specified in Article 461-2, paragraphs 1 and 2, taking into account also any reduction of the net assets that may have occurred through the acquisition, by the company or on behalf of the company, of its own shares in accordance with Article 430-15, paragraph 1. The company shall include, among the liabilities in the balance sheet, a reserve, unavailable for distribution, of the amount of the aggregate financial assistance.

4° Where a third party, by means of financial assistance from a company, acquires that company's own shares within the meaning of Article 430-15 paragraph 1), or subscribes for shares issued in the course of an increase in the subscribed capital, such acquisition or subscription shall be made at a fair price.

(2) (Law of 10 August 2016) «Paragraph 1 shall not apply to transactions concluded by banks and other financial institutions in the normal course of business nor to transactions effected with a view to the acquisition of shares by or for the staff of the company or a company

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<sup>77</sup> See footnote under Article 100-13 (1).

related to the latter by a controlling relationship. However, such transactions may not have the effect of reducing the net assets of the company below the aggregate of the capital and the reserves which may not be distributed under law or the articles.»

(3) Paragraph 1 shall not apply to transactions carried out with a view to acquire shares as described in Article 430-16, paragraph 1, point 7°.»

(Law of 10 June 2009)  
[2017/1132/EU art. 65]

**«Art. 430-20.**

In those cases where members of the board of directors or of the management board of the company being party to a transaction referred to in Article 430-19, paragraph 1 or of a parent company, or such parent company itself, or third parties acting in their own name but on behalf of the members of the board of directors or of the management board or on behalf of such company, are counterparties to a transaction referred to in Article 430-19, the *commissaire(s)* [supervisory auditor(s)] or the *réviseur d'entreprises (...)*<sup>78</sup>[statutory auditor] shall provide a special report on the transaction to the general meeting who shall decide on that report.»

(Law of 24 April 1983)  
[2017/1132/EU art. 66]

**«Art. 430-21.**

(1) The acceptance of the company's own shares as security either by the company itself or by a person acting in his own name, but on behalf of the company, shall be treated as an acquisition for the purposes of Articles 430-15, 430-16, paragraph 1 and Articles 430-18 and 430-19.»

(2) (Law of 10 August 2016) «Paragraph (1)<sup>79</sup>» shall not apply to transactions concluded by banks and other financial institutions in the normal course of business.

(Law of 24 April 1983)  
[2017/1132/EU art. 82]

**«Art. 430-22.**

By way of derogation from the foregoing, the issue of redeemable shares shall be authorised provided that the redemption thereof is subject to the following conditions:

- 1° the redemption must be authorised by the articles before the redeemable shares are subscribed for;
- 2° the shares must be fully paid-up;
- 3° the terms and conditions for the redemption must be laid down in the articles;

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<sup>78</sup> The term «*agr  e*» [approved], included pursuant to Article 103 of the Law of 18 December 2009 on the audit profession has been removed by the Law of 23 July 2006 on the audit profession.

<sup>79</sup> The law of 10 August 2016 corrected the erroneous reference in French to «paragraph 1<sup>er</sup>» by a reference to «paragraph (1) ». The consolidated version of the law resulting from Grand-Ducal Regulation of 5 December 2017 again contains the erroneous reference to «paragraph 1<sup>er</sup>» which is not reflected herein.



- 4° redemption can only be made by using sums available for distribution in accordance with Article 461-2 or the proceeds of a new issue made with a view to carry out such redemption;
- 5° an amount equal to the nominal value, or, in the absence thereof, the accounting par value, of all the shares redeemed must be included in a reserve which cannot be distributed to the shareholders except in the event of a reduction in the subscribed capital; the reserve may only be used to increase the subscribed capital by capitalisation of reserves;
- 6° sub-paragraph 5° shall not apply to a redemption using the proceeds of a new issue made with a view to carry out such redemption;
- 7° where provision is made for the payment of a premium to shareholders in consequence of a redemption, the premium may be paid only from sums which are available for distribution in accordance with Article 461-2, paragraph 1.
- 8° the redemption shall be published in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>80</sup>».

(*Law of 12 March, 1998*)

[2017/1132/EU art. 67]

«Art. 430-23.<sup>81</sup>

(*Law of 10 August 2016*)

«(1) The subscription, acquisition or holding of shares in a *société anonyme* by another company within the meaning of «Annex II of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>82,83</sup> in which the *société anonyme* directly or indirectly holds a majority of the voting rights or on which it can directly or indirectly exercise a dominant influence shall be regarded as having been effected by the *société anonyme* itself. Article 430-18, paragraph 1, point 2°, shall however not apply where the company is directly controlled by the *société anonyme*.

The first sub-paragraph shall also apply where the other company is governed by the law of a third country and has a legal form comparable to those listed in «Annex II of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law »<sup>84</sup>. »

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<sup>80</sup> See footnote under Article 100-13 (1).

<sup>81</sup> Article IV of the Law of 12 March 1998 specifies:

«Article 49*bis* [now : art. 430-23] does not apply to acquisitions made before the entry into force of this law. However, the voting rights attached to those share are suspended and those shares shall be taken into account in order to determine whether the condition laid-down in Article 49-2, paragraph (1) 2° [now : art. 430-15 (1) 2°] is fulfilled.»

<sup>82</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>83</sup> For Luxembourg, these are *sociétés anonymes*, *sociétés en commandite par actions* and *sociétés à responsabilité limitée*.

<sup>84</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

(2) However, where the *société anonyme* holds a majority of the voting rights only indirectly or can exercise a dominant influence only indirectly, paragraph 1 does not apply, but in such case the voting rights attached to the shares in the *société anonyme* held by the other company are suspended.

(3) For the purpose of this Article:

- 1° a *société anonyme* is deemed to be able to exercise a dominant influence if it:
  - a) has the right to appoint or dismiss a majority of the members of the administrative organ, of the management organ or of the supervisory organ, and is at the same time a shareholder or member of the other company
  - or
  - b) is a shareholder or member of the other company and has sole control of the majority of the voting rights of the other company's shareholders or members under an agreement concluded with other shareholders or members of that company.
- 2° a *société anonyme* is deemed to indirectly hold voting rights where such voting rights are held by a company having one of the legal forms referred to in paragraph 1 in which the *société anonyme* directly holds a majority of the voting rights
- 3° a *société anonyme* is deemed to be able to indirectly exercise a dominant influence on another company where the *société anonyme* directly holds the majority of the voting rights in a company having one of the legal forms referred to in paragraph 1 which
  - a) has the right to appoint or dismiss the majority of the members of the administrative organ, of the management organ or of the supervisory organ and is, at the same time, a shareholder or member of the other company
  - or
  - b) is a shareholder or member of the other company and has sole control of the majority of the voting rights of the other company's shareholders or members under an agreement concluded with other shareholders or members of that company.
- 4° a *société anonyme* is deemed to hold voting rights where, in application of the articles, the law or an agreement, it is entitled to exercise the voting rights attached to the shares of the company and can in fact exercise them.

(4) Paragraph 1 shall not apply where

- 1° a subscription, acquisition or holding is effected on behalf of a person other than the person subscribing, acquiring or holding the shares and who is neither the *société anonyme* referred to in paragraph 1 nor another company in which the *société anonyme* directly or indirectly holds a majority of the voting rights or on which it can directly or indirectly exercise a dominant influence;
- 2° (Law of 10 August 2016) «the subscription, acquisition or holding is effected by the other company referred to in paragraph 1 in its capacity and in the context of its

activities as a professional dealer in securities, provided that it is a member of a stock exchange situated or operating within a (*Law of 7 August 2023*) «Member State»<sup>85</sup>, or is authorised or supervised by an authority of a (*Law of 7 August 2023*) «Member State» competent to supervise professional dealers in securities which, within the meaning of this Article, may include credit institutions.»

(5) Paragraph 1 does not apply where the holding of shares in the *société anonyme* by the other company referred to in paragraph 1 results from an acquisition made before the relationship between the two companies corresponded to the criteria laid down in paragraph 1.

However, the voting rights attached to those shares shall be suspended and those shares shall be taken into account in order to determine whether the condition laid down in Article 430-15, paragraph 1, point 2° is fulfilled.

(6) Article 430-16 , paragraphs 2 and 3, and Article 430-17 shall not apply where shares in a *société anonyme* are acquired by the other company referred to in paragraph 1 provided:

- 1° the voting rights attached to the shares in the *société anonyme* held by the other company are suspended  
and
- 2° (*Law of 25 August 2006*) «the members of the management body of the *société anonyme* are obliged to buy back from the other company the shares referred to in Article 430-16, paragraphs 2 and 3, and in Article 430-17 at the price at which the other company acquired them; this sanction shall be inapplicable only where such members prove that the *société anonyme* played no part whatsoever in the subscription for or acquisition of the shares in question.»

(*Law of 25 August 2006*)

## **«Chapter IV - Management and supervision of sociétés anonymes and of sociétés européennes (SE)»**

### *«Section 1 - The board of directors»*

#### **Art. 441-1.**

*Sociétés anonymes* are managed by agents appointed for a specific period, who may, but are not required to be shareholders, who may be removed from office and who may receive a salary or not.

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<sup>85</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. See also the definition of «Member State» in the sixth paragraph of Article 100-2.

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 43]

**«Art. 441-2.**

There must be at least three directors<sup>86</sup>.

However, where the company has been formed by a single shareholder or where it has been established at a general meeting of shareholders that the company has a single shareholder, the board of directors can be made up by one member until the ordinary general meeting following the establishment of the existence of more than one shareholder.

In the *société européenne* (SE), the number of directors or the rules for determining it shall be laid down in its articles. However, there must be at least three directors where employee participation in the *société européenne* (SE) is regulated in implementation of Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees<sup>87</sup>.

They shall be appointed for a term set by the general meeting of shareholders<sup>88,89</sup>; however, the first appointment may be made in the constitutive instrument of the company.<sup>90</sup> This provision shall apply to the *société européenne* (SE) without prejudice to the employee participation arrangements determined in implementation of above-mentioned Directive 2001/86/EC<sup>91</sup>.

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<sup>86</sup> This number is increased to a minimum of nine for companies which fall within the scope of application of Article L.426-2 et seq. of the Labour Code which also contain specific derogatory provisions regarding the method of appointment of such directors.

<sup>87</sup> This directive has been implemented in Article L. 441-1 et seq. of the Labour Code.

<sup>88</sup> See Title II of Book IV of the Labour Code, Representation of staff in *sociétés anonymes*.

<sup>89</sup> Law of 25 July 1990 concerning the status of directors representing the State or a public legal entity in a *société anonyme* as amended by the Law of 25 August 2006):

«Sole Article.

In *société anonymes* in which the State or a public legal entity is a shareholder, the individuals who, on proposal by the State or such legal entity, are appointed as directors or as member of the management board or of the supervisory board, as the case may be, represent respectively the State or the public legal entity who caused their appointment and they execute their instructions. To that end, they must transmit all necessary information which they may have acquired respectively to the State or the public legal entity.

Their appointment ends at the time where the public legal entity who has caused their appointment will have notified the withdrawal of their appointment to the board of directors or to the management board or the supervisory board, as the case may be.

The public legal entity assumes the responsibilities, in their capacity as directors or as members of the management board or supervisory board, as the case may be, of the persons appointed at its request, without prejudice to its recourse against such individuals in case of serious personal misconduct. Any fees payable to such persons in any form whatsoever are paid to the State or the public legal entity who caused their appointment; the government sitting in council or the governing body of the public legal entity will determine the amounts to be paid to these directors or members of the management board or supervisory board for the fulfilment of their duties. »

<sup>90</sup> For undertakings established in Luxembourg in the form of a *société anonyme* and (i) generally employing a staff of at least 1,000 during the last three years or (ii) where the government has a financial participation of at least 25% or has granted a concession for the main activity: see also Article L.426-1 et seq. of the Labour Code.

See also the Law of 25 July 1990 concerning the status of directors representing the government or a public legal entity in a *société anonyme* set out in the footnote above.

<sup>91</sup> See footnote under preceding paragraph.

Their term of office may not exceed six years; they may at any time be removed from office by the general meeting.

In case of vacancy of the office of a director appointed by the general meeting, the remaining directors so appointed may, unless the articles provide differently, fill the vacancy on a provisional basis. In such circumstances, the next general meeting shall make the final appointment. »

*(Law of 25 August 2006)*

**«Art. 441-3.**

Where a legal entity is appointed as director, *(Law of 10 August 2016)* «member of the management committee or *directeur général* (managing executive officer)», it shall designate a permanent representative to exercise that duty in the name and for the account of the legal entity.

Such representative shall be subject to the same conditions and shall incur the same civil responsibility as if he fulfilled such duty in his own name and for his own account, without prejudice to the joint and several liability of the legal entity which he represents. The revocation by such legal entity of its representative is conditional upon the simultaneous appointment of a successor.

The appointment and termination of the position of a permanent representative are subject to the same publicity rules as if he acted in his own name and for his own account.»

**Art. 441-4.**

Unless the constitutive instrument provides differently, directors may be re-elected : in the event of a vacancy before the end of a director's term of office, the director appointed shall serve for the remainder of the term of office of the director whom he replaces.

*(Law of 23 November 1972)*

*[2017/1132/EU art. 9.2 and 9.3]*

**Art. 441-5.**

The board of directors shall have the power to take any action necessary or useful to realise the corporate object, with the exception of the powers reserved by law or by the articles to the general meeting. *(Law of 25 August 2006) [EC Regulation 2157/2001, Art. 48.1]* «In a *société européenne* (SE), the articles shall list the categories of transactions which require an express decision of the board of directors.»

It shall represent the company vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant. Writs served on behalf of or upon the company shall be validly served in the name of the company alone.

Any limitations to the powers conferred upon the board of directors by the preceding paragraphs resulting either from the articles of the company or from a decision of the competent corporate bodies are not valid vis-à-vis third parties, even if they are published.

However, the articles may authorise one or more directors to represent the company in any instrument or in legal proceedings, either singly or jointly. A clause to that effect is valid vis-à-vis third parties *(Law of 27 May 2016)* «subject to the conditions laid down in Title I, Chapter

Vbis of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>92</sup>).

(Law of 25 August 2006)

«Where in a *société européenne* (SE) a delegation of powers has been validly granted and where the holder of such delegation passes a deed which is within the limits of such delegation but belongs to a category of transactions which under the articles of the *société européenne* (SE), require an express decision of the board of directors, such holder shall bind the company without prejudice to damages, where applicable.»

**Art. 441-6.**

(Law of 10 August 2016)

«The board of directors may decide to create committees, the composition and duties of which it shall determine and which shall exercise their activities under its responsibility.»<sup>93</sup>

**Art. 441-7.**

(Law of 10 August 2016)

«Any director having a direct or indirect financial interest conflicting with that of the company in a transaction which has to be considered by the board of directors, must advise the board thereof and cause a record of his statement to be included in the minutes of the meeting. He may not take part in these deliberations.

At the next following general meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the directors may have had an interest conflicting with that of the company.

By derogation to the first sub-paragraph, where the company comprises a single director, the transactions made between the company and its director having an interest conflicting with that of the company is only mentioned in minutes.

Where, because of conflicts of interest, the number of directors required by the articles to decide and vote on the relevant matter is not reached, the board of directors may, unless otherwise provided for by the articles, decide to refer the decision on that matter to the general meeting of shareholders.

The preceding paragraphs shall not apply where the decision of the board of directors or by the single director relates to ordinary business entered into under normal conditions.»

**Art. 441-8.**

The directors shall not incur any personal obligation by reason of the commitments of the company.

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<sup>92</sup> See footnote under Article 100-13 (4).

<sup>93</sup> Former articles 55 and 56 have been repealed by the Law of 8 March 1999.

**Art. 441-9.**

*(Law of 10 August 2016)*

«The directors, the members of the management committee and the *directeur général* (managing executive officer) shall be liable to the company in accordance with general law for the execution of the mandate given to them and for any misconduct in the management of the company's affairs.

The directors and members of the management committee shall be jointly and severally liable towards either the company or any third parties for damages resulting from the violation of this law or the articles.

The directors and members of the management committee shall be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and they have reported such violation, as regards members of the board of directors, to the first general meeting and, as regards members of the management committee, during the first meeting of the board of directors after they had acquired knowledge thereof.

*(Law of 23 November 1972)*

*[2017/1132/EU art. 9.3]*

**«Art. 441-10.**

The day-to-day management of the business of the company and the power to represent the company with respect thereto may be delegated to one or more directors, officers, managers or other agents, who may but are not required to be shareholders, acting either alone or jointly<sup>94</sup>.

Their appointment, their removal from office and their powers and duties shall be governed by the articles or by a decision of the competent corporate bodies; however, no restrictions placed upon their powers to represent the company in the day-to-day management will be valid vis-à-vis against third parties, even if they are published.

The clause by virtue of which the day-to-day management is delegated to one or more persons acting either alone or jointly will be valid vis-à-vis third parties» *(Law of 27 May 2016)* «under the conditions referred to in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>95</sup>».

*(Law of 25 August 2006)*

«The delegation to of a member of the board of directors shall entail the obligation for the board to report each year to the ordinary general meeting on the salary, fees and any advantages granted to the delegate.»

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<sup>94</sup> In accordance with Article V, paragraph 3) of the Law of 10 August 2016, companies among which a management body was created upon the entry into force of this law with the name of «comité de direction» (management committee) must comply with the provisions of Articles 441-11 and 441-12 within 24 months of its entry into force (i.e. by 24 August 2018).

<sup>95</sup> See footnote under Article 100-13 (4).

(Law of 10 August 2016) «The liability of persons entrusted with day-to-day management for such management shall be governed by the general rules on mandates.»

(Law of 10 August 2016)

«The persons entrusted with day-to-day management shall be subject to the provisions of Article 441-7, which shall apply by analogy. Where only one delegate is faced with a conflict of interests, the decision shall be referred to the board of directors. In the event of a breach of Article 441-7, the liability of the persons entrusted with day-to-day management may be incurred pursuant to Article 441-9, sub-paragraph 2, provided that, for the purposes of that provision, they shall only be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and they have reported such violation to the board of directors when they acquired knowledge thereof.»

(Law of 10 August 2016)

«Art. 441-11<sup>96</sup>.

The articles may authorise the board of directors to delegate its management powers to a management committee or to a *directeur général* (managing executive officer) , but this delegation may not comprise the general policy of the company or the whole of the actions reserved to the board of directors pursuant to other provisions of the law. If a management committee is established or if a *directeur général* (managing executive officer) is appointed, the board of directors is entrusted with its supervision.

The management committee shall consist of several members, who may but need not be directors.

The conditions for appointing members of the management committee or the *directeur général* (managing executive officer) , their removal, their remuneration and the term of their office as well as the rules of operation of the management committee shall be determined by the articles or, in the absence of provisions in the articles, by the board of directors.

The articles may grant the power to represent the company to the *directeur général* (managing executive officer) or to one or more members of the management committee, either singly or jointly.

The appointment of a *directeur général* (managing executive officer) and the establishment of a management committee and the articles clause referred to in sub-paragraph 3, as well as the power of representation of the *directeur général* (managing executive officer) and of the members of the management committee shall be valid vis-à-vis third parties in the conditions provided for in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>97</sup>.

The articles or a decision of the board of directors may restrict the management power which may be delegated in application of the first sub-paragraph. Such restrictions, as well as the possible allocation of duties agreed by the members of the management committee, shall not be valid vis-à-vis third parties, even if they are published.»

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<sup>96</sup> See footnote under Article 441-10.

<sup>97</sup> See footnote under Article 100-13 (1).



(Law of 10 August 2016)

**«Art. 441-12<sup>98</sup>.**

Each member of the management committee having a direct or indirect financial interest conflicting with that of the company in a transaction which has to be considered by the committee must advise the committee thereof and cause a record of his statement to be included in the minutes of the meeting. He may not take part in these deliberations.

At the next following meeting of the board of directors, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the members of the management committee may have had an interest conflicting with that of the company.

A copy of the minutes shall be transmitted to the board of directors at its next following meeting.

Where, because of a conflicts of interest, the number of members of the management committee required to decide and vote on the relevant matter is not reached, the management committee may decide to refer the decision on that matter to the board of directors.

Where the *directeur général* (managing executive officer) has a direct or indirect financial interest conflicting with that of the company in the context of a decision or a transaction falling within the scope of his powers and duties, he shall refer the decision to the board of directors.

The provisions of the preceding sub-paragraphs shall not apply where the decisions of the management committee relate to ordinary business entered into under normal conditions. »

(Law of 23 November 1972)

[2017/32/EU art. 9.1]

**«Art. 441-13.**

The company shall be bound by any acts of the board of directors or the directors with authority to represent the company in accordance with Article 441-5 sub-paragraph 4, (Law of 10 August 2016) «by the members of the management committee having the capacity to represent the company in accordance with «Article 441-11, sub-paragraph 4»<sup>99</sup>, by the *directeur général* (managing executive officer).» or by the person entrusted with day-to-day management, even if such acts exceed the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not in view of the circumstances have been unaware of it, without the mere publication of the articles constituting such proof.»

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<sup>98</sup> See footnote under Article 441-10.

<sup>99</sup>Reference corrected by the Law of 7 August 2023.

(Law of 25 August 2006)

«Section 2 - The management board and the supervisory board<sup>100</sup>»

(Law of 25 August 2006)

«Art. 442-1.

(1) The articles of any *société anonyme* may provide that it shall be governed by the provisions of the present Section. In such case, the company shall remain subject to all the provisions applicable to *sociétés anonymes*, except those contained in Articles 441-1 to 441-13.

(2) The introduction or deletion from the articles of such a provision may be decided during the existence of the company.»

(Law of 25 August 2006)

«Sub-section 1 - The management board»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 39.4]

«Art. 442-2.

(1) The *société anonyme* is managed by a management board. The number of its members or the rules for determining it, shall be laid down in the articles in case of a *société européenne* (SE). In a *société anonyme*, they are laid down in the articles, failing which they are determined by the supervisory board.

(2) In single-shareholder *sociétés anonymes* or in *sociétés anonymes* whose capital is less than 500,000 euros, a single person may exercise the functions incumbent on the management board.

(3) The management board fulfils its duties under the supervision of a supervisory board.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 40.1]

«Art. 442-3.

The members of the management board shall be appointed by the supervisory board.

The articles may nevertheless provide that the members of the management board shall be appointed by the general meeting. In such case the general meeting will have sole authority therefor.»

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<sup>100</sup> The Law of 25 August 2006 has introduced the possibility for a *société anonyme* to adopt the two tier system (management board plus supervisory board) as an alternative to the one tier system (board of directors). Article VIII of such law generally provides that any legal or regulatory provision concerning commercial companies and which contain a reference to the «board of directors» of a *société anonyme* must be understood, in the context of a *société anonyme* with a management board and a supervisory board to be a reference to the management board of that company, unless, in consideration of the duties allocated it must be understood as a reference to the supervisory board.

(Law of 25 August 2006)

**«Art. 442-4.**

Where a legal entity is appointed as member of the management board (Law of 10 August 2016) «or the supervisory board», it shall designate a permanent representative to exercise that duty in the name and for the account of the legal entity.

Such representative is subject to the same conditions and shall incur the same civil responsibility as if he fulfilled such duty in his own name and for his own account, without prejudice to the joint and several liability of the legal entity which he represents. The revocation by such legal entity of its representative is conditional upon the simultaneous appointment of a successor.

The appointment and termination of the position of a permanent representative are subject to the same publicity rules as if he acted in his own name and for his own account.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 39.2]

**«Art. 442-5.**

The members of the management board may be removed by the supervisory board and, where provided for in the articles, by the general meeting.

(Law of 25 August 2006)

**«Art. 442-6.**

(1) The members of the management board shall be appointed for a term provided in the articles not exceeding six years. They may be reappointed.

(2) In case of vacancy of the office of a member of the management board, the remaining members may, unless the articles provide differently, fill the vacancy on a provisional basis.

(3) In such a case, the supervisory board or the general meeting, as the case may be, shall make the final appointment at the next meeting. The appointed member of the management board shall serve the term of office of the member whom he replaces.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 48.1]

**«Art. 442-7.**

(1) The management board shall have the power to take any action necessary or useful to realise the corporate object, with the exception of those powers reserved by law or the articles to the supervisory board and to the general meeting.

(2) The articles of a *société européenne* (SE) shall list the categories of transactions which require authorisation of the management board by the supervisory board.

Where a transaction requires the authorisation of the supervisory board and such authorisation is denied, the management board may submit the dispute to the general meeting.

(3) The management board shall represent the company vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant. Writs served on behalf of or upon the company shall be validly served in the name of the company alone.

(4) Any limitations to the powers conferred upon the management board by the preceding paragraphs resulting either from the articles of the company or from a decision of the competent corporate bodies are not valid vis-à-vis third parties, even if they are published.

However, the articles may authorise one or more members of the management board to represent the company in any instrument or in legal proceedings, either singly or jointly. A clause to that effect is valid vis-à-vis third parties (*Law of 27 May 2016*) «subject to the conditions laid down in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>101</sup>».

Where in a *société européenne* (SE) a delegation of powers has been validly granted and where the holder of such delegation passes a deed which is within the limits of such delegation but belongs to a category of transactions which under the articles of the *société européenne* (SE), require an authorisation of the management board by the supervisory board, such holder shall bind the company, without prejudice to damages, if any.»

(*Law of 10 August 2016*)

«(5) The management board may decide to create committees, the composition and duties of which it shall determine and which shall exercise their activities under its responsibility.»

(*Law of 25 August 2006*)

**«Art. 442-8.**

The day-to-day management of the business of the company and the power to represent the company with respect thereto may be delegated to one or more members of the management board, officers, officers managers or other agents, who may but are not required to be shareholders, acting either alone or jointly, except such persons who are members of the supervisory board.

Their appointment, their removal from office and their powers and duties shall be governed by the articles or by a decision of the competent corporate bodies; however, no restrictions placed upon their powers to represent the company in the day-to-day management will be valid vis-à-vis third parties, even if they are published.

The clause by virtue of which the day-to-day management is delegated to one or more persons acting either alone or jointly will be valid vis-à-vis third parties (*Law of 27 May 2016*) «under the conditions referred to in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>102</sup>».

The delegation in favour of a member of the management board shall entail the obligation for the management board to report each year to the ordinary general meeting on the salary, fees and any advantages granted to the delegate.

The liability of persons entrusted with day-to-day management for such management shall be governed by the general rules on mandates.»

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<sup>101</sup> See footnote under Article 100-13 (4).

<sup>102</sup> See footnote under Article 100-13 (4).

*(Law of 10 August 2016)*

«The persons entrusted with day-to-day management shall be subject to the provisions of Article 442-18 which shall apply by analogy. In case of a sole delegate faced with a conflict of interests, the decision shall be referred to the management board. In the event of a breach of Article 442-18, the liability of the persons entrusted with day-to-day management may be incurred pursuant to Article 442-10, sub-paragraph 2, provided that, for the purposes of that provision, they shall only be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and they have reported such violation to the management board when they acquired knowledge thereof.»

*(Law of 25 August 2006)*

**«Art. 442-9.**

The company shall be bound by any acts of the management board, of the members of the management board with authority to represent the company in accordance with Article 442-7 paragraph 4 or of the person entrusted with day-to-day management, even if such acts exceed the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not in view of the circumstances have been unaware of it, without the mere publication of the articles constituting such proof.»

*(Law of 25 August 2006)*

**«Art. 442-10.**

The members of the management board shall be liable to the company in accordance with general law for the execution of the mandate given to them and for any misconduct in the management of the company's affairs.

*(Law of 10 August 2016)* «They shall be jointly and severally liable towards the company and any third parties for damages resulting from the violation of this law or the articles.» They shall be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and they have reported such violation to the first general meeting after they had acquired knowledge thereof.

The authorisation given by the supervisory board in accordance with Article 442-7, paragraph 2 shall not relieve the members of the management board from their liability.»

*(Law of 25 August 2006)*

«Sub-section 2 - The supervisory board»

*(Law of 25 August 2006)*

[*EC Regulation 2157/2001; Art. 40.1*]

**«Art. 442-11.**

(1) The supervisory board shall carry out the permanent supervision of the management of the company by the management board, without being authorised to interfere with such management.

(2) It shall grant or deny the authorisations required pursuant to Article 442-7, paragraph 2.»

*(Law of 25 August 2006)*

[EC Regulation 2157/2001; Art. 41]

**«Art. 442-12.**

(1) The supervisory board shall have an unlimited right to inspect all the transactions of the company; it may inspect, but not remove, the books, correspondence, minutes and in general all the records of the company.

(2) The management board shall, at least every three months, make a written report to the supervisory board on the progress and foreseeable development of the company's business.

(3) In addition, the management board shall promptly pass to the supervisory board any information on events likely to have an appreciable effect on the company's situation.

(4) The supervisory board may require the management board to provide information of any kind which it needs to exercise supervision in accordance with Article 442-11.

(5) The supervisory board may undertake or arrange for any investigations necessary for the performance of its duties.»

*(Law of 25 August 2006)*

**«Art. 442-13.**

Each year, the supervisory board shall receive from the management board all documents listed in Article 461-1 at the time set in such article for their delivery to the *commissaires* [supervisory auditors] and shall present to the general meeting its observations on the report of the management board and on the annual accounts.»

*(Law of 25 August 2006)*

**«Art. 442-14.»**

*(Law of 10 August 2016)*

«The provisions of Articles 441-2, 441-3, 441-4 and 441-6 shall apply to the supervisory board.»<sup>103</sup>

*(Law of 25 August 2006)*

**«Art. 442-15.**

(1) The supervisory board may entrust one or more of its members with special mandates for one or more specific purposes.

(2) It may decide to create commissions whose composition and duties it shall determine and who shall exercise their activities under its responsibility. The attribution of such duties may however not consist in a delegation to a commission of the powers reserved by law or by the articles to the supervisory board itself or result in a reduction or limitation of the powers of the management board.»

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<sup>103</sup> See the footnotes under Article 441-2.

*(Law of 25 August 2006)*

**«Art. 442-16.**

The members of the supervisory board shall be liable to the company in accordance with general law for the execution of the mandate given to them and for any misconduct in the supervision of the company's affairs.

*(Law of 10 August 2016)* «They shall be jointly and severally liable both towards the company and any third parties for any damage resulting from the violation of this law or the articles.» They shall be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and they have reported such violation to the first general meeting after they had acquired knowledge thereof.»

*(Law of 25 August 2006)*

«Sub-section 3 - Rules common to the management board and the supervisory board»

*(Law of 25 August 2006)*

[*EC Regulation 2157/2001, Art. 39.3*]

**«Art. 442-17.**

(1) No person may at the same time be a member of the management board and the supervisory board.

(2) However, in the event of a vacancy in the management board, the supervisory board may appoint one of its members to act as a member of the management board. During such a period, the functions of the person concerned as a member of the supervisory board shall be suspended.»

*(Law of 25 August 2006)*

**«Art. 442-18»**

*(Law of 10 August 2016)*

«Each member of the management board or supervisory board having a direct or indirect financial interest conflicting with that of the company in a transaction which has to be considered by the management board or the supervisory board, must advise the management board or the supervisory board thereof and cause a record of his statement to be included in the minutes of the meeting. He may not take part in these deliberations.

At the next following general meeting, before any other resolution is put to the vote, a special report shall be made on any transactions in which any of the members of the management board or the supervisory board may have had an interest conflicting with that of the company.

By derogation to the first sub-paragraph, where the management board or the supervisory board of the company comprises a single member, the transactions made between the company and the member of the management board or the supervisory board having an interest conflicting with that of the company, is only mentioned in minutes.

Where, because of a conflict of interest, the number of members required by the articles to decide and vote on the relevant matter is not reached, the management board or the supervisory board may, unless otherwise provided for by the articles, decide to refer the decision on that matter to the general meeting of shareholders.

Where the transaction referred to in the first sub-paragraph gives rise to a conflict of interest between the company and a member of the management board, it shall in addition require the authorisation of the supervisory board.

The provisions of the preceding sub-paragraphs shall not apply where the decisions under consideration relate to ordinary business entered into under normal conditions.»

*(Law of 25 August 2006)*

**«Art. 442-19.**

The members of the management board and of the supervisory board may receive fees in that capacity. The type of remuneration and the amount of the fees payable to the members of the management board are determined by the supervisory board. The type of remuneration and the amount of the fees payable to the members of the supervisory board are determined by the articles, failing which by the general meeting.»



(Law of 25 August 2006)

«Section 3 - Supervision by the commissaires [supervisory auditors]»

**Art. 443-1.**<sup>104,105</sup>

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<sup>104</sup> In accordance with Article 69 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, the institution of *commissaire aux comptes* (supervisory auditor) is removed for companies which have their accounts audited by a *réviseur d'entreprises agréé* (approved statutory auditor).

<sup>105</sup> The provisions of Article 52 of the Law of 23 July 2016 apply to companies which constitute «public-interest entities»:

**Article 1 (20)** of the Law of 23 July 2016 [2006/43/EC Art. 2.13] defines «public interest entities» as follows:

«(a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market [for a definition of these terms, see the footnote under Art.420-10 (4)] of any Member State within the meaning of point 21 of paragraph 1 of Article 4 of Directive 2014/65/EU [MiFID II],

b) credit institutions as defined in point 12 of Article 1 of the amended Law of 5 April 1993 on the financial sector, other than those referred to in Article 2 of Directive 2013/36/EU,

c) insurance and reinsurance undertakings as defined in Article 32, paragraph 1, points 5 and 9 of the Law of 7 December 2015 on the insurance sector, except for those undertakings and entities referred to in Articles 38, 40 and 42, pension funds referred to in Article 32, paragraph 1, point 14, captive insurance undertakings referred to in Article 43, point 8, and captive reinsurance undertakings referred to in Article 43, point 9, of the Law of 7 December 2015 on the insurance sector:»

[2006/43/EC Art. 39]

**Art. 52.** [of the Law of 23 July 2016] «**Audit committee**»

«(1) Each public-interest entity shall have an audit committee. The audit committee shall be either a stand-alone committee or a committee of the administrative body or supervisory body of the audited entity. It shall consist of non-executive members of the administrative body and/or members of the supervisory body of the audited entity and/or members appointed by the general meeting of shareholders or, for entities which have no shareholders, by an equivalent body.

The audit committee shall include at least one member who shall have competence in accounting and/or auditing. The members of the committee as a whole shall have competence relevant to the sector in which the audited entity is operating.

The majority of the members of the audit committee shall be independent from the audited undertaking. The chairman of the audit committee shall be appointed by the members of the committee or by the supervisory body of the audited entity, and shall be independent from the audited entity.

(2) In public-interest entities which meet the criteria of Article 2, paragraph 1, points f) and t) of Directive 2003/71/EC [which correspond to Article 2.1 points r) and t) of the Law of 10 July 2005 on prospectuses for securities. These are small and medium sized enterprises and companies with reduced market capitalisations], the functions assigned to the audit committee may be performed by the administrative or supervisory body as a whole, provided that when the chairman of such a body is an executive member, he or she is not the chairman of the audit committee.

(3) Public-interest entities which have a body performing equivalent functions to an audit committee may not apply paragraph 1 in the conditions determined by the CSSF.

(4) Where all members of the audit committee are members of the administrative or supervisory body of the audited entity, the audit committee shall be exempted from the independence requirements provided for in paragraph 1, sub-paragraph 4.

(5) The following are exempted from the obligation to have an audit committee:

a) any public-interest entity which is a subsidiary undertaking within the meaning of Article 2, point 10, of Directive 2013/34/EU [see Article 1711-1(2) of the Law of 1915], if the entity complies with the requirements in paragraphs 1 to 4, of Article 11, paragraphs 1 and 2, and Article 16, paragraph 5, of Regulation (EU) No 537/2014 [on specific requirements regarding statutory audit of public-interest entities], at group level;

The supervision of the company must be entrusted to one or more *commissaires*<sup>106</sup> [supervisory auditors], who may but are not required to be members.

They shall be appointed by the general meeting of shareholders<sup>107</sup>.

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- b) any public-interest entity which is a Luxembourg collective investment undertaking as defined in Article 2 paragraph 2 of the amended Law of 17 December 2010 relating to undertakings for collective investment, or an alternative investment fund (AIF) within the meaning of Article 1, point 39, of the Law of 12 July 2013 on alternative investment fund managers;
- c) any public-interest entity the sole business of which is to act as issuer of asset backed securities as defined in Article 2 point 5 of [Commission] Regulation (EC) No 809/2004 [Prospectus Regulation]. In this instance, the entity shall explain to the public the reasons for which it considers it not appropriate for it to have either an audit committee or to entrust an administrative or supervisory body with the functions of an audit committee;
- d) any Luxembourg credit institution whose shares are not admitted to trading on a regulated market of any Member State within the meaning of point 21 of paragraph 1 of Article 4 of Directive 2014/65/EU [MiFID II] and which has, in a continuous or repeated manner, issued only debt securities, provided that the total nominal amount of all such debt securities remains below EUR 100,000,000 and that it has not published a prospectus under Directive 2003/71/EC [Prospectus Directive].
- (6) Without prejudice to the responsibility of the members of the administrative or supervisory bodies, or of other members who are appointed by the general meeting of shareholders of the audited entity, the audit committee shall, *inter alia*:
- a) inform the administrative or supervisory body of the audited entity of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process;
- b) monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
- c) monitor the effectiveness of the undertaking's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the audited entity, without breaching its independence;
- d) monitor the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the CSSF pursuant to Article 26(6) of Regulation (EU) No 537/2014 [on specific requirements regarding statutory audit of public-interest entities];
- e) review and monitor the independence of the *réviseurs d'entreprises agréés* [approved statutory auditors] or the *cabinets de révision agréés* [approved audit firms] or, where applicable, the *cabinets d'audit* [audit firms] in accordance with Articles 19 to 25 of this law [Law of 23 July 2016] and Article 6 of Regulation (EU) No 537/2014 [on specific requirements regarding statutory audit of public-interest entities], and in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of that Regulation;
- f) be responsible for the procedure for the selection of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or *cabinet(s) de révision agréé(s)* [approved audit firm(s)] or, where applicable, *cabinet(s) d'audit* [audit firm(s)] and formulate recommendations as regards the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or *cabinet(s) de révision agréé(s)* [approved audit firm(s)] or, where applicable, the *cabinet(s) d'audit* [audit firm(s)] to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014 except when Article 16(8) of that Regulation is applied.

The CSSF may specify implementing measures with respect to points a) to f) of this paragraph.»

<sup>106</sup> The traditionally used English term for «*commissaire aux comptes*» was «statutory auditor». The latter term is however used by the English version of Directive 2006/43/EC to designate the audit professionals approved under such directive and who are exclusively authorised to carry out statutory audits. In Luxembourg, these professionals are the «*réviseurs d'entreprises agréés*» [approved statutory auditors]. This translation will feature the French terms «*commissaire*» or «*commissaires aux comptes*» followed by its proposed translation, «supervisory auditor», which refers to the duties of the *commissaire* (i) to supervise management and (ii) to review the accounts.

Unless otherwise provided in the constitutive instrument, *commissaires* [supervisory auditors] may be re-elected.

Their term of office may not exceed six years; they may be removed at any time by the general meeting.

The general meeting shall determine the number of *commissaires* [supervisory auditors] and their fees.

*(Law of 25 August 2006)*

«If the number of *commissaires* [supervisory auditors] falls, as a result of death or otherwise, to less than one half of the *commissaires* [supervisory auditors] appointed, the board of directors or the management board, as applicable, must immediately convene a general meeting in order to fill the vacancies.»

#### **Art. 443-2.**

The *commissaires* [supervisory auditors] shall have unlimited power of supervision and control over all of the operations of the company. They may inspect, but not remove, the books, correspondence, minutes and, in general, all the records of the company.

*(Law of 25 August 2006)*

«Semi-annually, the board of directors or the management board, as applicable, shall provide them with a statement summarising the assets and liabilities. The *commissaires* [supervisory auditors] must report to the general meeting on the results of the mandate entrusted to them, making such recommendation as they consider fit, and must inform the meeting of the method adopted by them for verification of the inventories.

Their liability, insofar as it derives from their duties of supervision and control, shall be determined according to the same rules as those applicable to the liability of directors or of the members of the management board.»

The *commissaires* [supervisory auditors] may arrange to be assisted by an expert for the purpose of verifying the books and accounts of the company.

The expert must be approved by the company. Failing such approval, the president of «the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters»<sup>108</sup>, upon application by the *commissaires* [supervisory auditors] served in the form of a writ on the company, shall select the expert. The president shall hear the parties in chambers and shall

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<sup>107</sup> For undertakings established in Luxembourg in the form of a *société anonyme* and (i) generally employing a staff of at least 1,000 during the last three years or (ii) where the government has a financial participation of at least 25% or has granted a concession for the main activity: see also Article L.426-12 of the Labour Code: «The members of the board of directors or of the supervisory board in companies within the scope of Article L.426-1, including those representing staff, will unanimously appoint a *commissaire-réviseur* (independent supervisory-statutory auditor) who will be in addition to the number of supervisory auditors provided for by Article 61 [now 443-1] of the amended Law of 10 August 1915 on commercial companies. He will be appointed for a period equivalent to the duration of the appointment of the other supervisory auditors; his appointment may be renewed.»

<sup>108</sup> Amended by the Law of 11 August 1996 on the preparation and instruction of private cases (Mém. A - 53 of 20 August 1996, p. 1660; doc. Parl. 3771).

issue his ruling as to the appointment of the expert in open court. This ruling need not be served on the company and is not subject to appeal.

(Law of 25 August 2006)

«Section 4 - Rules common to the management bodies, the supervisory board and the commissaires [supervisory auditors]»

(Law of 25 August 2006)

**«Art. 444-1.**

The general meeting which has resolved to exercise the corporate action provided for by Articles 441-9, 442-10, 442-16 and 443-2, sub-paragraph 3, against the directors, the members of the management or supervisory board or the *commissaires* [supervisory auditors] in office may entrust the implementation of their resolution to one or more agents.»

(Law of 10 August 2016)

**«Art. 444-2.**

An action may be brought against the directors or the members of the management board or the supervisory board, as the case may be, on behalf of the company by minority shareholders or holders of profit units.

This minority action may be brought by one or more shareholders or holders of profit units who, at the general meeting which decided upon discharge of such directors or members, owned securities with the right to vote at such meeting representing at least 10 per cent of the votes attaching to all such securities.»

(Law of 25 August 2006)

**«Art. 444-3.**

(1) (Law of 10 August 2016) «The directors, the members of the management board or of the supervisory board and the *commissaires* [supervisory auditors] form collegiate bodies which shall deliberate in accordance with the articles and, in the absence of provisions in that respect, in accordance with the ordinary rules for deliberating assemblies.

Decisions of the board of directors, management board and supervisory board may be made, if permitted by the articles of incorporation, by unanimous written consent of the directors or of the members of the management board or of the supervisory board.

Decisions adopted in accordance with this procedure shall be deemed to have been adopted at the registered office of the company.»

(2) (Law of 10 August 2016) «Except in the case of a *société européenne* (SE) for which such an appointment is mandatory, the board of directors, the management board and the supervisory board may elect a chairman among their members.»

(3) The board of directors or the management board of a *société européenne* (SE) shall meet at least once every three months at intervals laid down by the articles to discuss the progress and foreseeable development of the business of the *société européenne* (SE).

(4) Each member of the board of directors, of the management board and of the supervisory board shall be entitled to examine all information submitted to the relevant board.»

(5) (Law of 10 August 2016) «In a *société européenne* (SE), the supervisory board shall convene upon notice of its chairman.»

(Law of 25 August 2006)

**«Art. 444-4.**

(1) Unless otherwise provided by the articles and without prejudice to specific legal provisions, the internal rules relating to quorum and decision-taking in the board of directors, the supervisory board and the management board of the company shall be as follows:

1° quorum: at least half of the members must be present or represented.

2° decision-taking: a majority of the members present or represented.

(2) (Law of 10 August 2016) «Unless otherwise provided for by the articles and to the extent that a chairman has been elected, the chairman of each corporate body shall have a casting vote in the event of tie.»

(3) (Law of 10 August 2016) «Unless otherwise provided for by the articles, » for the calculation of quorum and majority, the directors or members of the management board participating in the board of directors or management board meeting by video conference or by telecommunication means permitting their identification are deemed to be present. Such means shall satisfy technical characteristics which ensure an effective participation in the meeting of the board of directors or of the management board, whose deliberations shall be on-line without interruption.

The meeting held at a distance by way of such communication means shall be deemed to have taken place at the registered office of the company.»

**Art. 444-5.**

The articles may provide that the directors and the *commissaires* [supervisory auditors] together constitute the general board; they shall determine the powers and duties thereof.

(Law of 25 August 2006)

**«Art. 444-6.»**

(Law of 10 August 2016) «The directors, the members of the management board and of the supervisory board, the members of the management committee, the *directeur général* (managing executive officer) as well as» any person invited to attend the meetings of such corporate bodies, shall be under a duty, even after they have ceased to hold office, not to divulge any information which they have concerning the *société anonyme*, the disclosure of which might be prejudicial to the company's interests, except where such disclosure is required or permitted by a legal or regulatory provision applicable to *sociétés anonymes* or is in the public interest.»

## Chapter V - General meetings

(Law of 7 September 1987)

**«Art. 450-1.**

(1) (Law of 25 August 2006) «The general meeting of shareholders shall have the widest powers to adopt or ratify any action relating to the company.

Where the company comprises a single shareholder, he shall exercise the powers reserved to the general meeting.

(Law of 23 March 2007) «The general meeting of a «*société européenne* (SE)» shall decide on matters for which it is given sole responsibility by:

- the present law in accordance with Council Regulation 2157/2001/EC of 8 October 2001 on the statute for a European *société européenne* (SE),
- the provisions of Luxembourg law adopted in implementation of Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees, to the extent that the registered office of the *société européenne* (SE) is located in the Grand Duchy of Luxembourg<sup>109</sup>.

Furthermore, the general meeting of a *société européenne* (SE) shall decide on matters for which responsibility is given to the general meeting:

- of a *société anonyme* governed by Luxembourg law to the extent that the registered office of the *société européenne* (SE) is situated in the Grand Duchy of Luxembourg or
- by its articles in accordance with that law.»

(2) (Law of 25 August 2006) «The articles shall contain provisions governing proceedings at general meetings and the formalities necessary for admission thereto.<sup>110</sup> In the absence of

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<sup>109</sup> This directive has been implemented in Articles L. 441-1 et seq. of the Labour Code.

<sup>110</sup> Article 8 of the Law of 1 August 2001 on the circulation of securities and other fungible instruments, as amended, provides:

«Art. 8. (1) The investor may exercise or cause the exercise of the corporate rights attaching to securities and the rights of action resulting from the holding of securities upon presentation of a certificate issued by the relevant accounts' keeper certifying the number of securities registered in its securities account.

(2) For the purpose of participation to their general meetings, Luxembourg companies may not require the presentation of securities in bearer form, registration in the register of registered shares or a specific transfer of dematerialised securities where such securities are registered in a securities account. Evidence of the rights on the securities results in that case from a certificate issued by the relevant accounts' keeper certifying the number of securities held in the securities account and, as the case may be, their blockage until a certain date. The company may, in its rules regarding the holding of shareholder meetings, provide that investors must, upon request, produce documentary evidence of the registration of the securities throughout the chain of holding of the securities.

(3) If an accounts' keeper, or as the case may be, a foreign accounts' keeper, or a third party designated by such accounts' keeper is registered in the register of registered shares of the issuer, such accounts' keeper or designated third party may, based on the instructions it receives, exercise the voting rights attaching to the securities for which it is inscribed in the register.

(4) If a third party, other than the investor, intends to participate in the vote, the issuer may, if its articles, the terms and conditions of the issue or the conditions for convening the shareholder meeting provide therefor, require the identification of the investor(s) who gave the voting instructions. Should the issuer's request not be satisfied, the *bureau* of the meeting may deprive the relevant person of the exercise of the voting right.

such provisions, appointments shall be made and resolutions shall be adopted in accordance with the ordinary rules of deliberating assemblies; minutes shall be signed by the bureau of the meeting and by the shareholders who request to do so; copies to be delivered to third parties shall be certified as conforming to the original by the notary having custody of the relevant original deed, in case the proceedings of the meeting have been recorded in a notarial deed, or by the person designated for that purpose by the articles, failing which by the chairman of the board of directors or of the management board, as the case may be, or by the person replacing him, such persons being liable for any damage which may result from their incorrect certification.

*(Law of 10 August 2016)* «An attendance list shall be drawn up at each general meeting.»

If the company comprises only one shareholder, his decisions shall be recorded in minutes.»

(3) *(Law of 25 August 2006)* «Every shareholder shall, notwithstanding any provision to the contrary, but in conformity with the provisions of the articles, be entitled to vote personally or by proxy. Subject to the articles providing therefor, shareholders participating in the meeting by way of video conference or by way of telecommunication means permitting their identification, shall be deemed to be present for the calculation of quorum and majority. Such means shall satisfy technical characteristics which ensure an effective participation in the meeting whose deliberations shall be on-line without interruption.

(4) The articles may authorise any shareholder to cast its vote by mail by means of a voting form the mentions of which shall be laid down in the articles.

Voting forms which indicate neither the direction of a vote nor an abstention are void.

For the calculation of the quorum, only those voting forms shall be taken into account which have been received by the company prior to the general meeting of shareholders, within the period provided by the articles.»

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The issuer does not have an obligation to verify the existence or the content of the instructions given to the third party who casts a vote.»

The terms below are defined as follows by Art. 2 of the Law of 1 August 2001:

«acountholder»: «a person on whose behalf an accounts' keeper keeps a securities account, whether such person acts on his or her behalf or on behalf of third parties»;

«accounts' keeper»: is defined in an identical manner in Article 1 of the Law of 2013, see footnote under Art. 42bis;

«foreign accounts' keeper»: is defined in an identical manner in Article 1 of the Law of 2013, see footnote under Art. 42bis;

«investor»: «the acountholder who does not act as an accounts' keeper on behalf of another person»;

«relevant accounts' keeper»: «designates, with respect to a securities account, the accounts' keeper or, as the case may be, the foreign accounts' keeper who keeps the securities account for the acountholder»;

«securities account»: «an account held by the accounts' keeper on which securities may be credited and from which securities may be debited. The issuance account held by a settlement institution or a central account keeper does not constitute a securities account».

Also, the terms «securities», «dematerialised securities» and «issuer» used in Article 8 of the Law of 1 August 2001 as reproduced above are not defined in the Law of 1 August 2001 but in the Law of 6 April 2013, without there being any formal reference to the latter in the Law of 2001. For the definitions of «dematerialised securities» and «securities», see footnotes sub art. 430-8 and 430-12, respectively, «issuer» being defined as: «any person, including a common fund, which issues securities».

(5) Every shareholder may, notwithstanding any clause to the contrary in the (*Law of 10 August 2016*) «articles», take part in the deliberations, with a number of votes equal to the number of shares held by him, without limitation<sup>111</sup>.

(*Law of 10 August 2016*)

«Where shares do not have an equal value or where there is no indication of value, each share, unless otherwise provided for in the articles, shall *ipso jure* carry the right to a number of votes proportionate to the corporate capital represented by it with one vote being allocated to the share which represents the lowest proportion; fractions of votes shall not be taken into account, except in the cases provided for in Article 450-4.»

(6) (*Law of 25 August 2006*) «The board of directors or the management board, as applicable, is entitled to adjourn a meeting, while in session, to four weeks<sup>112</sup>. (*Law of 10 August 2016*) «It must do so at the request of one or more shareholders representing at least one-tenth of the capital of the company.» Any such adjournment, which shall also apply to general meetings called for the purpose of amending the articles, shall cancel any resolution passed. The second meeting shall be entitled to pass final resolutions provided that, in cases of amendments to the articles, the conditions as to quorum laid down in Article 450-3 are fulfilled.»

(7) If an ordinary general meeting, which is adjourned, was convened for the same day as a general meeting convened to amend the articles and if the latter is not quorate, the first meeting may be adjourned to a sufficiently remote date for it to be possible to reconvene the two meetings for the same day, provided however that the period of the adjournment may not exceed six weeks.

(8) The exercise of voting rights attached to shares in respect of which calls have not been paid shall be suspended until such time as those calls which have been duly made and are payable, shall have been paid.»

(*Law of 10 August 2016*)

«(9) The articles may provide that the board of directors or the management board, as the case may be, may suspend the voting rights of each shareholder who is in default of his obligations under the articles or his deed of subscription or deed of commitment.

Each shareholder, in his personal capacity, may undertake not to exercise all or part of his voting rights for a period of time or indefinitely. Such an undertaking binds the waiving shareholder and will bind the company upon its notification to the company.»

(*Law of 7 August 2023*)

«Voting rights which have been suspended and voting rights whose waiver has been notified to the company in accordance with this Article shall not be taken into account when calculating the quorum and majorities in general meetings. »

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<sup>111</sup> See however Art. 28 of the Law of 11 January 2008 on transparency requirements on issuers of securities, Article 11(1) and (2) of the Law of 6 April 2013 on dematerialised instruments and Article 430-6(5) above as well as Art. 6(3) and (4) of the Law of 28 July 2014 regarding the immobilisation of bearer shares and units as set forth in the footnote under Article 430-6 (7).

<sup>112</sup> See also Art. 29 of the Law of 11 January 2008 on transparency requirements on issuers of securities.



(Law of 10 August 2016)

**«Art. 450-2.**

(1) The exercise of voting rights may be the subject of agreements among shareholders.

But the following shall be void:

- 1° agreements which are in violation of the provisions of the present law or are contrary to the corporate interest;
- 2° agreements by virtue of which a shareholder undertakes to vote in accordance with the directions given by the company, by a subsidiary or by any of the corporate bodies of such companies;
- 3° agreements by virtue of which a shareholder undertakes towards those same companies or those same corporate bodies to approve the proposals made by the corporate bodies of the company.

(2) Votes cast in a general meeting pursuant to the agreements referred to in paragraph 1, sub-paragraph 2, shall be void. Such votes shall invalidate any resolutions passed unless such votes have no impact on the result of the vote. The action for nullity shall lapse six months after the vote.»

(Law of 7 September 1987)

**«Art. 450-3.**

(1) (Law of 10 August 2016) «Unless otherwise provided by the articles, an extraordinary general meeting, resolving as hereinafter provided, may amend any provisions of the articles. However, the commitments of the shareholders may be increased only with the unanimous consent of the members<sup>113</sup>.

The articles may authorise the board of directors or the management board, as the case may be, to transfer the registered office of the company from one municipality to another or within the same municipality and to amend the articles accordingly.»

(2) (Law of 10 August 2016) «The general meeting shall not validly deliberate unless at least one half of the capital is represented<sup>114</sup> and the agenda indicates the proposed amendments to the articles and, where applicable, the text of those which relate to the objects or the form of the company. If the first of these conditions is not satisfied, a second meeting may be convened, in the manner prescribed by the articles, by means of notices filed with the register of commerce and companies and published on the *Recueil électronique des sociétés et associations* and in a newspaper published in the Grand Duchy of Luxembourg at least fifteen days before the meeting. Such a convening notice shall reproduce the agenda and indicate the date and the results of the previous meeting. The second meeting shall validly deliberate regardless of the proportion of the capital represented<sup>115</sup>. At both meetings, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast.

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<sup>113</sup> See Article 6(3) and (4) of the Law of 28 July 2014 regarding the immobilisation of bearer shares and units, as set forth in the footnote under Article 430-6 (7)

<sup>114</sup> See preceding footnote.

<sup>115</sup> See footnote under Article 420-22 (1) referring to the case of capital conversion into euro as well as the footnote under Article 450-3 (1).

Cast votes shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote.»<sup>116</sup>

**Art. 450-4.**

Where there is more than one class of shares and the resolution of the general meeting is such as to change the respective rights thereof, the resolution must, in order to be valid, fulfil the conditions as to attendance and majority laid down in the foregoing Article with respect to each class.

*(Law of 24 April 1983)*

*[2017/1132/EU art. 73]*

**«Art. 450-5.**

(1) The general meeting, acting in accordance with the conditions prescribed for the amendment of the articles, may decide to reduce the subscribed capital. The convening notice shall specify the purpose of the reduction and how it is to be carried out.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 75.1 and 75.3]*

«(2) If the reduction is to be carried out by means of a repayment to shareholders or a waiver of their obligation to pay up their shares, creditors whose claims predate the publication in the *(Law of 27 May 2016)* «*Recueil électronique des sociétés et associations*» of the minutes of the meeting may, within thirty days from such publication, apply for the constitution of security to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters. The president may only reject such an application if the creditor already has adequate safeguards or if such security is unnecessary, having regard to the assets of the company.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 75.2]*

«(3) No payment may be made or waiver given to the shareholders until such time as the creditors have obtained satisfaction or until the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters, has ordered that their application should not be acceded to.

*[2017/1132/EU art. 76.1]*

(4) The provisions of paragraphs 2 and (3) shall not apply in the case of a reduction in the subscribed capital whose purpose is to offset losses incurred which are not capable of being covered by means of other own funds or to include sums of money in a reserve, provided that the reserve does not exceed 10 percent of the reduced subscribed capital.

Except in the event of a reduction in the subscribed capital in accordance with paragraphs (2) and (3), it may not be distributed to shareholders or be used to release shareholders from their obligation to make their contributions. It may be used only for off-setting losses incurred or for increasing the subscribed capital by the capitalisation of reserves.

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<sup>116</sup> This paragraph was followed by a paragraph repealed by the Law of 10 August 2016.

(5) Where the reduction of capital results in the capital being reduced below the legally prescribed minimum, the meeting must at the same time resolve to either increase the capital up to the required level or transform the company.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 78]*

**«Art. 450-6.**

(1) The articles may provide that, by resolution of the general meeting to be published in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>117</sup>», all or some of the profits and reserves other than those which may not be distributed under law or the articles, shall be used to amortise the capital by means of the repayment at par of all the shares or of a portion of the shares drawn by lot, without the stated capital being reduced. *(Law of 10 August 2016)* «If the redeemed shares are encumbered with usufruct, the usufructuary shall be entitled to the irregular usufruct of the repaid sum.»

(2) Shares repaid shall be cancelled and replaced by bonus shares which shall carry the same rights as the cancelled shares, except the right to reimbursement of the contribution and the right to participate in the distribution of a first dividend allocated to the unamortised shares.»

*(Law of 24 April 1983)*

*[2017/1132/EU art. 80]*

**«Art. 450-7.**

(1) In the case of a reduction in the subscribed capital by the withdrawal of shares acquired by the company itself or by a person acting in its own name but on behalf of the company, the withdrawal must always be resolved by the general meeting.

(2) Article 450-5, paragraphs 2 and 3 shall apply except in the case of fully paid-up shares which are acquired free of charge or by the application of distributable sums pursuant to Article 461-2; in such case, an amount equal to the nominal value, or in the absence thereof, the accounting par value, of all the withdrawn shares must be incorporated in a reserve. Such reserve may not, except in the event of a reduction of the subscribed capital, be distributed to shareholders; it may be used for offsetting losses incurred or for increasing the subscribed capital by capitalisation of reserves.

(3) In the case referred to in paragraph 1 the decision of the general meeting shall be subject to a separate vote for each class of shares the rights of which are affected by the operation. Moreover, the provisions of Articles 420-19, paragraph 1 and 450-5, paragraph 4 shall not apply.»

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<sup>117</sup> See footnote under Article 100-13 (1).

**Art. 450-8.**

(Law of 10 August 2016)

«At least one general meeting must be held in the Grand Duchy of Luxembourg every year. The meeting must be held within six months of the end of the financial year and the first general meeting may be held within eighteen months following the incorporation of the company.

The board of directors, the management board, as the case may be, as well as the supervisory board and the *commissaires* [supervisory auditors] may convene the general meeting. They shall be obliged to convene it so that it is held within a period of one month, where shareholders representing one-tenth of the corporate capital request them to do so by means of a written request with an indication of the agenda.

The directors, the members of the management board and of the supervisory board, as the case may be, and the *commissaires* [supervisory auditors] may be convened to meetings which they shall not have convened themselves and shall in any case be authorised to take part in such meetings. The *réviseurs d'entreprises agréés* [approved statutory auditors] appointed by the general meeting may be convened to take part in the meetings. These convening notices shall be made in the manner and within the time limits provided for in this Article.

Where, in accordance with Article 450-1, the meeting is held with shareholders who are not physically present, the meeting shall be deemed to be held at the registered office of the company.

If, following the request made by the shareholders pursuant to the second sub-paragraph, the general meeting is not held within the prescribed period, the meeting may be convened by an agent appointed by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters on the application of one or more shareholders who together hold the aforementioned proportion of the corporate capital.

One or more shareholders who together hold at least 10 percent of the subscribed capital may request that one or more additional items be put on the agenda of any general meeting. This request shall be sent to the registered office by registered mail at least five days prior to the holding of the meeting.

The convening notices for every general meeting shall contain the agenda and shall take the form of announcements filed with the register of commerce and companies and published on the *Recueil électronique des sociétés et associations* and in a newspaper published in the Grand Duchy of Luxembourg at least fifteen days before the meeting.

The convening notices shall be communicated to registered shareholders at least eight days before the meeting. This communication shall be made by post unless the addressees have individually agreed to receive the convening notices by way of another means of communication. No proof need be given that this formality has been complied with.»

*(Law of 10 August 2016)*

**«Art. 450-9.**

Where all the shares are in registered form, the company may for any general meeting communicate the convening notices at least eight days before the meeting by registered letters only, without prejudice to other means of communication which need to be accepted on an individual basis by their addressees and to warrant notification. The provisions of the law prescribing the publication of the convening notices on the *Recueil électronique des sociétés et associations* or in a newspaper of the Grand Duchy of Luxembourg shall not apply in that case.»

*(Law of 6 April 2013)*

**«Art. 450-10.**

Holders of dematerialised shares or securities<sup>118</sup> may take part in the general meeting and exercise their rights only if they hold such dematerialised shares or securities at the latest on the fourteenth day prior to the general meeting at midnight, Grand-Duché of Luxembourg time.»

## **Chapter VI - Inventories, annual accounts and specific information to be included in documents**

*(Law of 25 August 2006)*

### *«Section 1 - Inventories and balance sheets»*

**«Art. 461-1.**

*(Law of 25 August 2006)*

«Each year, *(Law of 23 March 2007)* «the board of directors» or the management board, as applicable, must prepare an inventory indicating the value of all the movable and immovable assets of, and all the debts owed to and by, the company, with an annex summarising all its commitments, and the debts of the officers, directors, members of the management board, as applicable, members of the supervisory board and *commissaires* [supervisory auditors] of the company.

*(Law of 23 March 2007)* «The board of directors» or the management board, as applicable, prepares the annual accounts in which the necessary depreciation charges must be made.

The balance sheet shall separately mention fixed assets and current assets and, on the liability side, the debts of the company towards itself, bonds, indebtedness secured by mortgages or pledges and indebtedness without the benefit of security on assets.

Each year at least one-twentieth of the net profits shall be allocated to the creation of a reserve; this allocation shall cease to be compulsory when the reserve has reached an amount equal to one-tenth of the corporate capital, but shall again be compulsory if the reserve falls below such one-tenth.

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<sup>118</sup> For a definition of this term, see footnote under Article 430-12.

One month before the ordinary general meeting, (*Law of 23 March 2007*) «the board of directors or the management board, as applicable, shall deliver documentary evidence, together with a report on the business of the company, to the *commissaires* [supervisory auditors] who must prepare a report setting forth their proposals.»

(*Law of 24 April 1983*)

[2017/1132/EU art.56.1, 2, 3 and 4]

**«Art. 461-2.**

(1) Except for cases of reductions of subscribed capital, no distributions to shareholders may be made when on the closing date of the last financial year the net assets as set out in the annual accounts are, or following such a distribution would become, lower than the amount of the subscribed capital plus the reserves which may not be distributed under law or by virtue of the articles<sup>119</sup>.

(2) The amount of the subscribed capital referred to paragraph 1 shall be reduced by the amount of subscribed capital remaining uncalled if the latter amount is not included as an asset in the balance sheet.

(3) The amount of a distribution to shareholders may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves which are available for that purpose, less any losses carried forward and sums to be placed to reserve in accordance with the law or the articles.

(4) The term «distribution» as used in the foregoing provisions includes in particular the payment of dividends and of interest relating to shares.»

(*Law of 24 April 1983*)

[2017/1132/EU art. 56.5]

**«Art. 461-3.**

(*Law of 25 August 2006*)

(1) «No interim dividends may be paid unless the articles authorise the board of directors or the management board, as applicable, to do so. Any such payment shall in addition be subject to the following conditions:

- 1° interim accounts shall be drawn-up showing that the funds available for distribution are sufficient;
- 2° the amount to be distributed may not exceed total profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed to reserve pursuant to the requirements of the law or of the articles<sup>120</sup>;

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<sup>119</sup> Articles 53, 59 and 72ter of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings set out in Annex I which contain further limitations may also be relevant.

<sup>120</sup> See note under Art. 461-2 (1).

- 3° the decision of the board of directors or the management board, as applicable, to distribute an interim dividend may not be taken more than two months after the date at which the interim accounts referred to in point 1° above have been made up;<sup>121</sup>
- 4° (Law of 18 December 2009) «in their report to the board of directors or the management board, as applicable, the commissaires [supervisory auditors] or the réviseur d'entreprises (...)»<sup>122</sup> [statutory auditor] shall verify whether the above conditions have been satisfied.»

(2) Where the payments on account of interim dividends exceed the amount of the dividend subsequently decided upon by the general meeting, they shall, to the extent of the overpayment, be deemed to have been paid on account of the next dividend.»»

(Law of 24 April 1983)

[2012/30/EU Art. 17.7][2017/1132/EU art. 56.7]

**«Art. 461-4.**

(1) Article 461-2, paragraph 1, shall not apply to investment companies with fixed capital.

(2) The following *sociétés anonymes* shall be regarded as investment companies with fixed capital:

- 1° the exclusive object of which is to invest their funds in various transferable securities, real estate or other assets with the sole purpose of spreading the investment risks and giving their shareholders the benefit of the results of the management of their assets, and
- 2° which offer their own shares for subscription to the public, provided that:
- a) they include the words «*société d'investissement*» in their instruments, notices, publications, letters and other documents;
  - b) their total assets as set out in the annual accounts, at the closing date of the last financial year are or following such distribution would become less than one and a half times the company's total liabilities to creditors as set out in the annual accounts;
  - c) the annual accounts must contain a note to that effect.<sup>123</sup> »

(Law of 14 April, 1983)

[2017/1132/EU art. 57]

**«Art. 461-5.**

(Law of 30 July 2013)

«Any distribution made in violation of Articles 461-2, 461-3 and 461-4 as well as Article 72ter of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings must be repaid by the shareholders who

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<sup>121</sup> The following sub-paragraph has been repealed by the Law of 23 March 2007.

<sup>122</sup> The term «*agrée*» [approved] was deleted by the Law of 23 July 2016 on the audit profession.

<sup>123</sup> Article 56.7 of Directive 2017/1132/EU provides that a note to that effect is to be included in the annual accounts of the company in case of a distribution by it «when its net assets fall below the amount specified» in Article 461-2 (1).

have received it if the company proves that the shareholders knew of the irregularity of the distributions made in their favour or could not, in the circumstances, have been unaware of it.»

(Law of 25 August 2006)

«Art.461-6.»

(Law of 10 August 2016)

«Eight days before the general meeting, shareholders may inspect the following at the registered office:

- 1° the annual accounts<sup>124</sup> and the list of directors or of members of the management board and of the supervisory board as well as the list of the *commissaires* [supervisory auditors] or the *réviseur d'entreprises agréé* [approved statutory auditor];»
- 2° the list of sovereign debt, shares, bonds and other company securities making up the portfolio;
- 3° the list of shareholders who have not paid-up their shares, with an indication of the number of their shares and their domicile;
- 4° the management report<sup>125</sup> of the board of directors or of the management board, as applicable, and the observations of the supervisory board;
- 5° «the report of the *commissaires* [supervisory auditors] or of the *réviseur d'entreprises agréé* [approved statutory auditor]<sup>126</sup>;
- 6° in case of amendments to the articles, the text of the proposed amendments and the draft of the resulting consolidated articles.

Each shareholder shall be entitled to obtain free of charge, upon request and against evidence of his title, eight days before the meeting, a copy of the annual accounts, as well as the report of the *commissaires* [supervisory auditors] or of the *réviseur d'entreprises agréé* [approved statutory auditor], the management report and the observations of the supervisory board.

The right to obtain documents also belongs to each of the co-owners of jointly held shares, to the bare-owner and to the usufructuary of shares. They may attend general meeting either with a right to vote or with a right to speak only, as applicable. »

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<sup>124</sup> See Chapter II of Title II of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

<sup>125</sup> See Article 68 and Article 68bis of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

<sup>126</sup> With respect to the report of the *réviseur d'entreprises agréé* [approved statutory auditor] see Article 69bis of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.



(Law of 25 August 2006)

**«Art. 461-7.**

The general meeting shall hear the reports of the directors or of the management board, as applicable, as well as the report of the *commissaires* [supervisory auditors] and shall discuss the annual accounts.

After adoption of the annual accounts, the general meeting shall vote specifically as to whether discharge is given to the directors or to the members of the management board and of the supervisory board, as applicable, as well as to the *commissaires* [supervisory auditors]. Such discharge shall be valid only if the annual accounts contain no omission or false information concealing the true situation of the company and, with regard to any acts carried out which fall outside the scope of the articles, if they have been specifically indicated in the convening notice.»

(Law of 25 August 2006)

**«Art. 461-8.**

The annual accounts, bearing at the commencement thereof the date of publication of the constitutive instruments of the company, must within one month after approval thereof be published by the directors or by the management board, as applicable, at the expense of the company in accordance with Article 100-13.

At the end of the annual accounts there shall be published the names, first names, occupations and domicile of the directors, the members of the management board, as applicable, and the *commissaires* [supervisory auditors] for the time being in office, as well as a table indicating the use and allocation of the net profits in accordance with the resolutions of the general meeting.»

## *Section 2 - Specific information to be included in documents*

(Law of 23 November 1972)

**«Art. 462-1.**

(Law of 25 August 2006)

[2017/1132/EU art. 26]

«All instruments, invoices, notices, publications, letters, order forms and other documents issued by *sociétés anonymes* and *sociétés européennes* (SE) must state:

- 1° the corporate denomination of the company;
- 2° (Law of 10 August 2016) «the words «*société anonyme*» or, as the case may be, «*société par actions simplifiée*», reproduced legibly and in full or the initials «SA» or, as the case may be, the initials «SAS» or «SE», immediately before or after the denomination of the company;»
- 3° a precise indication of the registered office;

4° «the words «*Registre de commerce et des sociétés, Luxembourg*» or the initials «R.C.S. Luxembourg» followed by the registration number<sup>127</sup>.

If the above documents state the capital of the company, that statement shall take into account any decrease which it may have suffered according to the results of the various successive balance sheets and shall indicate both the portion not yet paid-up and, in the case of an increase of capital, the portion which has not yet been subscribed to.

Any change of the registered office shall be published by the directors or the members of the management board, as applicable, in the (*Law of 27 May 2016*) «*Recueil électronique des sociétés et associations.*»

**Art. 462-2.**

Any agent acting on behalf of a *société anonyme* in respect of which the requirements of the foregoing Article are not fulfilled may, depending on the circumstances, be declared personally liable for the commitments entered into therein by the company. In the event of overstatement of the capital or the failure to mention the portion not yet paid-up or subscribed to or the incorrect mention thereof, the third party, in case of failure by the company, shall be entitled to claim from such agent, a sum sufficient to ensure that he is placed in the same position as if the stated capital had been the true capital and had been paid-up or subscribed to in full or to the extent indicated.

(*Law of 25 August 2006*)

**«Art. 462-3.»**

(*Law of 10 August 2016*)

«In all instruments by which the company is bound, the signature of directors, members of the management board, members of the management committee, *directeur général* (managing executive officer) and, as applicable, managers and other agents must be immediately preceded or followed by an indication of the capacity in which they act.»

## Chapter VII - The issue of bonds

(*Law of 25 August 2006*)

**«Art. 470-1.<sup>128</sup>**

A register of registered bonds shall be kept at the registered office.

(*Law of 10 August 2016*) «Bearer bonds shall be signed by one director or member of the management board or a person delegated for that purpose by the board of directors or the management board, as applicable. Unless otherwise provided in the articles, the signature may be manual, in facsimile or affixed by means of a stamp.»<sup>129</sup>

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<sup>127</sup> See also Art. 34 of the Law of 2 September 2011 regulating the access to the professions of craftsman, merchant, manufacturer and certain liberal professions.

<sup>128</sup> Former article 79 has been repealed by the Law of 10 August 2016 and former Articles 80 to 83 which preceded this Article 470-1 have been repealed by the Law of 10 July 2005.

<sup>129</sup> This sub-paragraph was followed by a sub-paragraph repealed by the Law of 10 August 2016.

A certified true copy of the instrument delegating authority to a person who is not a member of the board of directors or of the management board, as applicable, shall be previously filed in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>130</sup>».<sup>131</sup>

(*Law of 6 April 2013*)

«Global bond certificates taking the form of global bearer certificates deposited with a securities settlement system may be executed by one or more persons authorised to do so by the issuing company. (*Law of 7 August 2023*) «The number of bonds represented» by these certificates must be determined or be capable of being determined.»

(*Law of 10 August 2016*) «The provisions of Articles 430-4, 430-7 and 430-8 sub-paragraphs 2, 3 and 4 are applicable to bonds.»

**Art. 470-2.**

Holders of bonds shall be entitled to examine the documents filed in accordance with Article 461-6. (*Law of 10 August 2016*) «Unless otherwise provided for by the articles,» they may attend general meetings but only with a right to speak.

(*Law of 9 April 1987*)

**«Art. 470-3.**

Bondholders, holding securities forming part of the same issue, shall form a group (*masse*) organised in accordance with the following provisions.»

(*Law of 25 August 2006*)

**«Art. 470-4.**

(1) One or more representatives of the bondholders' group may be appointed at the time of the issue by the company or, during the term of the loan, by the general meeting of bondholders.

(2) If no representative has been appointed in the manner provided for in the foregoing paragraph, the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of the company is located, and sitting as in urgency matters, may, in case of urgency, at the application of the company, of any bondholder or of any interested third party, designate one or more representatives and determine their powers.

(3) The following may not be appointed as representatives of the bondholders' group:

- 1° the debtor company;
- 2° companies holding one tenth or more of the capital of the debtor company or in which the debtor company has a holding of one tenth or more;
- 3° companies guaranteeing all or part of the obligations of the debtor company;

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<sup>130</sup> See footnote under Article 100-13 (1).

<sup>131</sup> This sub-paragraph was followed by a sub-paragraph repealed by the Law of 23 March 2007.

4° (*Law of 18 December 2009*) «members of the board of directors, of the management board or of the supervisory board, *commissaires* [supervisory auditors], *réviseurs d'entreprises agréés* [approved statutory auditors], and representatives of the aforementioned companies.»

(4) The general meeting of bondholders may dismiss the group representatives. They may also be removed for just cause by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of the company is located, and sitting as in urgency matters, at the application of the company or of any bondholder.»

(*Law of 9 April 1987*)

**«Art. 470-5.**

(1) Where the representative(s) of the bondholders' group are appointed by the company at the time of the issue, they shall exercise the powers enumerated below:

- 1° they implement the resolutions adopted by the general meeting of bondholders;
- 2° they accept on behalf of the bondholders' group, the collateral intended to secure the company's debt.

They may grant full or partial release of mortgage inscriptions in the event of reimbursement or payment to them of the sales price of the assets from which the charge is to be removed, as well as in the event of total or partial repayment of the bonds;

- 3° they take conservatory measures to protect the bondholders' rights;
- 4° they shall be present at drawings by lot of bonds and shall supervise the proper execution of the amortisation plan and the payment of interest;
- 5° (*Law of 10 August 2016*) «they represent the bondholders in any bankruptcy, suspension of payments, composition with creditors to prevent bankruptcy, controlled management and all similar procedures and declare in any such procedure all claims in the name and in the interest of the bondholders and prove the existence and the amount of such claims by all legal means.

They may be authorised, upon their appointment, to accept any payment and distribution to the bondholders;»

- 6° they may be parties to legal proceedings as plaintiffs or defendants acting in the name and in the interest of the represented bondholders, without it being necessary for the latter to be joined to the proceedings.

(2) The general meeting of bondholders may, after a period of six months, restrict or extend the powers of the representatives of the bondholders' group appointed by the company at the time of the issue.

(3) Where the representative(s) of the bondholders' group are appointed by the general meeting of bondholders during the term of the loan, the meeting may freely determine the powers of such representatives.»

(Law of 9 April 1987)

**«Art. 470-6.**

By way of derogation from Article 470-5, first paragraph, the issuer may, at the time of issue, appoint one or more persons entrusted with specific mandates on behalf of the bondholders' group, without their powers exceeding those provided for in Article 470-5.»

(Law of 9 April 1987)

**«Art. 470-7.**

The liability of the representatives of the bondholders' group shall be assessed on the same basis as that of a fee-earning agent.»

(Law of 9 April 1987)

**«Art. 470-8.**

The costs of convening and holding general meetings of bondholders and the costs of any conservatory measures taken by the representatives of the group shall be borne and advanced by the company.

The fees of the representatives shall be borne by the company. The company may make application for such fees to be reviewed by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district where the registered office of the company is located.

Other costs and expenses decided by the meeting or incurred by the representatives shall be borne by the bondholders without prejudice to the right of the court, at which litigation has been brought to which the bondholders are parties, to direct that they are to be joined in respect of costs. The meeting shall determine the manner in which they are to be paid. It may decide that the company is to advance the amount thereof and withhold that amount from the interest payable to the bondholders. In such case, the amount advanced by the company may not exceed one-tenth of the net annual interest. In the event of any dispute as to the appropriateness or amount of the advance, the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district where the registered office of the company is located, shall resolve the matter upon application of the representatives, the parties having been heard or duly summoned to attend.»

(Law of 25 August 2006)

**«Art. 470-9.**

The representatives of the bondholders' group, the board of directors or the management board, as applicable, as well as the *commissaire* [supervisory auditor] or the board of *commissaires* [supervisory auditors] may convene the general meeting of bondholders.

The representatives of the group, provided an advance of expenses has been made to them in accordance with Article 470-8, and the other corporate bodies must (Law of 10 August 2016)«convene such a meeting so that it is held within a month» if they are called upon to do so by bondholders representing one twentieth of the bonds of the same issue outstanding.»

*(Law of 9 April 1987)*

**«Art. 470-10.**

The meeting shall comprise the bondholders forming part of the same group. However, where a matter is common to bondholders belonging to several groups, they shall be convened to a single meeting.»

*(Law of 9 April 1987)*

**«Art. 470-11.»**

Meetings shall be convened in the manner and within the time limits provided for in Articles 450-8 and 450-9.»

*(Law of 9 April 1987)*

**«Art. 470-12.**

All bondholders, notwithstanding any provision to the contrary, but subject to compliance with the terms and conditions of the issue, shall be entitled to vote personally or by proxy. The voting rights attaching to the bonds shall be commensurate with the portion of the loan which they represent. Each bond shall carry the right to at least one vote.

Members of the corporate bodies of the company and any persons authorised to do so by the meeting to attend the meeting with the right to speak but not to vote.

The meeting shall be presided over by the representatives of the bondholders' group, if any have been appointed.

Any person who has complied with the legal requirements and with the terms and conditions of the issue with a view to taking part in the meeting may, if his right to do so is contested, take part in the vote as to whether he is to be admitted. His agent, bearing a written proxy, shall have the same right.

The company must make available to the bondholders at the commencement of the meeting a statement of the bonds outstanding.

The manner in which meetings are to be conducted shall be determined by the articles of the company, the terms and conditions of the issue and the provisions of Article 450-1.»

*(Law of 9 April 1987)*

**«Art. 470-13.**

*(Law of 25 August 2006)*

«The meeting may:

- 1° in accordance with Article 470-4, appoint or remove the representatives of the group;
- 2° remove the special agents referred to in Article 470-6;
- 3° resolve as to the conservatory measures to be taken in the common interest;
- 4° modify or waive the specific collateral granted to bondholders;
- 5° postpone one or more interest payment dates, agree to a reduction of the interest rate or change the conditions of payment thereof;
- 6° extend the amortisation period, suspend the same and consent to changes in the conditions thereof;

- 7° agree to the substitution of bonds by shares of the company;
- 8° agree to the substitution of bonds by shares or bonds of other companies;
- 9° resolve to constitute a fund for the purpose of protecting common interests;
- 10° adopt any other measures whose purpose is to ensure the defence of the common interests of the bondholders or the exercise of their rights.

The decisions provided for under points 5°, 6°, 7° and 8°, may be taken only if the capital of the company has been fully called. (*Law of 18 December 2009*) «In the same case, and in the circumstances envisaged under point 4°, the meeting may adopt decisions only if there has been tabled before it a statement, audited and certified by the *commissaires* [supervisory auditors] or the *réviseurs d'entreprises agréés* [approved statutory auditors], summarising the assets and liabilities of the company as at a date which shall not be more than two months before the date of the decision, accompanied by a report of the board of directors or of the management board, as applicable, justifying the proposed measures.»

Where the substitution of shares for bonds implies an increase in the capital of the company, it may take effect only if the said increase is resolved upon by the general meeting of shareholders no later than three months after the decision of the meeting of bondholders.

The adopted resolutions shall be published in the form of extracts in accordance with Article 100-13.»

(*Law of 9 April 1987*)

**«Art. 470-14.**

(*Law of 25 August 2006*)

(1) «Where the general meeting is called upon to resolve upon the matters provided for under Article 470-13, points 1°, 2° and 3°, decisions shall be adopted by a simple majority of the votes cast by the represented security holders.

(2) In all other cases, the meeting may validly deliberate only if the members thereof represent at least one half of the value of the securities outstanding.

If this condition is not fulfilled, it is necessary to convene a new meeting which shall validly deliberate regardless of the proportion of the value of the securities outstanding which is represented.

Resolutions are adopted by a majority of two thirds of the votes cast by the security-holders represented. Votes cast shall not include votes attaching to bonds in respect of which the bondholder has not taken part in the vote or has abstained or has returned a blank or invalid vote. »

(*Law of 9 April 1987*)

**«Art. 470-15.**

Where a resolution may change the respective rights of several groups of bondholders it must, in order to be valid, fulfil, as regards each group, the conditions as to attendance and majority provided for by Article 470-14.»

*(Law of 9 April 1987)*

**«Art. 470-16.**

Where one or more representatives of the bondholders' group have been appointed in accordance with Article 470-4, bondholders may no longer exercise their rights individually.

Where one or more representatives of the bondholders' group are appointed during the term of the loan, individual actions already commenced shall terminate unless the representative or representatives of the group continue the same within six months after their appointment.

Bondholders shall retain the right to pursue the enforcement of final judgements obtained before the appointment of one or more representatives of the bondholders' group.»

*(Law of 9 April 1987)*

**«Art. 470-17.**

(1) The company may create a mortgage in order to secure bonds in issue or to be issued.

Any such mortgage shall be registered in the normal form in favour of the bondholders' group or future bondholders, subject to the two restrictions below:

1° the designation of the creditor shall be replaced by that of the securities representing the secured debt;

2° the provisions as to the election of an address for service shall not apply.

The mortgage shall rank as of the date of inscription irrespective of the date of issue of the bonds.

(2) The registration shall not require any renewal during the term of the loan.

(3) The registration shall be reduced or cancelled upon the company's commitments having terminated or upon the consent of the meeting of bondholders.

Any procedure for removal of the mortgage, the expropriation of the charged property or the reduction or cancellation of the mortgage registration shall be brought against the representatives of the group. If no representative has been appointed by the general meeting of bondholders, the procedure provided for in Article 470-4, sub-paragraph 2 shall be followed.

(4) The representatives of the group are obliged, within eight days of receiving any amounts paid to them as a result of the proceedings referred to in the foregoing paragraph, to deposit the same either at the *(Law of 23 March 2007)* «*caisse de consignation*» or, with the authorisation of the court, with an authorised credit institution established in the Grand Duchy of Luxembourg. A Grand Ducal regulation shall determine the rate of interest to be paid, which may exceed the maximum fixed by the Law of «29 April 1999 on payments deposited in escrow with the State »<sup>132</sup>.

The sums thus held in escrow on behalf of the bondholders may be withdrawn on the basis of proxies bearing specific names or proxies appointing the bearer, issued by the representatives of the group and countersigned by the judge presiding the chamber of the

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<sup>132</sup> Updated of the cross reference to the current law made by the Grand Ducal Regulation of 5 December 2017.



*Tribunal d'Arrondissement* [District Court] dealing with commercial matters. Payment in respect of the proxies bearing specific names shall be made against a receipt given by the payees; bearer mandates shall be paid upon a receipt having been given by the representatives of the group.

No proxies may be issued by the representatives of the group unless the bond is presented. The representatives shall mark on the bond the sum in respect of which they issue a proxy.»

(*Law of 9 April 1987*)

**«Art. 470-18.**

A company indebted on account of bonds which have been called for total or partial redemption and where a holder of such bonds has failed to present himself within the year following the date of payment, is authorised to deposit the sums due in escrow. Such deposit shall be made with the Luxembourg (*Law of 23 March 2007*) «*caisse de consignation*» or, with the authorisation of the court, with an authorised credit institution established in the Grand Duchy of Luxembourg.»

(*Law of 9 April 1987*)

**«Art. 470-19.**

The bankruptcy of the company shall not bring to an end the operation or role of the general meeting of bondholders. Article 470-4, paragraphs 2 and 3, shall continue to apply even after the judgement declaring the bankruptcy.»

(*Law of 9 April 1987*)

**«Art. 470-20. »**

(*abrogated by the Law of 7 August 2023*)

**Art. 470-21.**

(*Law of 7 August 2023*) «Except if expressly provided differently in the deed of issue or the loan agreement in the form of bonds, a termination condition is implicitly included in the deed of issue or the loan agreement where they are governed by Luxembourg law, in the event either of the parties fails to satisfy its obligations.»

In such case, the contract shall not be terminated *ipso jure*. The party against whom the obligation is in default shall have the option either of enforcement in kind of the agreement where this is possible or to apply for termination thereof with damages.

Such termination must be sought by application to the courts and the defendant may be granted a grace period, depending on the circumstances.

(Law of 23 March 2007)

## **«Chapter VIII - The duration and dissolution of sociétés anonymes and of sociétés européennes (SE)»**

(Law of 7 September 1987)

### **«Art. 480-1.**

*Sociétés anonymes* may be incorporated for a limited or an unlimited period.

In the former case, the duration of the company may be successively extended in accordance with the condition of Article 450-3.

In the latter case, Articles 1865, 5° and 1869 of the Civil Code shall not apply. Application for dissolution of the company for just cause may however be made to the court. Except in the case of dissolution by court order, dissolution of the company may take place only pursuant to a resolution adopted by the general meeting in accordance with the conditions laid down for amendments of the articles.» (Law of 10 August 2016) «Article 1865bis, sub-paragraph 2 et seq. of the Civil Code shall also apply.»

(Law of 25 August 2006)

[2017/1132/EU art. 58]

### **«Art. 480-2.»**

(Law of 10 August 2016)

«Without prejudice to stricter provisions in the articles, if as a result of losses, net assets fall below half the corporate capital, the board of directors or the management board, as applicable, shall convene a general meeting so that it is held within a period not exceeding two months from the time at which the loss was or should have been ascertained by them and such meetings shall resolve, where applicable in accordance with the conditions provided for in Article 450-3, on the possible dissolution of the company and possibly on other measures announced in the agenda.

The board of directors or the management board, as the case may be, shall set out the causes of that situation and shall justify its proposals in a special report which must be made available to the shareholders at the registered office of the company eight days before the general meeting. If it proposes to continue to conduct business, it shall set out in its report the measures which it intends to take in order to remedy the financial situation of the company. The report shall be announced in the agenda. Any shareholder shall be entitled to obtain a copy of the report, free of charge, upon request and upon evidence of his title, eight days before the meeting. A copy thereof shall be sent to the registered shareholders at the same time as the notice of the meeting.

Failure to draw up the report referred to in sub-paragraph 2 shall invalidate the decision of the general meeting, unless all the shareholders of the company have waived such report.

The same rules shall be observed if, as a result of losses, net assets fall below one-quarter of the corporate capital provided that in such case, dissolution shall take place if approved by one-fourth of the votes cast at the meeting.

In the event of any infringement of the foregoing provisions, the directors or the members of the management board, as applicable, may be declared personally and jointly and severally liable vis-à-vis the company for all or part of the increase of the loss.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 64]

**«Art. 480-3.**

(1) The *Tribunal d'Arrondissement* [District Court] dealing with commercial matters, may, at the application of the *procureur d'État* (public prosecutor), order the dissolution and the liquidation of a *société européenne* (SE), with its registered office in the Grand Duchy of Luxembourg but where its central administration (head office) is not located there.

The application and the procedural deeds shall be served through the *greffe*. If the company cannot be contacted at its legal domicile in the Grand Duchy of Luxembourg, the application is published by way of extract in two newspapers printed in Luxembourg.

The company concerned shall, however, be granted a period of six months by the competent court in order to regularise its position, either:

- 1° by re-establishing its central administration (head office) in the Grand Duchy of Luxembourg or;
- 2° by transferring the registered office by means of the procedure laid down in Chapter IX of the present Title.

The action to cause the dissolution is directed against the company.

The decision ordering the dissolution shall take effect as of its date.

However, vis-à-vis third parties, it shall only be valid (Law of 27 May 2016) «in the conditions provided by Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>133</sup>».

The tribunal may either order the immediate closing of the liquidation, or determine the method of liquidation and appoint one or more liquidators. It may render applicable to such extent as it may determine, the rules governing the liquidation of a bankruptcy. Upon the closing of the liquidation, the liquidator shall report to the court and submit a statement on the corporate assets and their application.

(2) Where it is established either by the court at the application of the *procureur d'État* (public prosecutor), or any interested party that a *société européenne* (SE) has its central administration (head office) within the territory of the Grand Duchy of Luxembourg, without, however, its registered office being situated there, the *procureur d'État* shall immediately inform the Member State<sup>134</sup> in which the registered office of the *société européenne* (SE) is situated.»

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<sup>133</sup> See footnote under Article 100-13 (4).

<sup>134</sup> See definition in the sixth paragraph of Article 100-2.

(Law of 25 August 2006)

## «Chapter IX - Transfer of the registered office of a société européenne (SE)»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.1.]

### «Art. 490-1.

The registered office of a *société européenne* (SE) may be transferred from the Grand Duchy of Luxembourg to another Member State<sup>135</sup> and from another Member State to the Grand Duchy of Luxembourg in accordance with the present Chapter. Such a transfer shall not result in the dissolution of the *société européenne* (SE) or in the creation of a new legal person.»

(Law of 25 August 2006)

### *Section 1 - Procedure for the transfer of the registered office from the Grand Duchy of Luxembourg to another Member State.»*

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.2.]

### «Art. 491-1.

(1) The board of directors or the management board, as applicable, of the *société européenne* (SE) transferring its registered office, shall draw up a transfer proposal in writing.

(2) The proposal shall indicate:

- 1° the corporate denomination, registered office and registration number of the *société européenne* (SE);
- 2° the proposed registered office of the *société européenne* (SE);
- 3° the proposed articles of the *société européenne* (SE) including, where appropriate, its new corporate denomination;
- 4° any implication the transfer may have on employees' involvement in the *société européenne* (SE);
- 5° the proposed transfer timetable;
- 6° any rights provided for the protection of shareholders and/or creditors or holders of securities other than shares.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.2.]

### «Art. 491-2.

(Law of 23 March 2007)

«The transfer proposal shall be published in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register

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<sup>135</sup> See definition in the sixth paragraph of Article 100-2.

of commerce and companies and the accounting and annual accounts of undertakings<sup>136</sup>», two months at least before the date of the general meeting called upon to decide on the transfer proposal.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.3.]

**«Art. 491-3.**

The board of directors or the management board, as applicable, shall draw up a report explaining and justifying the legal and economic aspects of the transfer and explaining the implications of the transfer for shareholders, creditors and employees.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.4.]

**«Art. 491-4.**

The shareholders and creditors of the *société européenne* (SE) shall be entitled, at least one month before the general meeting called upon to decide on the transfer, to examine, at the registered office of the *société européenne* (SE), the transfer proposal, the report drawn up pursuant to Article 491-3 and on request, to obtain copies of those documents free of charge.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.6.]

**«Art. 491-5.**

The transfer requires the approval of the general meeting of the *société européenne* (SE). The decision of the general meeting shall be passed in accordance with the quorum and majority rules as prescribed for the amendment of the articles. No decision may be taken for two months after publication of the proposal pursuant to Article 491-2.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.7.]

**«Art. 491-6**

Creditors of a *société européenne* (SE) which is transferring its registered office, whose claims predate the publication of the transfer proposal pursuant to Article 491-2, may, notwithstanding any agreement to the contrary, within two months of such publication, apply to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of the debtor company is located and sitting as in urgency matters, for the constitution of security for matured or unmatured claims, in case the transfer would have as an effect to jeopardise the general lien of such creditors or to impede the enforcement of their claims. The president shall reject such application, where the creditor already has adequate safeguards or if such security is not necessary having regard to the position of the company after the transfer. The debtor company may cause the application to be turned down by paying the creditor even if his claim has not matured.

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<sup>136</sup> See footnote under Article -100-13 (1).

If the security is not provided within the time limit prescribed, the claim shall become immediately due and payable.»

*(Law of 25 August 2006)*

**«Art. 491-7.**

Without prejudice to the rules governing the collective exercise of their rights, Article 491-6 shall apply to holders of bonds of the company transferring its registered office, unless the transfer has been approved by a meeting of the bondholders or by the bondholders individually. »

*(Law of 25 August 2006)*

**«Art. 491-8.**

(1) The holders of securities, other than shares, to which special rights are attached, must be given rights in the company which has transferred its registered office at least equivalent to those conferred to them in the company prior to such transfer.

(2) Paragraph 1 shall not apply if the alteration to those rights has been approved by a meeting of such holders passed in accordance with the quorum and majority rules provided for in Article 491-5.

*(Law of 23 July 2016)*

«(3) In the event the meeting provided for in the preceding paragraph is not convened or, in case such a meeting refuses the proposed alteration, the securities concerned shall be repurchased at the price corresponding to their valuation in the transfer proposal and verified by an independent expert appointed by the management body and chosen among the *réviseurs d'entreprises* [statutory auditors].»»

*(Law of 25 August 2006)*

[*EC Regulation 2157/2001, Art. 8.8.*]

**«Art. 491-9.**

(1) The minutes of the meeting which resolves on the transfer shall be established as a notarial deed.

(2) The notary shall verify and certify the existence and legality of the deeds and formalities incumbent on the company for which he draws up his deed and of the transfer proposal.

(3) The notary shall issue a certificate attesting in a conclusive manner as to the completion of the acts and formalities which need to be accomplished prior to the transfer.»

(Law of 25 August 2006)

«Section 2 - The effectiveness of the transfer of the registered office»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.10.]

«Art. 492-1.

The transfer of the registered office of a *société européenne* (SE) and the resulting amendment of its articles shall take effect on the date of registration which in the Grand Duchy of Luxembourg is carried out at the register of commerce and companies.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.9.]

«Art. 492-2.

Where a *société européenne* (SE) transfers its registered office to the Grand Duchy of Luxembourg, the registration at the register of commerce and companies may not be effected until presentation of the certificate issued by the competent authority of the Member State<sup>137</sup> in which the *société européenne* (SE) previously had its registered office attesting the conclusive completion of the acts and formalities to be accomplished prior to the transfer.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.16.]

«Art. 492-3.

A *société européenne* (SE) which has transferred its registered office to another Member State shall be considered, in respect of any cause of action litigation arising prior to the transfer as determined pursuant to Article 492-1, as having its registered office in the Member State where the *société européenne* (SE) was registered prior to the transfer, even if the *société européenne* (SE) is sued after the transfer.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.13]

«Art. 492-4.

The transfer of the registered office of the *société européenne* (SE) will be effective vis-à-vis third parties, excluding shareholders, as from the date of the publication of the new registration of the *société européenne* (SE). However, as long as the deletion of the registration from the register for its previous registered office has not been publicised, third parties may continue to rely on the previous registered office, unless the *société européenne* (SE) proves that such third parties were aware of the new registered office.»

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<sup>137</sup> See definition in the sixth paragraph of Article 100-2.

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.11.]

**«Art. 492-5.**

When the new registration of the *société européenne* (SE) has been effected, the registry for its new registration shall notify the registry for its old registration.

Deletion of the old registration shall be effected on receipt of that notification, but not before.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.12.]

**«Art. 492-6.**

The new registration and the deletion of the old registration shall be publicised, Articles 100-11 and 100-13 (Law of 27 May 2016) «as well as the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>138</sup>» being applicable.

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 8.15.]

**«Art. 492-7.**

A *société européenne* (SE) which is subject to proceedings for dissolution, liquidation, bankruptcy, composition with creditors or other similar proceedings such as suspension of payments, controlled management or proceedings instituting a special management or supervision may not transfer its registered office.»

(Law of 10 August 2016)

## **«Title V - Sociétés par actions simplifiées»**

(Simplified joint stock companies)

(Law of 10 August 2016)

**«Art. 500-1.**

A *société par actions simplifiée* is a company whose capital is divided into shares and which is formed by one or more persons who only contribute a specific amount. It is subject to the provisions of this Title.

The sole shareholder shall exercise the powers reserved to the shareholders where this title provides for collective decision-making.

To the extent that they are consistent with the specific provisions of this Title, the rules regarding *sociétés anonymes*, except Sections 1 and 2 of Chapter IV of Title IV, subject to the provisions of Article 500-6, as well as Articles 444-3 to 450-4, 450-8 to 450-10 of this law shall apply to *sociétés par actions simplifiées*. For the application of such rules, the powers and

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<sup>138</sup> See footnote under Article 100-13.



duties of the board of directors or of the person(s) entrusted with the day-to-day management shall be exercised and performed by the president of the *société par actions simplifiée* or by the officer(s) who is(are) designated by the articles for that purpose.»

(Law of 10 August 2016)

**«Art. 500-2.**

The *société par actions simplifiée* may not make a public issue of shares.»

(Law of 10 August 2016)

**«Art. 500-3.**

The articles shall determine the governance rules of the company.»

(Law of 10 August 2016)

**«Art. 500-4.**

The company shall be represented towards third parties and in legal proceedings, either as plaintiff or as defendant, by a president appointed as provided by the articles. Writs served on behalf of or upon the company shall be validly served in the name of the company alone.

The president shall be vested with the widest powers to act in all circumstances on behalf of the company within the corporate object.

With respect to third parties, the company shall even be bound by deeds of the president which are outside the corporate object, unless it proves that the third party knew that the deed exceeded the corporate object or could not, in view of the circumstances, have been unaware of it; publication of the articles shall not of itself be sufficient proof thereof.

The articles may provide for the conditions under which one or more persons, other than the president and which shall have the title of *directeur* (executive officer), may exercise the powers entrusted to the president by the present article.

The provisions of the articles of incorporation which limit the powers of the president shall not be valid vis-à-vis third parties. The *directeur* (executive officer) shall, towards third parties, have the same powers as the president.»

(Law of 10 August 2016)

**«Art. 500-5.**

Where a legal entity is appointed as president or *directeur* (executive officer) of a *société par actions simplifiée*, it shall designate a permanent representative to exercise that duty in the name and for the account of the legal entity.

Such representative shall be subject to the same conditions and shall incur the same civil responsibility as if he fulfilled such duty in his own name and for his own account, without prejudice to the joint and several liability of the legal entity which he represents. The revocation by such legal entity of its representative is conditional upon the simultaneous appointment of a successor.

The appointment and termination of the position of a permanent representative shall be subject to the same publicity rules as if he was acting in his own name and for his own account.»

(Law of 10 August 2016)

**«Art. 500-6.**

The president or the *directeurs* (executive officers) of the *société par actions simplifiée* shall not incur any personal obligation by reason of the commitments of the company.

The rules which determine the liability of the members of the board of directors or of the management board of *sociétés anonymes* shall apply to the president and to the *directeurs* (executive officers) of *sociétés par actions simplifiées*.»

(Law of 10 August 2016)

**«Art. 500-7.**

The articles shall determine the decisions which must be adopted collectively by the members and the form and the conditions in which they must be so adopted.

However, the powers and duties reserved to general meetings of *sociétés anonymes*, regarding the increase, amortisation or reduction of capital, mergers, demergers, dissolution, conversion into a company of another form, appointment of *commissaires* [supervisory auditors], annual accounts and profits shall be exercised collectively by the members, under the conditions provided for by the articles.

If the company comprises only one member, his decisions shall be recorded in minutes or drawn up in writing.»

(Law of 10 August 2016)

**«Art. 500-8.**

Where the president has a direct or indirect financial interest in a transaction to be decided by him conflicting with that of the company, mention thereof shall be made in the minutes of the transaction.

Where a *directeur* or *directeurs* (executive officer or officers) has(have) a direct or indirect financial interests conflicting with that of the company, the decision shall be made by the president. Mention thereof shall be made in the minutes of the decision.

At the next following general meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which the president may have had an interest conflicting with that of the company.

These provisions shall not apply to ordinary business entered into under normal conditions.»

(Law of 10 August 2016)

**«Art. 500-9.**

Any transfer of shares in breach of the articles shall be void.»

## Title VI - Sociétés en commandite par actions

(Corporate Partnerships Limited By Shares)

### Art. 600-1.

(Law of 12 July 2013)

«A *société en commandite par actions* is a company established by contract, for a limited or an unlimited period, between one or more shareholders who are indefinitely and jointly and severally liable for the obligations of the company and one or more shareholders who only contribute a specific share of capital.»

(Law of 25 August 2006)

### «Art. 600-2.

The provisions regarding *sociétés anonymes* shall apply to *sociétés en commandite par actions* subject to the modifications indicated in this Title.

Furthermore, a *société en commandite par actions* shall not be subject to the provisions specifically applicable to the «*sociétés européennes* (SE)»<sup>139</sup>.»<sup>140</sup>

(Law of 23 November 1972)

[2017/1132/EU art. 26]

### «Art. 600-3.

All instruments, invoices, notices, publications, letters, order forms and other documents issued by *sociétés en commandite par actions* must contain:

(Law of 12 July 2013)

- 1° the corporate denomination»;
- 2° the words «*société en commandite par actions*» reproduced legibly and in full;
- 3° a precise indication of the registered office;

(Law of 19 December 2002)

- 4° «the words «*Registre de commerce et des sociétés, Luxembourg*» or the initials «R.C.S. Luxembourg» followed by the registration number.»<sup>141</sup>

(Law of 23 November 1972)

«If the above documents state the capital of the company, that statement shall take into account any decrease which it may have suffered according to the results of the various successive balance sheets and shall indicate both the portion not yet paid-up and in the case of an increase of capital, the portion which, has not yet been subscribed to.

Any change of the registered office shall be published on the (Law of 27 May 2016) «*Recueil électronique des sociétés et associations*, such publication to be arranged by the management.

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<sup>139</sup> The plural « *les sociétés européennes* » has been reintroduced by the Law of 7 August 2023.

<sup>140</sup> Former article 104 which followed this Article has been repealed by the Law of 12 July 2013.

<sup>141</sup> See also Art. 34 of the Law of 2 September 2011 regulating the access to the professions of craftsman, merchant, manufacturer and certain liberal professions.

The penalties provided for in Article 462-2 shall apply to any agent acting on behalf of the company in circumstances where these provisions are not complied with.»

(*Law of 8 March 1989*)

**«Art. 600-4.**

Bearer shares shall be signed by the managers. Save if otherwise provided for in the articles, such signatures or one of them may be manual, in facsimile, printed or affixed by means of a stamp.»

**Art. 600-5.**

(*Law of 12 July 2013*)

«Management of the company is carried out by one or more managers, who may but need not be unlimited members, designated in accordance with the articles. (*Law of 10 August 2016*) «Where one or more managers are legal entities, they shall not be obliged to appoint an individual as permanent representative.»

Managers who are not unlimited partners shall be liable in accordance with Article 441-9.

The articles may allow the managers to delegate their powers to one or more proxies who are liable only for the performance of their mandate.

Unless otherwise provided in the articles, each manager may on behalf of the company take any action necessary or useful to the fulfilment of the corporate object. Any restrictions provided in the articles with respect to the powers of the managers are not valid vis-à-vis third parties, even if they are published. However, the articles may authorise one or more managers to represent the company, either singly or jointly, and a clause to that effect is valid vis-à-vis third parties subject to the conditions laid down in «Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings»<sup>142</sup>.

The company shall be bound by any acts of the manager(s), even if such acts exceed the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not, in view of the circumstances, have been unaware of it.

Each manager represents the company vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant.

Writs served on behalf of or upon the company shall be validly served in the name of the company alone.»

**Art. 600-6.**

(*Law of 12 July 2013*)

«A limited partner may enter into any transaction with the *société en commandite par actions* without his capacity as limited partner affecting his rank as unsecured or preferred creditor under the terms of the relevant transaction.

He shall be prohibited from carrying out any act of management vis-à-vis third parties.

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<sup>142</sup> Amended by Article 20, the “catch all” provision of the Law of 27 May 2016. See footnote under Article 100-13 (4).

A limited partner shall be jointly and severally liable, vis-à-vis third parties, for any commitments of the company in which he participated in violation of the prohibition contained in the foregoing paragraph.

He shall also be jointly and severally liable vis-à-vis third parties for commitments in which he did not participate, if he has regularly carried out acts of management vis-à-vis such third parties.

Do not constitute acts of management for which the limited partner is jointly and severally liable vis-à-vis third parties: the exercise of partner prerogatives, the providing of opinions or advice to the company, to its affiliates or to their managers, the carrying out of any control or supervisory measures, the granting of loans, guarantees or securities or the giving of any other type of assistance to the partnership or its affiliates, as well as the giving of any authorisation to the managers in the cases provided for in the articles, for acts outside their powers.

The limited partner may act as a member of a management body or as a proxy of a manager of the company, even if that manager is an unlimited partner, or may execute documents on the manager's behalf under the latter's corporate signature, even acting in the capacity of a representative of the company, without incurring as a result unlimited and joint and severable liability for the obligations of the partnership, provided that the capacity in which he acts as representative is indicated.»

**Art. 600-7.**

Supervision of the company must be entrusted to at least three *commissaires* [supervisory auditors].

**Art. 600-8.**

The supervisory board may give its opinion on any matters which the managers refer to it and it may authorise acts which fall outside their powers.

**Art. 600-9.**

*(Law of 12 July 2013)*

«Subject to any contrary provision of the articles, the general meeting of shareholders shall adopt and ratify measures affecting the interests of the company vis-à-vis third parties or amending the articles with the agreement of the unlimited partners only.»

**Art. 600-10.**

*(Law of 12 July 2013)*

In the event of death, dissolution, legal incapacity, removal, resignation, inability to act, bankruptcy or other situations of the unlimited partner, if there is no other one and if it has been provided that the company is to continue to exist, the vacancy shall be filled. Unless otherwise specifically provided for (*Law of 7 August 2023*) «in the articles», the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters may appoint, at the request of any interested parties, a temporary administrator, who may but need not be a partner, who shall take all urgent and purely administrative measures alone, until the resolution of the partners, which this administrator shall have passed within two weeks following his appointment. The administrator shall be

liable only for the performance of his mandate. Any interested party may object to the order; the objection shall be notified both to the company as well as to the person appointed and to the person who applied for the appointment. The proceedings regarding the objection shall be heard as in the urgency court.»

(Law of 18 September 1933)

## «Title VII - Sociétés à responsabilité limitée»

(Private Limited Companies)

(Law of 23 July 2016)

### «Chapter I - General Provisions »

(Law of 18 September 1933)

#### «Art. 710-1.

(1) *Sociétés à responsabilité limitée* are those in which a limited number of members contribute a specific amount, and the corporate units of which, exclusively represented by non-negotiable securities, may be transferred only in accordance with the terms and conditions provided for in this Title.»

(Law of 28 December 1992)

[2009/102/EC Art. 2.]

«(2) A *société à responsabilité limitée* may have one sole member at incorporation or when all of its corporate units come to be held by a single person (single-member company).

If all of the corporate units are held by a single person, this does not result in the dissolution of the company. Moreover, the death of the sole member does not result in the dissolution of the company.»

(Law of 18 September 1933)

#### «Art. 710-2.

«They may be incorporated to pursue any object whatsoever.

However, insurance, capitalisation and savings companies may not be constituted in that form.»<sup>143</sup>

(Law of 7 September 1987)

#### «Art. 710-3.

*Sociétés à responsabilité limitée* may be incorporated for a limited or unlimited duration.

In the first case, the duration of the company may be successively extended in accordance with Article 710-26.

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<sup>143</sup> Neither may credit institutions, see Art. 4 of the Law of 5 April 1993 on the financial sector.

In the second case, articles 1865, 5° and 1869 of the Civil Code shall not apply. Application for dissolution of the company may however be made to the court for just cause. Except in the case of dissolution by court order, dissolution of the company may take place only pursuant to a decision adopted by the general meeting in accordance with the conditions laid down for amendments to the articles.» (*Law of 10 August 2016*) «Article 1865bis, sub-paragraphs 2 et seq. of the Civil Code shall apply.»

(*Law of 18 September 1933*)

«**Art. 710-4.**»

(*Law of 10 August 2016*) «The number of members shall be limited to one hundred. In case the number of members exceeds the limit of one hundred for any reason whatsoever, the company will have to be converted within one year from the time where the limit was exceeded.»<sup>144</sup>

(*Law of 18 April 1984*)

«The legal guardian of a minor of age or of an incapacitated person may not, without the consent of the family council, participate on behalf of the minor or of the incapacitated person in a private limited company.

The legal representatives may not, even jointly, allocate the assets of a minor of age to a participation in a *société à responsabilité limitée* unless authorised to do so by the *juge des tutelles* (court of protection).

A company in which the minor of age or the incapacitated person or the person having authority over them are members, is lawful.»

(*Law of 28 April 1988*)

«**Art. 710-5.**»

(*Law of 10 August 2016*)

«(1) The corporate capital must be at least 12 000 euros. It shall be divided into corporate units, with or without mention of value.

Securities may be created which do not represent the corporate capital and are issued to a specified person and which are referred to by the present law as “*parts bénéficiaires*” (profit units). The articles shall specify the rights attaching thereto.

(2) Without prejudice to the possibility of a repurchase of corporate units as decided by the company with the consent of the relevant members, the corporate capital may be made up in full or in part by redeemable corporate units, whose redemption terms and conditions shall be provided for in the articles. The redemption must be authorised by the articles before the redeemable units have been subscribed for.

(3) The redemption of corporate units cannot result in the nominal value or, as the case may be, the aggregate accounting par value of the units held by persons other than the company becoming less than the minimum corporate capital referred to in paragraph 1.

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<sup>144</sup> This sub-paragraph was followed by two sub-paragraphs repealed by the Law of 18 December 1992 and the Law of 10 August 2016, respectively.

(4) The managers of the company may decide not to pay all or part of the distributions due upon redemption of units if, as a result thereof, the company is likely not to be able to meet its obligations when these become due. The decision of the managers of the company not to pay distributions in accordance with the foregoing shall suspend, until otherwise decided by the managers, the relevant obligation of the company towards the members concerned.

(5) A redemption of corporate units by the company may only be carried out in accordance with the principle of equal treatment of all the members who are in the same position.

(6) The voting rights and the financial rights attaching to redeemed units shall be suspended during the period where they are held by the company. The same shall apply if the company causes its units to be redeemed by a subsidiary undertaking within the meaning of Article 1711-1, paragraph 2. (*Law of 7 August 2023*) «Redeemed shares are not taken into account for the calculation of quorums and majorities in meetings or written consultations. »

(7) The articles may authorise the managers to cancel corporate units redeemed by the company and to decide a corresponding capital reduction. In that case, the managers shall cause the capital reduction to be recorded by notarial deed. The notarial deed shall be drawn up within one month of the cancellation and the corresponding capital reduction decided by the managers.»

(*Law of 18 September 1933*)

«**Art. 710-6.**»

(*Law of 10 August 2016*)

«(1) The incorporation of a *société à responsabilité limitée* requires:

1° that the capital be subscribed for in full;

2° that the corporate units be fully paid-up at the time of incorporation of the company.  
Where a share premium is provided for, the amount thereof must be fully paid up.

The subscribers to the constitutive instrument shall be deemed to be founders of the company. However, the constitutive instrument may designate as founder(s) one or more subscribers who together hold at least one third of the capital of the company. In such case, the other parties to the instrument who merely subscribe for corporate units for cash without directly or indirectly receiving any specific advantage shall be regarded as mere subscribers.

(2) The notary, drawing up the instrument shall verify that these conditions, and those set out in Article 710-7, paragraph 1 have been satisfied and shall expressly ascertain compliance therewith.

(3) If relevant, the articles shall determine the terms according to which corporate units may be subscribed for against a contribution of industry.

Contributions in the form of industry shall not be reflected in the formation of the corporate capital but shall give rise to the allocation of units entitling to a share in profits and net assets and participating in losses.

Units allocated against contributions in the form of industry may not be assigned or transmitted.»



*(Law of 18 September 1933)*

**«Art. 710-7.**

*(Law of 10 August 2016)*

«(1) The instrument constituting the company shall indicate:

- 1° the identity of the natural or legal person or persons by whom or on whose behalf it has been signed;
- 2° the form of the company and its denomination;
- 3° the registered office;
- 4° the corporate object;
- 5° the amount of the subscribed capital;
- 6° the classes of units, where several classes exist, the rights attaching to each class and the number of units subscribed for;
- 7° particulars of each contribution in kind, the conditions on which it is made, the name of the contributor;
- 8° the reason for, and the extent of, any special advantages conferred at the time of incorporation of the company upon any person who participated in its incorporation;
- 9° if applicable, the number of securities or units which do not represent the stated capital, as well as the rights attaching thereto, in particular the right to vote at general meetings;
- 10° insofar as they are not provided for by law, the rules determining the number and method of appointment of the members of the corporate bodies responsible for representing the company with regard to third parties, managers, supervision or control of the company and the allocation of powers among such corporate bodies;
- 11° the duration of the company;
- 12° at least the approximate amount of the costs, expenses and remuneration or charges of whatever form, which are payable by the company or chargeable to it by reason of its incorporation.

(2) Contributions in kind may be remunerated by units which represent the corporate capital only if they consist of assets capable of economic assessment, excluding assets consisting of undertakings to perform work or provide services.

(3) The founders within the meaning of Article 420-16, sub-paragraph 2, and, in the event of an increase of the corporate capital, the managers, shall be jointly and severally liable towards all interested parties, notwithstanding any provision to the contrary for:

- 1° any portion of the capital which will not have been validly subscribed for as well as for any outstanding balance between the minimum capital required by Article 710-5 and the amount subscribed for; they shall ipso jure be deemed to be subscribers thereof;
- 2° the full and complete effective payment of the corporate units and of the portion of the capital for which they are deemed to be subscribers pursuant to point 1°;
- 3° the indemnification of any damage which is the immediate and direct result of either the avoidance of the company by application of Article 100-18 or the omission or incorrectness of the statements prescribed by paragraph 1.

Any person who enters into a commitment for a third party mentioned by name in the instrument, either as agents or as surety, shall be deemed to be personally committed if he

has no valid mandate or if the commitment is not ratified within two months of the commitment. The founders shall be jointly and severally liable for such commitments. »

(*Law of 18 September 1933*)

**«Art. 710-8.**

(...)<sup>145</sup> Every *société à responsabilité limitée* must maintain a register containing completed and conformed copies:

- 1° of the constitutive instrument of the company;
- 2° of the instruments amending said instrument.

A list of the names, professions and addresses of the members, a record of transfers of corporate units and the date of service or acceptance thereof shall appear thereafter.

Every member may inspect said register.»

(*Law of 18 September 1933*)

**«Art. 710-9.»**

(*Law of 10 August 2016*)

«If there are several owners of a unit, the company shall be entitled to suspend the exercise of the rights attaching thereto, with the exception of the right to information provided for in Article (*Law of 7 August 2023*) «710-24», until one person is designated as being, vis-à-vis the company, the owner of the unit.»

(*Law of 23 November 1972*)

[2017/1132/EU art. 26]

**«Art. 710-10.»**

(*Law of 10 August 2016*)

«All instruments, invoices, notices, publications, letters, order notes and other documents issued by *sociétés à responsabilité limitée* must state:

- 1° the corporate denomination of the company;
- 2° the words «*société à responsabilité limitée*» in full or the abbreviation «SARL» reproduced legibly, placed immediately before or after the corporate denomination;
- 3° a precise indication of the registered office;
- 4° the words «*Registre de commerce et des sociétés, Luxembourg*» or the abbreviation «R.C.S. Luxembourg» followed by the registration number.

Articles 462-1, sub-paragraphs 2 and 3, 462-2 and 462-3, shall also apply.»

(*Law of 18 September 1933*)

**«Art. 710-11.»**

(*Law of 10 August 2016*)

«No corporate units or profit units may be the subject of a public issue.

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<sup>145</sup> Terms deleted by the Law of 10 August 2016.

Neither the corporate units nor profit units may be represented by negotiable instruments whether in registered or bearer form or to order, but only by participation certificates in the name of a specific person. They may only be transferred in accordance with the substantive and procedural conditions provided for in the two following Articles.»

(*Law of 18 September 1933*)

«**Art. 710-12.**»

(*Law of 10 August 2016*)

«(1) Neither corporate units nor profit units with voting rights may be transferred *inter vivos* to persons other than members or holders of profit units with voting rights without the consent given in accordance with Article 710-17 by members representing at least three-quarters of the corporate units. The articles may however lower this majority down to half of the corporate units. The same rule shall apply where :

1° an usufruct should be created on corporate units; or

2° the bare-ownership or usufruct on corporate units should be transferred.

A proposed transfer must be notified to the company.

(*Law of 7 August 2023*) «If approval is refused», the members may within three months of such refusal acquire the units or cause them to be acquired at a price determined in the conditions provided for in paragraph 3, unless the transferor abandons the proposed transfer of his units. The costs of the expert's report shall be borne by the company. At the request of the manager, this period may be extended by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters, without the extension being able to exceed six months.

(*Law of 7 August 2023*) «Unless the transferor renounces to the transfer of his shares, the Company may also within the same period decide to repurchase such member's units at the price determined in accordance with paragraph 3, with or without a reduction of capital. » Payment terms of up to two years may be granted by court decision to the company if it can provide grounds to justify such terms. The amounts due shall bear interest at the legal rate in commercial matters.

If none of the solutions provided for in sub-paragraphs 3 and 4 above complete before the expiry of the relevant period, the member may carry out the initially proposed transfer.

(2) The full or bare ownership of corporate units and profit units with voting rights may not be transmitted by reason of death to persons, other than members or holders of profit units with voting rights, without the approval (*Law of 7 August 2023*) « given in accordance with Article 710-17 by» members representing at least three-quarters of the corporate units owned by the survivors. The articles however may reduce this majority down to half of the corporate units owned by the survivors.

Unless otherwise provided for by the articles, no approval shall be required where the units are transferred either to heirs compulsorily entitled to a portion of the estate or to the surviving spouse or partner and, insofar as the articles so provide, to other legal heirs.

Heirs or beneficiaries of last will provisions or contractual instruments affecting the estate who have not been approved and who have not found a transferee fulfilling the requisite conditions may cause the company to be prematurely dissolved, three months after giving

formal notice, served on the manager by process-server and notified to the members by registered mail.

However, during the said period of three months, the corporate units and the profit units with voting rights of the deceased may be acquired either by the members, subject to the requirements of the last sentence of sub-paragraph 1 of Article 710-26, or by a third party approved by them, or by the company itself.

The repurchase price of the corporate units or profit units with voting rights shall be calculated on the basis of the average balance sheet for the last three years and, if the company has not been operating for three financial years, on the basis of the balance sheet of the last year or of the last two years.

If no profit has been distributed, or if no agreement is reached as to the application of the basis for repurchase referred to in the foregoing sub-paragraph, the price shall, in the event of disagreement, be determined by the courts.

(*Law of 7 August 2023*) «The exercise of the rights attached » to the corporate units and the profit units carrying voting rights of the deceased shall be suspended until the transfer of such rights has become valid vis-à-vis the company.

(3) The terms and conditions of the repurchase shall be determined by the articles. In the event of disagreement between the parties as to the transfer price, it shall be determined by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters. The value of the units shall be determined as at the day of notification of the transfer in the event of a transfer *inter vivos* and as at the day of death in the event of a transmission by reason of death.

(4) For the purposes of paragraphs 1 and 2, where profit units with voting rights have been issued, they shall be counted as if they were corporate units and their holders shall benefit from the same rights as members.

(5) Any clause contrary to the provisions of this Article shall be deemed to be unwritten.»

(*Law of 18 September 1933*)

**«Art. 710-13.**

Transfers of corporate units must be recorded by a notarial instrument or by a private document.»

(*Law of 21 December 1994*)

«Transfers shall not be valid vis-à-vis the company or third parties until they shall have been notified to the company or accepted by it in accordance with the provisions of Article 1690 of the Civil Code.»

(*Law of 23 November 1972*)

**«Art. 710-14.**

*Sociétés à responsabilité limitée* shall be managed by one or more agents, who may but are not required to be members and who may receive a salary or not.

They shall be appointed by the members, either in the constitutive instrument or in a subsequent instrument, for a limited or undetermined period. Unless otherwise provided for

in the articles, they may be removed, regardless of the method of their appointment, for legitimate reasons only. »

*(Law of 23 November 1972)*

*[2017/1132/EU art. 9]*

**«Art. 710-15.»**

*(Law of 10 August 2016)*

«(1) Each manager may take any actions necessary or useful to realise the corporate object, with the exception of those reserved by law or the articles to be decided upon by the members. Subject to sub-paragraph 4, the articles may however provide that in case of several managers, these shall form a board.

Each manager shall represent the company vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant.

Writs served on behalf of or against the company shall be validly served in the name of the company alone. Any limitations to the powers granted to the managers by the preceding sub-paragraphs and resulting either from the articles or from a decision by the competent corporate bodies, shall not be valid vis-à-vis third parties, even if they have been published.

However, the articles may authorise one or more managers to represent the company in any instruments or in legal proceedings, either alone or jointly. That clause shall be valid vis-à-vis third parties subject to the conditions laid down in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>146</sup>.

(2) Decisions of the board of managers may be made, if permitted by the articles, by unanimous written consent of the members of the board.

Decisions adopted in accordance with that procedure shall be deemed to have been adopted at the registered office of the company.

(3) In the event a board of managers has been established, and unless otherwise provided for by the articles, for the calculation of quorum and majority, the managers participating in the meeting of the board of managers by video conference or by telecommunication means permitting their identification are deemed to be present. Such means shall satisfy technical characteristics which ensure an effective participation in the meeting of the board, whose deliberations shall be online without interruption.

The meeting held at a distance by way of such communication means shall be deemed to have taken place at the registered office of the company.

(4) The day-to-day management of the business of the company and the power to represent the company with respect thereto may be delegated to one or more managers, officers and other agents, who may but are not required to be shareholders, acting either alone or jointly.

Their appointment, their removal from office and their powers and duties shall be governed by the articles or by a decision of the competent corporate bodies; however, no restrictions placed upon their powers to represent the company in the day-to-day management will be

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<sup>146</sup> See footnote under Article 100-13 (4).

valid vis-à-vis third parties, even if they are published.

The clause by virtue of which the day-to-day management is delegated to one or more persons acting either alone or jointly shall be valid vis-à-vis third parties under the conditions referred to in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>147</sup>.

The delegation to a manager shall entail the obligation for the managers to report each year to the general meeting or to the members on the salary, fees and any advantages granted to the delegate.

The liability of persons entrusted with day-to-day management for such management shall be governed by the general rules on mandates.

(5) The company shall be bound by any acts of the managers, the manager authorised to represent it in accordance with paragraph 1, sub-paragraph 4, or the person entrusted with day-to-day management, even if such act exceed the corporate object, unless it proves that the third party knew that the acts exceeded the corporate object or could not, in view of the circumstances, have been unaware of it, without the mere publication of the articles being sufficient to constitute such proof<sup>148</sup>.

(6) Articles 441-7 and 444-6 apply to managers.»

*(Law of 18 September 1933)*

**«Art. 710-16.**

The managers shall be liable in accordance with Article 441-9.»

*(Law of 18 September 1933)*

**«Art. 710-17.**

Resolutions of members shall be adopted at general meetings.»

*(Law of 10 August 2016)* «Except in the event of amendments to the articles, the holding of general meetings shall not be compulsory where the number of members does not exceed sixty. In such case, each member shall receive the precise wording of the text of the resolutions or decisions to be adopted and shall give his vote in writing.»

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<sup>147</sup> See footnote under Article 100-13 (1).

<sup>148</sup> The transitory provisions of the Law of 10 August 2016 (Art. V. 3)) erroneously refer to this paragraph (5) as follows: «Companies which, at the time of entry into force of the present law, had a management body named “management committee”, must within [24 months from 23 August 2016] comply with the provisions of Articles 60-1, 60-2 and 191*bis*, paragraph (5) [today : art. 441-11, 441-12 and 710-15, paragraph (5)] of the amended Law of 10 August 1915 on commercial companies.» Initially Bill of Law 5730 provided for a paragraph (5) within Article 191*bis* [today :art. 710-15], the purpose of which was to organise a management committee for *sociétés à responsabilité limitée* and this is the provision that was then referred to by the transitory provisions in the bill of law. That paragraph (5) was deleted by a parliamentary amendment (Bill of Law 5730<sup>5</sup>, pp. 66-67) following comments by the Conseil d’État (Bill of Law 5730<sup>4</sup>, pp. 35-36) resulting also in paragraph (6) of the bill of law becoming paragraph (5).

*(Law of 18 September 1933)*

**«Art. 710-18.**

No decision shall be validly adopted in the two cases envisaged in the foregoing Article unless it has been adopted by members representing more than half of the corporate capital. Unless otherwise provided for in the articles, if that figure is not reached at the first meeting or first written consultation, the members shall be convened or consulted a second time, by registered letter, and decisions shall be adopted by a majority of the votes cast, regardless of the portion of capital represented<sup>149</sup>.»

*(Law of 18 September 1933)*

**«Art. 710-19.»**

*(Law of 10 August 2016)*

«Notwithstanding any provision to the contrary in the articles, every member shall be entitled to take part in the resolutions. Each member shall have a number of votes equal to the number of corporate units held by him.

The articles may provide that the managers may suspend the voting rights of each member in default of his obligations under the articles or his deed of subscription or deed of commitment.

Each member, in his personal capacity, may undertake not to exercise all or part of his voting rights for a period of time or indefinitely. Such an undertaking binds the waiving member and will bind the company upon notification thereof to it.»

*(Law of 7 August 2023)*

«Units in respect of which voting rights have been suspended in this manner and units in respect of which the member has notified the company of a waiver of voting rights shall not be taken into account when calculating the quorum and majorities in general meetings or when determining whether written resolutions have been validly adopted. »

*(Law of 10 August 2016)*

**«Art. 710-20.**

(1) The exercise of voting rights may be the subject of agreements among members. However, the following shall be void:

- 1° agreements which are in violation of the provisions of the present law or are contrary to the corporate interest;
- 2° agreements by virtue of which a member undertakes to vote in accordance with the directions given by the company, by a subsidiary or by any of the corporate bodies of such companies;
- 3° agreements by virtue of which a member undertakes towards those same companies or those same corporate bodies to approve the proposals from the corporate bodies of the company.

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<sup>149</sup> See footnote under Article 420-22 (1) in case of conversion of share capital expressed in one of currencies of one of the member states of the European Community having adopted the common currency into euro.

(2) Votes cast in a general meeting or in the written procedure provided for in Article 710-17, sub-paragraph 2, pursuant to the agreements referred to in paragraph 1, sub-paragraph 2, shall be void. Such votes shall invalidate any resolution passed unless they have no impact on the result of the vote.

The action for nullity shall lapse six months after the vote.»

*(Law of 18 September 1933)*

**«Art. 710-21»**

*(Law of 10 August 2016)*

«(1) In companies with more than sixty members, at least one annual general meeting must be held each year at the time determined in the articles.

Other general meetings may always be convened by the manager or managers, failing which by the supervisory board, if it exists, failing which by members representing more than half the capital.»

*(Law of 10 August 2016)*

«(2) If provided for by the articles, the members participating in the meeting by video conference or by telecommunication means permitting their identification are deemed present for the calculation of quorum and majority. Such means shall satisfy technical characteristics which ensure an effective participation in the meeting whose deliberations shall be online without interruption. (...)»<sup>150</sup>

Where, in accordance with the sub-paragraph above, the meeting is held with members who are not physically in attendance, the meeting shall be deemed to take place at the registered office of the company.

(3) The articles may authorise any member to cast its vote by mail, by means of a voting form the mentions of which shall be laid down in the articles.

Voting forms which indicate neither the direction of a vote nor an abstention shall be void.

For the calculation of the quorum, only those voting forms shall be taken into account which have been received by the company prior to the general meeting, within the period provided for by the articles.

An attendance list shall be drawn-up at each general meeting.»

*(Law of 10 August 2016)*

**«Art. 710-22.**

Where there is more than one class of corporate units and the resolution of the general meeting is such as to change the respective rights thereof, the resolution must, in order to be valid, fulfil the conditions as to attendance and majority laid down in Article 710-26 with respect to each class.»

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<sup>150</sup> Sentence repealed by the Law of 7 August 2023.



*(Law of 18 September 1933)*

**«Art. 710-23.**

Each year, management must prepare an inventory indicating all the movable and immovable assets of and all debts owed to and by the company, with an annex summarising all its commitments, and the debts of the managers, *commissaires* [supervisory auditors] and members towards the company.

Management prepares the balance sheet and the profit and loss account in which the necessary depreciation charges must be made.

The balance sheet shall separately mention fixed assets and the current assets and, on the liability side, the debts of the company towards itself, bonds, indebtedness secured by mortgages or pledges and indebtedness without the benefit of securities on assets. It shall specify on the liability side the amount of the indebtedness towards members.

Each year, at least one-twentieth of the net profits shall be allocated to the creation of a reserve; the allocation shall cease to be compulsory when the reserve has reached an amount equal to one-tenth of the corporate capital, but shall again become compulsory if the reserve falls below such one-tenth.

The balance sheet and profit and loss account shall be submitted to the members for approval who shall vote specifically as to whether discharge is to be given to the management and the members of the supervisory board, if any.»

*(Law of 18 September 1933)*

**«Art. 710-24.**

Every member, either personally or through an appointed agent, may obtain communication at the registered office of the inventory, the balance sheet and the report of the supervisory board set-up in accordance with Article 710-27.»

*(Law of 10 August 2016)* «In companies with more than sixty members, such communication shall be permitted only during the fifteen days preceding the said general meeting.»

*(Law of 10 August 2016)*

«The right to communication of documents also belongs to each of the co-owners of jointly held units, to the bare-owner and to the usufructuary of corporate units and profit units.»

*(Law of 10 August 2016)*

**«Art. 710-25.**

(1) «No interim dividends may be paid unless the articles authorise the managers to do so. Any such payment shall in addition also be subject to the following conditions<sup>151</sup>:

- 1° interim accounts shall be drawn up showing that the funds available for distribution are sufficient;
- 2° the amount to be distributed may not exceed total profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits

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<sup>151</sup> Articles 53 and 72ter of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings set out in Annex I which contain further limitations may also be relevant.

carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed to reserve pursuant to the requirements of the law or of the articles;

3° the decision of the managers to distribute an interim dividend may not be taken more than two months after the date at which the the interim accounts referred to under point 1° above have been drawn up;

4° the *commissaire* [supervisory auditor] or the *réviseur d'entreprises* [statutory auditor], if any, shall verify whether the above conditions have been satisfied.

(2) Where the payments on account of interim dividends exceed the amount of the dividend subsequently decided upon by the members, they shall, to the extent of the overpayment, be deemed to have been paid on account of the next dividend.»

(Law of 18 September 1933)

**«Art. 710-26.»**

(Law of 10 August 2016)

«Unless otherwise provided for in the articles, the members representing three-quarters of the corporate capital may amend any provisions of the articles. However, the commitments of the members may be increased only with the unanimous consent of the members.

The articles may authorise the managers to transfer the registered office of the company from one municipality to another or within the same municipality and to amend the articles accordingly.

The provisions of Article 420-22, paragraph 2 et seq. shall apply provided that the corporate units so issued are issued to the existing members or to third parties who have been approved in accordance with the provisions of Article 710-12.»

(Law of 18 September 1933)

**«Art. 710-27.**

(Law of 10 August 2016) «In all *sociétés à responsabilité limitée* with more than sixty members, supervision of the company must be entrusted to a supervisory board comprising one or more *commissaires* [supervisory auditors], who may or may not be members.

The board shall be appointed in the constitutive instrument of the company. It shall be subject to re-election at the times specified in the articles.

The powers of the members of the supervisory board and their responsibility shall be determined in accordance with Article 443-2, sub- paragraphs 1 and 3.»

(Law of 28 December 1992)

[2009/102/EC Art. 4]

**«Art. 710-28. »**

(Law of 7 August 2023)

«Article 710-12, Articles 710-18 to 710-21, paragraph 1, sub-paragraph 1, Article 710-22 and Article 710-26, sub-paragraph 1, are not applicable to companies with one sole member.»

(Law of 28 December 1992)

[2009/102/EC Art. 4 and 5]

**«Art. 710-29.**

The sole member exercises the powers of the general meeting.

The decisions of the sole member which are taken in the scope of the first sub-paragraph are recorded in minutes or drawn-up in writing.

Also, contracts entered into between the sole member and the company represented by him are recorded on minutes or drawn-up in writing. This provision is not applicable to current operations entered into under normal conditions.»

(Law of 18 September 1933)

**«Art. 710-30.**

An action for recovery of dividends not corresponding to profits actually earned may be taken against the members who have received them. The action for recovery shall prescribe five years after the date of distribution.»

(Law of 18 September 1933)

**«Art. 710-31.**

Unless otherwise provided in the articles, the company shall not be dissolved by the fact that any of its members becomes subject to such order of restraint or is declared bankrupt, or his insolvency or death.

Article 812-10 shall apply to *sociétés à responsabilité limitée*.»

(Law of 23 July 2016)

**«Chapter II - Specific provisions applicable to the *société à responsabilité limitée simplifiée* »**

(Law of 23 July 2016)

**«Art. 720-1.**

The provisions concerning the *société à responsabilité limitée* are applicable to the *sociétés à responsabilité limitée simplifiées* except for the modifications provided in this Chapter».

(Law of 23 July 2016)

**«Art. 720-2.**

(1) On pain of nullity, only natural persons may be members of a *société à responsabilité limitée simplifiée*.

(2) A natural person may not at the same time be a member in more than one *société à responsabilité limitée simplifiée*, unless the units are transferred to him by reason of death.

The natural person who is a member of a *société à responsabilité limitée simplifiée* will be deemed to be a joint surety of the obligations of any other *société à responsabilité limitée simplifiée* of which such person subsequently became a member to the extent these obligations originated after such person became a member thereof, unless the units are transferred to him by reason of death.

Such natural person will no longer be deemed to be the joint surety of the obligations of the companies referred to in the preceding paragraph from the moment the provisions of this Chapter are no longer applicable or the dissolution of those companies has been published. »

(Law of 23 July 2016)

**«Art. 720-3.**

The corporate object of the *société à responsabilité limitée* must be within the scope of application of the amended law of 2 September 2011 regulating the access to the professions of craftsman, merchant, manufacturer and certain liberal professions. »

(Law of 23 July 2016)

**«Art. 720-4.**

The corporate capital must be comprised between 1. euro and 12,000. euros.

The contribution of the members to the company must take the form of contributions in cash or contributions in kind.

Each year, at least one twentieth of the net profit shall be allocated to the creation of a reserve; this allocation shall cease to be compulsory when the amount of the capital increased by such reserve has reached the amount referred to in Article 710-5. »

(Law of 23 July 2016)

**«Art. 720-5.**

*Sociétés à responsabilité limitée simplifiées* must feature, after their corporate denomination, the mention « *société à responsabilité limitée simplifiée* » or the abridged form, «SARL-S ». On the document referred to in Article 710-10, the mention « *société à responsabilité limitée simplifiée* » or «SARL-S » must be reproduced legibly. »

(Law of 23 July 2016)

**«Art. 720-6.**

The managers must be natural persons. »

## **Title VIII - Sociétés coopératives**

### **(Co-operative Societies)**

#### **«Chapter I - On sociétés coopératives in general»<sup>152</sup>**

##### *Section 1 - On the nature and incorporation of sociétés coopératives*

**Art. 811-1.**

A *société coopérative* is a company made up of members the number and the contributions of which are variable and the corporate units of which may not be sold to third parties.

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<sup>152</sup> Title introduced by Law of 10 June 1999.

(Law of 10 August 2016) «It is with limited or unlimited liability.»

**Art. 811-2.**

(Law of 10 August 2016)

«A *société coopérative* must be made up of at least two persons.

It shall be managed by one or more agents, who may or may not be members and who shall only be liable for the performance of the duties entrusted to them.

A *société coopérative* which has not adopted the form of a *société coopérative européenne* (SEC) may opt for one of the governance models provided in Articles 833-1 to 833-19.

The supervision of the company shall be entrusted to one or more *commissaires* [supervisory auditors], who may or may not be members.»

**Art. 811-3.**

(Law of 10 August 2016)

«(1) The constitutive instrument of the company must determine the following items:

- 1° the corporate denomination of the company and its registered office;
- 2° the object of the company;
- 3° whether the company is with limited or unlimited liability;
- 4° the manner in which the corporate capital is or will subsequently be made up, and the minimum amount to be subscribed for immediately. In *sociétés coopératives* with limited liability, the articles must determine the fixed portion of the capital.

(2) In addition to cases of breach of Article 100-4, a *société coopérative* may be declared void only in the following cases:

- 1° if the constitutive instrument does not contain any indication on the items listed in paragraph 1;
- 2° if the corporate object is unlawful or contrary to public policy;
- 3° if there is not at least one founder who is validly committed;
- 4° if, within one year from the time where the number of members fell to less than two, the company has not increased the number of members to a number equal to or greater than two.

If the clauses of the constitutive instrument regarding the distribution of profits or the apportionment of losses are contrary to Article 1855 of the Civil Code, those clauses shall be deemed not to be written.»

**Art. 811-4.**

The instrument shall also indicate:

(Law of 7 September 1987)

- 1° «The duration of the company, which may be limited or unlimited.

In the former case, the duration of the company may be successively extended in accordance with the conditions of Article 450-3.

In the latter case, Articles 1865, 5° and 1869 of the Civil Code shall not apply. Application for dissolution of the company for just cause may however be made to the court. Except in the case of dissolution by court order, dissolution of the company may take place only pursuant to a resolution adopted by the general meeting in accordance with the conditions laid down for amendments to the articles.» (*Law of 10 August 2016*) «Article 1865bis, sub-paragraph 2 et seq. of the Civil Code shall also apply;»

2° the conditions for admission to, and resignation from, membership and for exclusion of members and withdrawal of contributions;

(*Law of 18 December 2009*)

3° «how and by whom the business of the company is to be managed and controlled and, if appropriate, the method of appointment and removal of the(...) <sup>153</sup>, directors, *commissaires* [supervisory auditors] or *réviseurs d'entreprises agréés* [approved statutory auditors], the extent of their powers and their term of office;»

4° the powers of the general meeting, the rights conferred upon members thereat, the procedure for convening meetings, the majority required for the validity of resolutions and the procedures for voting;

5° the sharing in profits and losses;

6° (*Law of 10 August 2016*) «a precise designation of the members.»

#### **Art. 811-5.**

In the absence of provisions regarding the matters set out in the foregoing Article, the following provisions shall apply:

1° (*Law of 10 August 2016*) «the company shall be incorporated for an unlimited period<sup>154</sup>;»

(*Law of 25 August 1986*)

2° «members may only be excluded from the company in the case of non-performance of the contract; the general meeting shall declare exclusions and shall authorise withdrawals of contributions»;

(*Law of 23 July 2016*)

«3° the company shall be managed by a director and supervised by a *commissaire* [supervisory auditor] or shall be subject to a statutory audit of its accounts by a *réviseur d'entreprises agréé* [approved statutory auditor] which shall be appointed, removed and which shall deliberate, in the same manner as in a *société anonyme*;»

4° all members may vote at the general meeting; they shall have equal votes; convening notices shall be in the form of registered letters, signed by management; the powers of

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<sup>153</sup> Terms deleted by the Law of 10 August 2016.

<sup>154</sup> In accordance with Article V, paragraph 2) of the Law of 10 August 2016, *sociétés coopératives* incorporated before the entry into force of this law (i.e. 23 August 2016) shall benefit, in the absence of provisions in the articles regarding their duration, from the provision contained in Article 811-5..

the meeting shall be determined and its resolutions shall be adopted in accordance with the rules provided for *sociétés anonymes*<sup>155</sup>;

- 5° profits and losses shall be shared each year, as to one-half in equal parts between the members and as to one-half in proportion with their respective contributions;
- 6° all members shall be indefinitely and jointly and severally liable.

(Law of 10 August 2016)

**«Art. 811-6.**

«(1) The subscribers to the constitutive instrument shall be deemed to be founders of the company. However, the constitutive instrument may designate as founder(s) one or more subscribers who together hold at least one third of the fixed portion of the corporate capital. In that case, the other parties to the instrument who merely subscribe for corporate units for cash and are not directly or indirectly granted any special advantage shall be regarded as mere subscribers.

(2) The founders of a *société coopérative* with limited liability shall be jointly and severally liable towards all interested parties, notwithstanding any provision to the contrary for:

- 1° the fixed portion of the corporate capital which will not have been validly subscribed for and any outstanding balance between the minimum amount of capital determined in accordance with Article 811-3, paragraph 1, point 4° to be immediately subscribed for, and the amount actually subscribed for; they shall *ipso jure* be deemed to be the subscribers thereof;
- 2° the indemnification of any damage which is the immediate and direct result of either the avoidance of the company, or the omission or incorrectness in the constitutive instrument of the statements prescribed by Article 811-3, paragraph 1.

(3) Each person who enters into a commitment for a third party mentioned by name in the instrument, either as agent or as surety shall be deemed to be personally committed if such person has no valid mandate or the commitment is not ratified within two months of it having been given.

The founders shall be jointly and severally liable for such commitments.»

**Art. 811-7.**

Every *société coopérative* must keep a register containing on the first page thereof the constitutive instrument of the company, and indicating thereafter:

- 1° the names, professions and addresses of society members;
- 2° the date of their admission, resignation or exclusion;
- 3° a statement of account of the sums paid or withdrawn by each of them;

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<sup>155</sup> See footnote to Article 420-22 (1) in case of conversion of share capital expressed in one of currencies of one of the member states of the European Community having adopted the common currency into euro.

(Law of 18 December 2009)

«4° the date of audits carried out and the names of the *commissaires* [supervisory auditors] or *réviseurs d'entreprises agréés* [approved statutory auditors].»<sup>156</sup>

Statements as to withdrawals of contributions shall be signed by the society member who made them.

## *Section 2 - Changes in membership and in the corporate fund*

### **Art. 812-1.**

The status of society member as well as the number of corporate units for the time being held by any member shall be evidenced, without prejudice to any other means of evidence under commercial law, by the affixing of their signature, against their name, preceded by the date, in the register of the company.

(Law of 25 August 1986)

### **«Art. 812-2.**

Members are always entitled to resign under the conditions and on the terms which may be provided for in the articles. They may resign only during the first six months of the company's financial year.»

### **Art. 812-3.**

The resignation shall be evidenced by indication of that fact on the member's certificate and on the register of the company, against the name of the resigning member.

Such indications shall be dated and signed by the member and by a director.

### **Art. 812-4.**

If the directors refuse to record the resignation or if the resigning member does not know how or is unable to sign, the said resignation shall be recorded at the registry (*greffe*) of the magistrate court (*justice de paix*) of the registered office.

The registrar shall prepare an affidavit and give notice thereof to the company by registered letter to be sent within twenty-four hours.

The affidavit shall be on unstamped paper and shall be registered free of charge.

### **Art. 812-5.**

The exclusion from the company shall be recorded in a memorandum prepared and signed by a director. The memorandum shall describe the facts which confirm that the exclusion was ordered in accordance with the articles : it shall be transcribed in the register of members of the company and a conformed copy thereof shall, within two days, be forwarded to the excluded member by registered letter.

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<sup>156</sup> The second and third paragraphs provided initially by this Article have been abrogated by the law of 10 August 2016.



*(Law of 25 August 1986)*

**«Art. 812-6.**

The resigning or excluded member may not cause the company to be liquidated.

Unless the articles provide differently, he is entitled to receive only the par value of his corporate units. In no circumstances can any part of the balance sheet which represents public funds granted to the *société coopérative* be distributed to him. If it results from the balance sheet of the financial year during which the resignation was given or the exclusion has occurred, that the value of the corporate units is below their par value, the rights of the member will be reduced in that proportion.»

**Art. 812-7.**

In the event of the death or bankruptcy of a member or of a composition with his creditors, the insolvency of a member or if he is subject to an order of restraint, his heirs, creditors or representatives shall receive his share in accordance with Article 812-6.

They may not cause the company to be liquidated.

**Art. 812-8.**

Any resigning or excluded member shall remain personally liable, within the limits of his commitment and for a period of five years from publication of his resignation or exclusion, except where a shorter prescription period is provided for by law, for all obligations entered into before the end of the year during which his withdrawal was published.

The same rules shall apply in the circumstances provided for in Article 812-7.

**Art. 812-9.**

*(Law of 10 August 2016)*

«In addition to corporate units representing the corporate capital, securities not representing the corporate capital may be created and shall be referred to by this law as “profit units”. The articles shall specify the rights attaching thereto.

The corporate units or profit units in a *société coopérative* are in registered form. They shall bear a serial number.

The issue of bonds and the rights attaching thereto shall be determined by the articles.»

**Art. 812-10.**

The personal creditors of a member may only arrest the interest and dividends to which he is entitled and the portion of the assets allotted to him upon dissolution of the company.

*Section 3 - Measures in the interest of third parties*

**Art. 813-1.**

Each year, at the time determined in the articles, management shall prepare an inventory and the balance sheet and the profit and loss account in the form laid down in Article 461-1.

A reserve shall be constituted in the manner laid down in that Article.

**Art. 813-2.**

All instruments, invoices, notices, publications and other documents issued by *sociétés coopératives*, the corporate denomination of the company must appear immediately preceded or followed by the following words, written legibly and in full: «*Société coopérative*»<sup>157</sup>.

**Art. 813-3.**

Any agent acting on behalf of a *société coopérative* in an instrument in respect of which the requirements of the foregoing Article are not fulfilled may, depending on the circumstances, and in case of default by the company itself, be declared personally liable for the commitments entered into therein by the company.

(Law of 19 December 2002)

**«Art. 813-4.**

The annual accounts, as defined by the amended Law of 19 December 2002 concerning the register of commerce and companies and the accounting and annual accounts of undertakings shall be filed within one month of their approval at the register of commerce and companies<sup>158</sup>. »

**Art. 813-5.**

The persons managing the company must lodge at the «register of commerce and companies» every six months a list, in alphabetical order, of the names, professions and addresses of all members, dated and certified as being true and correct by the signatories.

The signatories shall be liable for any incorrect information in the said lists.

(Law of 19 December 2002)

**«Art. 813-6.**

Within one month days of their appointment, the managers must lodge at the register of commerce and companies, an extract of the instrument recording their appointment and their powers.

They must appear in person at the register of commerce and companies to record their signature or forward to the register of commerce and companies a notarised form thereof.»

**Art. 813-7.**

The public shall be allowed to inspect the lists of members, the instruments conferring management powers and the «annual accounts» free of charge. Any person may request a copy thereof, on unstamped paper, against payment of the «administrative costs».<sup>159</sup>

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<sup>157</sup> See also Art. 34 of the Law of 2 September 2011 regulating the access to the professions of craftsman, merchant, manufacturer and certain liberal professions.

<sup>158</sup> Article 26(1) of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings provides that the annual accounts comprise the balance sheet, the profit and loss account and the notes to the accounts.

<sup>159</sup> Both changes result from the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

**Art. 813-8.**

*Sociétés coopératives* may form federations in order to jointly pursue, in full or in part, the objects provided for in their articles or in order to ensure the fulfilment of their obligations under the laws and regulations applicable to them.

Federations shall constitute a legal entity distinct from that of the societies comprised therein.

They shall be subject to the provisions applicable to *sociétés coopératives*, except that the said provisions may be supplemented or amended by government regulations, to the extent they apply to federations.

**Art. 813-9.**

(Law of 18 December 2009)

«Article 69, paragraphs 1, 2 and 4 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings is applicable.

The institution of the *commissaires* [supervisory auditors] provided for in Articles 811-2, 811-4, point 3°, and 811-5, point 3°, shall not apply to those *coopératives* whose annual accounts are audited by a *réviseur d'entreprises agréé* [approved statutory auditor] in accordance with the first sub-paragraph.»

In the event of infringement of the provisions regarding the auditing, the directors of the federations and of the companies shall be personally and jointly and severally liable for any damage resulting from such infringement.

(Law of 10 June 1999)

## **«Chapter II - Sociétés coopératives organised as sociétés anonymes**

(Law of 10 June 1999)

**«Art. 820-1.**

(1) The *société coopérative* may also be organised as a *société anonyme*.

(2) The *société coopérative* organised as a *société anonyme* is subject to the provisions concerning *sociétés coopératives* except for the amendments contained in this Chapter.

(3) The *société coopérative* organised as a *société anonyme* is also subject to the provisions concerning *sociétés anonymes* contained in this law except for the amendments contained in this Chapter.»

(Law of 25 August 2006)

«It shall not be subject to the provisions specifically applicable to the «*sociétés européennes* (SE)»<sup>160</sup>.»<sup>161</sup>

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<sup>160</sup> The plural « *sociétés européennes* » has been reintroduced by the Law of 7 August 2023.

<sup>161</sup> This paragraph (3) was followed by a paragraph (4) repealed by the Law of 10 August 2016.

(Law of 10 June 1999)

**«Art. 820-2.**

The capital of a *société coopérative* organised as a *société anonyme* is made up of shares. All references to «corporate units» in the Chapter I of this Title are deemed to be references to «shares» to the extent the provisions of Chapter I apply to the *société coopérative* organised as a *société anonyme* and to the extent the two terms are used with the same meaning.»

(Law of 10 June 1999)

**«Art. 820-3.**

Article 100-4, sub-paragraph 2 does not apply to the *société coopérative* organised as a *société anonyme*.»

(Law of 10 June 1999)

**«Art. 820-4.**

(1) Without prejudice to the provisions of Article 820-5, paragraph 1, Article 410-1 does not apply to the *société coopérative* organised as a *société anonyme*.

(2) Article 420-1, paragraph 1, points 2°, 3° and 4°, and paragraph 2 do not apply to the *société coopérative* organised as a *société anonyme*.

The incorporation of a *société coopérative* organised as a *société anonyme* requires in addition to what is mentioned in Article 420-1, paragraph 1, point 1°, the immediate subscription of the corporate fund specified in the corporate deed.

(3) Articles 420-10 to 420-13 are not applicable to the *société coopérative* organised as a *société anonyme*.

(4) Article 420-15, points 5°, 8°, 9°, 10°, and 14°, does not apply to the *société coopérative* organised as a *société anonyme*.

Instead of the provisions set out in Article 420-15, points 6° and 7°, the corporate deed shall indicate:

- 1° the manner in which the corporate fund is or will subsequently be made up, and the minimum amount to be subscribed for immediately; and
- 2° the number of shares subscribed to, the category of shares if more than one category exists, and the rights of each of such categories.

The corporate deed shall in addition indicate the conditions for admission to, and resignation from, membership and for exclusion of the members and withdrawal of contributions.

(5) Articles 420-16 to 420-27 are not applicable to the *société coopérative* organised as a *société anonyme*.

(6) (Law of 10 August 2016) «In Article 430-1, paragraph 1, sub-paragraph 1, the shares mentioned are only registered or dematerialised shares in the *société coopérative* organised as a *société anonyme*.

In Article 430-1, paragraph 1, sub-paragraph 2, the profit units mentioned may be in registered, bearer or dematerialised form in case of a *société coopérative* organised as a *société anonyme*.

Article 430-1, paragraph 1, sub-paragraph 3, is not applicable to a *société coopérative* organised as a *société anonyme*.»

(7) Articles 430-3 and 430-4 are not applicable to the *société coopérative* organised as a *société anonyme*.

(8) For a *société coopérative* organised as a *société anonyme*, articles 430-5 and 430-6 will only apply to profit units and similar securities referred to in paragraph 6 above.

(9) Article 430-8 does not apply to the *société coopérative* organised as a *société anonyme*.<sup>162</sup>

(10) (Law of 10 August 2016) «Article 430-10, paragraph 1, shall apply except in the case of deliberations on a reduction of capital.»

(11) Article 430-12 does not apply to the *société coopérative* organised as a *société anonyme*.

(12) Articles 430-14 to 430-23 do not apply to the *société coopérative* organised as a *société anonyme*.

(13) Articles 450-5 to 450-7 do not apply to the *société coopérative* organised as a *société anonyme*.

(14) Articles 461-2 to 461-5 do not apply to the *société coopérative* organised as a *société anonyme*.

(15) In Article 462-1, sub-paragraph 1, point 2°, the reference to «*société anonyme*» is replaced by «*société coopérative organisée comme une société anonyme*.»

(Law of 10 June 1999)

**«Art. 820-5.**

(1) (Law of 10 August 2016) «Articles 811-2 to 811-5 are not applicable to the *société coopérative* organised as a *société anonyme*.»

(2) Any member may consult the register referred to in Article 811-7. (...) <sup>163</sup>

(3) The second sentence of Article 812-2 does not apply to the *société coopérative* organised as a *société anonyme*.

(4) Articles 812-8 and 813-1 to 813-7 do not apply to the *société coopérative* organised as a *société anonyme*.

(5) Article 813-8 will apply both to the *sociétés coopératives* and the *sociétés coopératives* organised as a *société anonyme*.»

(Law of 10 June 1999)

**«Art. 820-6.**

Title XIV - *Rights Of Action And Prescription Periods* and Title XV - . - *Criminal Law Provisions* are applicable to the *société coopérative* organised as a *société anonyme*.»<sup>164</sup>

(Law of 10 June 1999)

**«Art. 820-7.**

(1) Title X, Chapter II - *Mergers* applies to the *société coopérative* organised as a *société anonyme* subject to the following provisions.

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<sup>162</sup> Two paragraphs following this paragraph 9 were repealed by the Law of 10 August 2016.

<sup>163</sup> Sentence repealed by the Law of 7 August 2023.

<sup>164</sup> Former article 137-7 which followed this Article has been repealed by the Law of 23 July 2016.

(2) A *société coopérative* organised as a *société anonyme* may not acquire by way of merger a *société anonyme* or a *société coopérative* organised as a *société anonyme* unless the shareholders or members of such other company fulfil the conditions required to become a member of the acquiring company.

(3) In *sociétés coopératives* organised as *sociétés anonymes*, each member has the right, notwithstanding any provision to the contrary of the articles, to withdraw at any time during the financial year and without having to satisfy any other condition, upon the calling of the general meeting for the purpose of resolving on the merger of the company with an acquiring company having the form of a *société anonyme*.

The withdrawal must be notified to the company by registered mail deposited at the post five days at least before the day of the meeting. It will only be effective if the merger is approved.

The notices to the general meeting will contain the text of paragraphs 1 and 2 of this paragraph.

(4) The provisions of paragraphs 2 and 3 of apply to the merger by incorporation of a new company.»

(Law of 10 June 1999)

**«Art. 820-8**

(1) Title X, Chapter III - *Division* applies to the *société coopérative* organised as a *société anonyme* subject to the following provisions.

(2) A *société coopérative* organised as a *société anonyme* may not participate in a division as a recipient company unless the shareholders or members of the company being divided fulfil the conditions required to become a member in the recipient company.

(3) In *sociétés coopératives* organised as a *société anonyme*, each member has the right, notwithstanding any provision to the contrary of the articles, to withdraw at any time during the financial year and without having to satisfy any other condition, upon calling of the general meeting for the purpose of deciding on the division of the company for the benefit of the recipient companies of which one at least has another legal form.

The withdrawal must be notified to the company by registered mail deposited at the post five days at least before the day of the meeting. It will only be effective if the division is approved.

The notices to the general meeting will contain the text of paragraphs 1 and 2 of this paragraph.

(4) The provisions of paragraphs 2 and 3 apply to the division by incorporation of new companies».

(Law of 10 June 1999)

**«Art. 820-9.**

Title XVII – Consolidated Accounts does not apply to the *société coopérative* organised as a *société anonyme*.»

(Law of 10th March 2014)

## **«Chapter III - Sociétés coopératives européennes (SEC) (European Cooperative Societies) (SCE)**

### *Section 1 - General provisions.*

**Art. 831-1.**

For the purposes of this Chapter, «Regulation (EC) No 1435/2003» means: Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE).

*[EC Regulation 1435/2003, Art. 5.3., 4.6]*

**Art. 831-2.**

(1) The *société coopérative européenne* (SEC) shall be formed by a special notarial deed drawn up and published in accordance with the regulations applicable to the *sociétés anonymes*.

(2) Regarding contributions in kind, Articles 420-10 to 420-12 shall apply by analogy to the *société coopérative européenne* (SEC).

*[EC Regulation 1435/2003, Art. 73.5]*

**Art. 831-3.**

Where it is established that only the central administration (head office) is located in the Grand Duchy of Luxembourg, the *procureur d'État* shall without delay inform the Member State<sup>165</sup> in which the registered office of the *société coopérative européenne* (SEC) is situated.

*[EC Regulation 1435/2003, Art. 14.1, paragraph 2]*

**Art. 831-4.**

The articles may provide that persons who do not expect to use or produce goods and services of the *société coopérative européenne* (SEC) may be admitted as investor (non-user) members.

### *Section 2 - Incorporation.*

#### Sub-section 1 - Incorporation by way of a merger.

*[EC Regulation 1435/2003, Art. 22]*

**Art. 832-1.**

The draft terms of merger shall be drawn up by the board of directors or by the management board, as the case may be.

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<sup>165</sup> See definition in the sixth paragraph of Article 100-2.

[EC Regulation 1435/2003, Art. 24]

**Art. 832-2.**

The draft terms of merger and the particulars referred to in Article 24 of Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE) shall be published in accordance with Article 1021-2, paragraph 1.

[EC Regulation 1435/2003, Art. 29]

**Art. 832-3.**

The scrutiny of the legality of the merger and the issue of the certificate required pursuant to Article 29 of the above-mentioned Regulation (EC) No 1435/2003 shall be performed by the relevant notary in accordance with Article 1021-12.

[EC Regulation 1435/2003, Art. 30]

**Art. 832-4.**

The scrutiny of the legality of the merger required pursuant to Article 30 of the above-mentioned Regulation (EC) No 1435/2003 shall be performed by the relevant notary.

Sub-section 2 - Conversion of a *société coopérative* into a *société coopérative européenne* (SEC).

[EC Regulation 1435/2003, Art. 35.3]

**Art. 832-5.**

The draft terms of conversion of a *société coopérative* into a *société coopérative européenne* (SEC) shall be drawn up by the management body.

[EC Regulation 1435/2003, Art.35.4]

**Art. 832-6.**

The draft terms of conversion shall be published in accordance with Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>166</sup>.

[EC Regulation 1435/2003, Art. 35.5]

**Art. 832-7.**

The independent expert(s), referred to in Article 35, paragraph 5, of Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE) shall be one or more *réviseurs d'entreprises* [statutory auditors] appointed by the management body among the members of the *Institut des réviseurs d'entreprises*.

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<sup>166</sup> Amended by Article 20, the "catch all" provision of the Law of 27 May 2016. See footnote under Article 100-13 (1).



Sub-section 3 - Participation in a *société coopérative européenne* (SEC) by a company the central administration (head office) of which is not in the European Union.

[EC Regulation 1435/2003, Art. 2.2]

**Art. 832-8.**

A company, the central administration (head office) of which is not in a Member State<sup>167</sup>, may participate in the incorporation of a *société coopérative européenne* (SEC) provided that company is formed under the law of a Member State, has its registered office in that same Member State and has a real and continuous link with a Member State's economy.

*Section 3 - Corporate bodies.*

Sub-section 1 - Management.

Rules common to the one-tier and the two-tier systems.

**Art. 833-1.**

Any legal or regulatory provision concerning commercial companies and which contain a reference to the «board of directors», «director(s)» or «manager(s)» of a *société coopérative* must be understood, in the context of a *société coopérative européenne* (SEC) with a management board and a supervisory board, to be a reference to the management board of that company, unless, in consideration of the duties allocated, it must be understood as a reference to the supervisory board.

[EC Regulation 1435/2003, Art. 46]

**Art. 833-2.**

To the extent provided for by the articles, the members of the management, supervisory and administrative bodies may be legal entities, in which case Articles 441-3 and 442-4 shall apply.

[EC Regulation 1435/2003, Art. 47.2]

**Art. 833-3.**

The *société coopérative européenne* (SEC) shall be bound by any acts of the corporate bodies with authority to represent the company, even if such acts exceed the corporate object, unless it proves that the third party knew that the act exceeded the corporate object or could not in view of the circumstances have been unaware of it, without the mere publication of the articles constituting such proof.

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<sup>167</sup> See definition in the sixth paragraph of Article 100-2.

One-tier system.

[EC Regulation 1435/2003, Art. 42.1]

**Art. 833-4.**

The management body is the board of directors.

It may delegate the day-to-day management in accordance with Article 441-10.

Where, in a *société coopérative européenne* (SEC), a delegation of powers has been validly granted and where the holder of such delegation passes a deed which is within the limits of such delegation but belongs to a category of transactions which under the articles of the *société coopérative européenne* (SEC), require an express decision of the board of directors, such holder shall bind the company without prejudice to damages, where applicable.

[EC Regulation 1435/2003, Art. 42.2]

**Art. 833-5.**

The minimum number of directors is three.

Two-tier system.

[EC Regulation 1435/2003, Art. 37.4 and 39.4]

**Art. 833-6.**

The management body is the management board. It shall be made up of one or more members. The supervisory body shall be the supervisory board. It shall be made up of at least three members.

**Art. 833-7.**

Subject to the limitations provided by Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE), this law or the articles, the powers of the management board and of its members shall be the same as the powers of the board of directors and of the directors.

**Art. 833-8.**

Any report to be drawn up by the board of directors pursuant to this Law, shall be drawn up by the management board. Save as provided by law or by more stringent provisions in the articles, it shall be notified to the supervisory board in a timely manner and will be subject to the same information and publication rules as those applicable to the reports of the board of directors.

[EC Regulation 1435/2003, Art. 37.1]

**Art. 833-9.**

The management board shall have the power to take any actions necessary or useful to realise the corporate object, with the exception of those powers reserved by law or the articles to the supervisory board or the general meeting. It may delegate the day-to-day management in accordance with Article 442-8. The articles shall list the categories of transactions which require an authorisation of the management board by the supervisory board.

The absence of authorisation of the supervisory board shall have no effect vis-à-vis third parties.

Where in a *société coopérative européenne* (SEC) a delegation of powers has been validly granted and where the holder of such delegation passes a deed which is within the limits of such delegation but belongs to a category of transactions which under the articles of the *société coopérative européenne* (SEC), require an authorisation of the management board by the supervisory board, such holder shall bind the company, without prejudice to damages, if any.

[EC Regulation 1435/2003, Art. 37.2]

**Art. 833-10.**

The members of the management board shall be appointed by the supervisory board.

The articles may nevertheless provide that the members of the management board shall be appointed by the general meeting.

In such case the general meeting will have sole authority therefor.

The members of the management board may be removed by the supervisory board and, where provided for in the articles, by the general meeting.

**Art. 833-11.**

Where there are several members in the management board, they shall form a collegiate body which shall deliberate in accordance with the articles.

[EC Regulation 1435/2003, Art. 47.3]

**Art. 833-12.**

Any limitations to the powers of the management board resulting either from the articles or a decision of the competent corporate bodies shall not be valid vis-à-vis third parties, even if they are published.

[EC Regulation 1435/2003, Art. 47.4]

**Art. 833-13.**

The management board shall represent the company vis-à-vis third parties and in legal proceedings, either as plaintiff or as defendant, subject to the application of Article 39, paragraph 1, of the above-mentioned Regulation (EC) No 1435/2003. Writs served on behalf of or upon the company shall be validly served in the name of the company alone.

The articles may authorise one or more members of the management board to represent the company in any instrument or in legal proceedings, either alone or jointly. A clause in the articles to that effect is valid vis-à-vis third parties subject to the conditions laid down in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>168</sup>. The articles may limit

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<sup>168</sup> Amended by Article 20, the “catch all” provision of the Law of 27 May 2016. See footnote under Article 100-13 (4).

such powers to represent the company. Such restrictions shall not be valid vis-à-vis third parties, even if they are published.

**Art. 833-14.**

The provisions of Articles 441-2, 441-3 and 441-4 apply to the supervisory board.

*[EC Regulation 1435/2003, Art. 39 and 40]*

**Art. 833-15.**

(1) The supervisory board shall form a collegiate body which shall deliberate in accordance with the articles.

(2) The supervisory board shall carry out the permanent supervision of the management of the company by the management board, without being authorised to interfere with such management.

(3) The supervisory board may require the management board to provide information of any kind which it needs to exercise supervision in accordance with paragraph 2.

*[EC Regulation 1435/2003, Art. 41]*

**Art. 833-16.**

The supervisory board shall convene upon notice of its chairman.

The chairman must convene it on the request of at least two of its members or upon request of the management board. The board shall meet at intervals laid down by the articles.

The supervisory board may invite the members of the management board to be present at the meetings of the board, in which case they shall have an advisory role only.

**Art. 833-17.**

The members of the management board and of the supervisory board may receive fees in that capacity. The type of remuneration and the amount of the fees payable to the members of the management board shall be determined by the supervisory board. The type of remuneration and the amount of fees payable to the members of the supervisory board are determined by the articles, failing which by the general meeting.

*[EC Regulation 1435/2003, Art. 51]*

**Art. 833-18.**

The members of the board of directors, of the management board and of the supervisory board shall be liable to the company, in accordance with general law, for the execution of the mandate given to them and for any misconduct in the performance of their duties.

*[EC Regulation 1435/2003, Art. 37, 42, 47 and 51]*

**Art. 833-19.**

The members of the board of directors, of the management board and of the supervisory board shall be jointly and severally liable towards the company and any third parties for damages resulting from the violation of the above-mentioned Regulation (EC) No 1435/2003, this law or the articles of the company.

They shall be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and they have reported such violation to the first general meeting after they had acquired knowledge thereof.

#### Sub-section 2 - General meeting of shareholders.

[EC Regulation 1435/2003, Art. 54.2]

**Art. 833-20.**

The board of directors or as the case may be, the management board as well as the supervisory board and the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] appointed to carry out the statutory audit of the annual accounts and, as the case may be, of the consolidated accounts, may convene the general meeting.

[EC Regulation 1435/2003, Art. 54.1]

**Art. 833-21.**

The general meeting shall be held once a year within six months of the end of the financial year. However, the first general meeting may be held within eighteen months following incorporation.

**Art. 833-22.**

In the two-tier system, the general meeting shall vote as to whether discharge is given to the members of the supervisory board and of the management board in accordance with Article 461-7.

[EC Regulation 1435/2003, Art. 59]

**Art. 833-23.**

(1) The articles may provide for a member to have a number of votes determined by his/her participation in the cooperative activity other than by way of capital contribution. This attribution shall not exceed five votes per member or 30 percent of total voting rights, whichever is the lower.

The articles of *sociétés coopératives européennes* (SEC) involved in financial or insurance activities may provide for the number of votes to be determined by the member's participation in the cooperative activity including his/her participation in the capital of the *société coopérative européenne* (SEC). This attribution shall not exceed five votes per member or 20 percent of total voting rights, whichever is the lower.

The articles of *the sociétés coopératives européennes* (SEC), the majority of members of which are cooperatives, may provide for the number of votes to be determined in accordance with the members' participation in the cooperative activity including their participation in the capital of the *société coopérative européenne* (SEC) and/or by the number of members of each comprising entity.

(2) The investor members as determined in Article 831-4 may not hold more than 25 percent of total voting rights.

(3) The articles of the *sociétés coopératives européennes* (SEC) may provide for the participation of employees' representatives in the general meetings or in the section or

sectorial meetings, provided that the employees' representatives do not together control more than 15 percent of total voting rights. Such rights shall cease to apply as soon as the registered office of the *société coopérative européenne* (SEC) is transferred to a Member State whose law does not provide for such participation.

[Regulation EC 1435/2003, Art. 63.1]

**Art. 833-24.**

In accordance with Article 63, paragraph 1, of Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE), the articles may provide for section or sectorial meetings.

(...) <sup>169</sup>

*Section 4 - Transfer of the registered office.*

[Regulation EC 1435/2003, Art. 7 and 12]

**Art. 834-1.**

The transfer proposal shall be drawn up by the board of directors or by the management board, as the case may be. Such proposal shall be published in accordance with «Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings»<sup>170</sup>.

[EC Regulation 1435/2003, Art. 7.3]

**Art. 834-2.**

The board of directors or the management board, as the case may be, shall draw up the report referred to in Article 7, paragraph 3, of Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE).

**Art. 834-3.**

Creditors of a *société coopérative européenne* (SEC) which is transferring its registered office, whose claims predate the publication of the transfer proposal pursuant to Article 834-3, may, notwithstanding any agreement to the contrary, within two months of such publication, apply to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of the debtor company is located and sitting as in urgency matters, for the constitution of security for matured or unmatured claims, in case the transfer would have as an effect to jeopardise the general lien of such creditors or to impede the enforcement of their claims. The president shall reject such application where the creditor already has adequate safeguards or if such security is not necessary having regard to the position of the company after the transfer. The debtor company may cause the application to be turned down by paying the creditor even if his claim has not matured.

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<sup>169</sup>Article 833-25 and the Title «Sub-section 3 - Corporate liability action» have been repealed by the Law of 7 August 2023 because they overlapped with Articles 833-18 and 833-19.

<sup>170</sup> Amended by Article 20, the “catch all” provision of the Law of 27 May 2016. See footnote under Article 100-13 (1).

If the security is not provided within the time limit prescribed, the claim shall become immediately due and payable.

[EC Regulation 1435/2003, Art. 7.8]

**Art. 834-4.**

In accordance with Article 7, paragraph 8, of the above-mentioned Regulation (EC) No 1435/2003, the relevant notary shall issue a certificate attesting in a conclusive manner as to the completion of the acts and formalities which need to be accomplished prior to the transfer.

[EC Regulation 1435/2003, Art. 12]

**Art. 834-5.**

The new registration and the deletion of the old registration shall be publicised, Articles 100-11 and 100-13 as well as «Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings» [as well as] Articles (...), 100-11 and 100-13 of this law being applicable»<sup>171</sup>.

[EC Regulation 1435/2003, Art. 7.9]

**Art. 834-6.**

The transfer to the Grand Duchy of Luxembourg of the registered office of a *société coopérative européenne* (SEC) shall be recorded by notarial deed.

The registration at the register of commerce and companies may not be effected until presentation of the certificate issued by the competent authority of the Member State<sup>172</sup> in which the *société coopérative européenne* (SEC) previously had its registered office attesting the conclusive completion of the acts and formalities to be accomplished prior to the transfer.

*Section 5 - Annual accounts and consolidated accounts, and audit thereof. Specific provisions applicable to the two-tier system.*

**Art. 835-1.**

Each year, the supervisory board shall receive from the management board all documents listed in Article 461-1, which shall be applicable by analogy to the *société coopérative européenne* (SEC), at the time set in such article for their delivery to the *commissaires* [supervisory auditors] and shall present to the general meeting its observations on the report of the management board and on the annual accounts.

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<sup>171</sup> Wording resulting from Article 20, the “catch all” provision of the Law of 27 May 2016 and the Grand Ducal Regulation of 5 December 2017. See footnotes under Article 100-13.

<sup>172</sup> See definition in the sixth paragraph of Article 100-2.

*Section 6 - Winding up, liquidation, insolvency and cessation of payments.*

[EC Regulation 1435/2003, Art. 73.2, 3 and 4]

**Art. 836-1.**

Article 480-3, paragraph 1, shall apply to a *société coopérative européenne* (SEC) with its registered office in the Grand Duchy of Luxembourg but where its central administration (head office) is not located there.

[EC Regulation 1435/2003, Art. 75]

**Art. 836-2.**

Regarding the principle of disinterested allocation of the net assets referred to in Article 75 of Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE), derogations may be made from such principle by way of an alternative arrangement provided for in the articles of the *société coopérative européenne* (SEC).

*Section 7 - Conversion of a société coopérative européenne (SEC) into a société coopérative*

[EC Regulation 1435/2003, Art. 73.4]

**Art. 837-1.**

The draft terms of conversion shall be drawn up by the management body. It shall be published in accordance with «Title I, Chapter Vbis of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings»<sup>173</sup>.

[EC Regulation 1435/2003, Art. 76.5]

**Art. 837-2.**

The independent expert(s) referred to in Article 76, paragraph 5, of Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE) shall be one or more *réviseurs d'entreprises agréés* [approved statutory auditors] appointed by the management body among the members of the *Institut des réviseurs d'entreprises*.

[EC Regulation 1435/2003, Art. 35.6]

**Art. 837-3.**

The general meeting of the *société coopérative européenne* (SEC) shall decide on the conversion.

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<sup>173</sup> Wording resulting from Article 20, the “catch all” provision of the Law of 27 May 2016. See footnote under Article 100-13 (1).



*Section 8 - Criminal law provisions.*

**Art. 838-1.**

Title XI – Criminal law provisions shall apply to the *société coopérative européenne*.

**Art. 838-2.**

In the two-tier system, the criminal law provisions applicable to the members of the board of directors shall apply to the members of the management board.

*Section 9 - Final provisions.*

**Art. 839-1.**

Article 462-1 shall apply by analogy to the *société coopérative européenne* (SEC).»

**«Title IX - Sociétés commerciales momentanées and sociétés commerciales en participation»**

**(Temporary Companies and Companies by Participation)<sup>174</sup>**

**Art. 900-1.**

(*Law of 10 August 2016*) «A *société*» *momentanée* is a company whose object it is to undertake (...) <sup>175</sup>, without using a firm name, one or more specific commercial transactions.

The members are jointly and severally liable vis-à-vis the third parties with whom they have dealt with.

**Art. 900-2.**

(*Law of 10 August 2016*) «A *société*» *en participation* is a company by which one or more persons take an interest in transactions managed by one or more other persons in his or their own name.

The managers are jointly and severally liable vis-à-vis the third parties with whom they have dealt with.

**Art. 900-3.**

(*Law of 10 August 2016*) «*Sociétés*» *momentanées* and (*Law of 10 August 2016*) «*sociétés*» *en participation* are made between their members for such purposes, in such form, with such respective interests and on such conditions as may be agreed between them.

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<sup>174</sup> Title modified by the Law of 7 August 2023.

<sup>175</sup> Terms deleted by the Law of 10 August 2016.

(Law of 10 August 2016)

## «Title X - Restructurings

### Chapter I<sup>st</sup>- Conversion»

(Law of 10 August 2016)

#### «Art. 1010-1.

(1) This section governs the various types of conversion referred to in Article 100-3, with the exception of:

- 1° the conversion of a *société européenne* (SE) into a *société anonyme* and the conversion of a *société anonyme* into a *société européenne* (SE) referred to in Articles 420-20 and 420-21 respectively; and
- 2° the conversion of a *société coopérative* into a *société coopérative européenne* (SEC) and the conversion of a *société coopérative européenne* (SEC) into a *société coopérative* referred to in Articles «832-5 to 832-7» and «837-1 to 837-3»<sup>176</sup> respectively.

For the purposes of the provisions below, the *société coopérative* organised as a *société anonyme* shall be subject to the rules governing the *société coopérative*.

(2) Articles 1010-3 to 1010-5 shall only apply to conversions of:

- 1° a *société civile*, an economic interest grouping, a *société en nom collectif*, a *société en commandite simple* or a *société coopérative* into a *société anonyme* or into a *société en commandite par actions*, and
- 2° a *société à responsabilité limitée* into a *société anonyme* or into a *société en commandite par actions* where the *société à responsabilité limitée* has benefited from a contribution in kind or a quasi-contribution as referred to in Article 420-11 within a period of two years prior to the members' decision to proceed with the conversion into a *société anonyme* or into a *société en commandite par actions* and where that contribution in kind or quasi-contribution has not been the subject of a report by a *réviseur d'entreprises* [statutory auditor] drawn up in accordance with the provisions of Article 420-10, paragraph 2 or Article 420-11 and where such a report would be required for a *société anonyme* or a *société en commandite par actions*.»

(Law of 10 August 2016)

#### «Art. 1010-2.

Prior to the conversion, a statement summarising the assets and liabilities of the company shall be drawn up as at a date no earlier than six months prior to the date of the general meeting called upon to decide on the conversion. If the latest annual accounts relate to a financial year ending less than six months before the date of the meeting deciding upon the conversion, such annual accounts shall be used as the statement summarising the assets and liabilities of the company.

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<sup>176</sup> References corrected by the Law of 7 August 2023.

In case Articles 1010-3 to 1010-5 do not apply pursuant to the provisions of Article 1010-1, the accounting statement provided for in the preceding sub-paragraph shall not be required if so agreed by all the members and holders of other securities conferring the right to vote.

Where in companies other than *sociétés en nom collectif*, *sociétés coopératives à responsabilité illimitée*, *sociétés civiles* and economic interest groupings, the net assets are less than the corporate capital referred to in the above mentioned statement, the statement shall in its conclusion mention the amount of the difference.

In *sociétés en nom collectif*, *sociétés coopératives à responsabilité illimitée*, *sociétés civiles* and economic interest groupings, the statement shall indicate the amount of the corporate capital of the company after its conversion. That capital may not exceed the net assets resulting from the above mentioned statement.»

(Law of 10 August 2016)

**«Art. 1010-3.**

A *réviseur d'entreprises* [statutory auditor] appointed by the management body or, in *sociétés en nom collectif*, *sociétés coopératives à responsabilité illimitée*, economic interest groupings and *sociétés civiles*, by the general meeting, shall report on this statement and shall indicate in particular whether net assets have been overestimated.

If, in the case referred to in Article 1010-2, sub-paragraph 3, the net assets are less than the corporate capital indicated in the statement summarising the assets and liabilities of the company, the report shall mention the amount of the difference in the conclusion.»

(Law of 10 August 2016)

**«Art. 1010-4.**

Unless waived by all the members and holders of other securities conferring the right to vote, the proposed conversion shall be the subject of an explanatory report drawn up by the management body and which shall be announced in the agenda of the meeting called upon to resolve on the matter. The statement summarising the assets and liabilities of the company or the latest annual accounts, as the case may be, shall be attached to this report.»

(Law of 10 August 2016)

**«Art. 1010-5.**

Each member and any other person authorised by law to attend the meeting and who has complied with all the formalities required by the articles to be admitted thereto, shall have the right to obtain free of charge, fifteen days before the meeting, in case they are required to be drawn up, a copy of the accounting statement or of the latest annual accounts, a copy of the report by the management body and the report by the *réviseur d'entreprises* [statutory auditor], as well as the proposed amendments to the articles.»

(Law of 10 August 2016)

**«Art. 1010-6.**

The absence of any of the reports required pursuant to Articles 1010-3 and 1010-4 shall cause the decisions of the general meeting to be void.»

(Law of 10 August 2016)

**«Art. 1010-7.**

(1) Without prejudice to the specific provisions set forth in this Article and subject to stricter provisions of the articles, the general meeting may decide upon the conversion of the company only in compliance with the following quorum and majority rules:

- 1° a proposed conversion shall only be accepted if it meets the quorum and majority requirements prescribed for amendments to the articles;
- 2° in *sociétés en commandite simple* and in *sociétés coopératives*, the voting rights of members are in proportion to their share in the corporate assets and the quorum shall be calculated by reference to these corporate assets.

(2) If there is more than one category of shares or units, whether representing capital or not, and if the conversion results in a modification to their respective rights, Article 450-4 shall apply.

(3) The conversion of a *société en commandite simple* or of *société en commandite par actions* shall also require the approval of all the unlimited members.

For the conversion into a *société en commandite par actions* or into a *société en commandite simple*, the approval of all the members appointed as unlimited members shall be required.

(4) The approval of all the members shall also be required:

- 1° for the decision to convert a company into a *société en nom collectif*, a *société en commandite simple*, an economic interest grouping or a *société civile*;
- 2° for the decision to convert a *société en commandite simple*, a *société en commandite par actions*, a *société à responsabilité limitée* or a *société anonyme* into a *société coopérative à responsabilité illimitée*;
- 3° (Law of 7 August 2023) «for the decision to convert a *société en nom collectif*, a *société coopérative à responsabilité illimitée*, or an economic interest grouping ;»
- 4° if the articles provide that it may not adopt another form. Such a clause in the articles may be amended only under the same conditions.

(5) In *sociétés coopératives*, each member has the right, notwithstanding any provision to the contrary of the articles, to resign at any time during the financial year without having to satisfy any other condition, as from the time the general meeting is convened to resolve on the conversion of the company.

The resignation must be notified to the company by registered letter with recorded delivery deposited at least five days before the date of the meeting. It will only be effective if the proposed conversion is adopted.

The notices to the meeting shall contain the text of this paragraph, sub-paragraphs 1 and 2.»

(Law of 10 August 2016)

**«Art. 1010-8.**

Immediately after the conversion decision, the articles of the company in its new form shall be approved under the same quorum and majority requirements as those required for the conversion.

Failing that, the decision to convert shall remain without effect.»

(Law of 10 August 2016)

**«Art. 1010-9.**

The conversion shall on pain of nullity be recorded by way of a notarial deed, except in the case of conversion between two forms of companies or groupings which may be incorporated under private deed. The conversion deed shall include the conclusion of the report drawn up by the *réviseur d'entreprises* [statutory auditor].

The conversion deed shall be published in full and the articles shall be published simultaneously, in full or by way of extracts, in accordance with Articles 100-7 to 100-10.

The conversion shall be valid against third parties under the conditions provided for in Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>177</sup>.

In the case of a conversion into an economic interest grouping, Article 7 of the amended Law of 25 March 1991 on economic interest groupings shall apply.»

(Law of 10 August 2016)

**«Art. 1010-10.**

Provisions relating to the description and verification of contributions in kind (Law of 7 August 2023) «and those on» the liability of the founders or the managers in the event of a capital increase or the incorporation of the company by means of subscriptions shall not apply to the conversion into a *société à responsabilité limitée*, a *société coopérative à responsabilité limitée*, a *société anonyme* or a *société en commandite par actions*.»

(Law of 10 August 2016)

**«Art. 1010-11.**

The members of a *société en nom collectif*, a *société coopérative à responsabilité illimitée*, an economic interest grouping or a *société civile* and the members of the management body of the company to be converted shall be liable, severally or jointly, as applicable, vis-à-vis interested parties, notwithstanding any provision to the contrary, of the overvaluation of the net assets shown in the statement provided for by Article 1010-2.»

(Law of 10 August 2016)

**«Art. 1010-12.**

In the event of conversion of a *société en nom collectif*, a *société en commandite simple*, a *société en commandite par actions*, a *société coopérative à responsabilité illimitée*, an economic interest grouping or a *société civile*, the members of the *société en nom collectif*, the unlimited members of the *société en commandite simple* or *société en commandite par actions*, the members of the *société coopérative*, the members of the economic interest grouping or the members of the *société civile* shall remain liable, severally or jointly, as applicable, vis-à-vis third parties for the obligations of the company which predate the effectiveness of the conversion deed against third parties pursuant to the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and

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<sup>177</sup> See footnote under Article 100-13 (1).

companies and the accounting and annual accounts of undertakings<sup>178</sup>.

In the event of conversion into a *société en nom collectif*, a *société en commandite simple*, a *société en commandite par actions*, a *société coopérative à responsabilité illimitée*, an economic interest grouping or a *société civile*, the members of the *société en nom collectif*, the unlimited members of the *société en commandite simple* or *société en commandite par actions*, the members of the *société coopérative*, the members of the economic interest grouping or the members of the *société civile* shall be liable, severally or jointly, as applicable, vis-à-vis third parties for the obligations of the company which predate the conversion.

In the event of conversion into a *société coopérative à responsabilité limitée* of a *société anonyme*, a *société en commandite par actions* or a *société à responsabilité limitée*, the fixed portion of the capital shall be equal to the amount of the capital of the company before its conversion.»

(Law of 7 September 1987)

## «Chapter II - Mergers<sup>179, 180</sup>

(Law of 7 September 1987)

[2017/1132/EU art. 87]

«Art. 1020-1.

(Law of 23 March 2007)

«The present Chapter shall apply to all companies with legal personality pursuant to this Law and to economic interest groupings.

A merger can also occur where one or more of the companies or economic interest groupings which are acquired or will cease to exist are the subject of bankruptcy proceedings, proceedings relating to composition with creditors or a similar procedure such as the suspension of payments, controlled management or proceedings instituting special management or supervision of one or more of such companies.»

(Law of 10 June 2009)

[2017/1132/EU art. 121.2]

«A company or an economic interest grouping as referred to in the first sub-paragraph may also enter into a merger transaction with a foreign company or a foreign-law-governed economic interest grouping, provided the latter's national law does not prohibit such a transaction and such foreign company or economic interest grouping complies with the

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<sup>178</sup> See footnote under Article 100-13 (1).

<sup>179</sup> The Law of 10 June 2009 inter alia on cross-border merger of limited liability companies amends a number of provisions and formalities concerning mergers. Article 32 of that law provides for the application of the new rules for all mergers for which the common draft terms of merger referred to in Article 262 [now Art. 1021-2] of the Law of 1915 has been published the first day of the first month following the entry into force of the new law i.e. all draft terms of merger published on or after 1 August 2009.

<sup>180</sup> The amendments to this Chapter by the Law of 3 August, 2011 do not apply to merger transactions where the draft terms have been published before 15 August, 2011.

provisions and formalities of the national law by which it is governed, without prejudice to the provisions of Article 21 of Regulation (EC) No 139/2004 of 20 January 2004 on the control of the concentrations between undertakings. These mergers shall hereafter be referred to as «cross-border mergers».

The foreign law provisions and formalities referred to in the previous paragraph in particular concern the decision-making process relating to the merger and, taking into account the cross-border nature of the merger, the protection of creditors of the merging companies, holders of bonds and holders of securities or corporate units, as well as employees with respect to rights other than those concerning employee participation.

Where one of the merging companies is operating under an employee participation system and the company resulting from the cross-border merger is a Luxembourg-law-governed company governed by such a system in accordance with the provisions referred to in Articles L.426-13 and L. 426-14 of the Labour Code<sup>181</sup>, that company shall be required to take the form of a *société anonyme*».

*(Law of 23 March 2007)*

«Where in the provisions below a reference is made to a «company» or to the «companies», such term shall be understood, save where specified differently, as also referring to (an) «economic interest grouping(s)».»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 88]*

**«Art. 1020-2.**

A merger shall be carried out by the acquisition of one or more companies by another or by the incorporation of a new company.»

*(Law of 7 September 1987)*

*[2017/11/32/EU art. 89]*

**«Art. 1020-3.**

*(Law of 10 June 2009)*

(1) «Merger by acquisition is the operation whereby one or more companies, following their dissolution without liquidation, transfer to another pre-existing company, all their assets and liabilities in exchange for the issue to the members of the company or companies being acquired of shares or corporate units in the acquiring company and a cash payment, if any, not exceeding 10 percent of the nominal value of the shares or corporate units so issued or, in the absence of a nominal value, of their accounting par value.»

*(Law of 23 March 2007)*

(2) «Merger by acquisition may also take place where one or more of the companies being acquired are in liquidation, provided that those companies have not yet begun to distribute their assets to their members.»

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<sup>181</sup> These articles are included in Section 4: «Employee participation in case of cross border merger» of Chapter VI, Title II of Book IV of the Labour Code.

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 17.2]

(3) «Where a *société européenne* (SE) is formed by way of a merger by acquisition, the acquiring company shall take the form of a *société européenne* (SE) when the merger takes place.»

(Law of 7 September 1987)

[2017/1132/EU art. 90]

«Art. 1020-4.

(Law of 23 March 2007)

«(1) Merger by incorporation of a new company is the operation whereby several companies, following their dissolution without liquidation, transfer to a company which they incorporate, all their assets and liabilities in exchange for the issue to their members of shares or corporate units in the new company and a cash payment, if any, not exceeding 10 percent of the nominal value of the shares or corporate units so issued or, in the absence of a nominal value, of their accounting par value.

(2) Merger by incorporation of a new company may also take place where one or more of the companies which are ceasing to exist are in liquidation, provided that those companies have not yet begun to distribute their assets to their members.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 17.2]

(3) «Where a *société européenne* (SE) is formed by way of a merger by the formation of a new company, the *société européenne* (SE) shall be the newly formed company.»

(Law of 7 September 1987)

#### «Section 1 - Merger by acquisition»

(Law of 7 September 1987)

[2017/1132/EU art. 91] [EC Regulation 2157/2001, Art. 20.1]

«Art. 1021-1.

(Law of 10 June 2009)

[2017/1132/EU art. 122]

«(1) The administrative or management bodies of the merging companies shall draw up common draft terms of merger in writing.

(2) The common draft terms of merger shall specify:

- 1° the form, corporate denomination, and registered office of the merging companies and those proposed for the company resulting from the merger;
- 2° the share or corporate unit exchange ratio and, where appropriate, the amount of any cash payment;
- 3° the terms for the delivery of the shares or corporate units in the acquiring company;



- 4° the date as from which those shares or corporate units shall carry the right to participate in the profits and any special condition regarding that right;
- 5° irrespective of the effective date of the merger pursuant to Articles 1021-13, 1021-14, 1021-15 and 1021-16, the date from which the operations of the company being acquired shall be treated for accounting purposes as being carried out on behalf of the acquiring company;
- 6° the rights conferred by the acquiring company to shareholders having special rights and to the holders of securities other than shares or corporate units, or the measures proposed concerning them;
- 7° any special advantages granted to the experts referred to in Article 1021-6, to the members of the administrative, management, supervisory or control bodies of the merging companies.

(3) Where a *société européenne* (SE) is formed by way of a merger, the draft terms shall also include:

- 1° the articles of the *société européenne* (SE);
- 2° information on the procedures by which arrangements for employee involvement are determined in implementation of Council Directive 2001/86/EC of 8 October 2001 supplementing the Status for a European company with regard to the involvement of employees<sup>182</sup>.

(4) In case of a cross-border merger, the common draft terms of merger shall also include:

- 1° the articles of the acquiring company;
- 2° a description of the likely repercussions of the merger on employment;
- 3° where appropriate, information on the procedures by which arrangements for the involvement of employees, are determined by the implementation of «Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>183,184</sup>;
- 4° information on the evaluation of the assets and liabilities which are transferred to the acquiring company;
- 5° dates of the merging companies' accounts used to establish the conditions of the merger.»

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<sup>182</sup> This directive has been implemented in Articles L. 441-1 et seq. of the Labour Code.

<sup>183</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>184</sup> See Section 4: «Employee participation in case of cross border merger» of Chapter VI, Title II of Book IV of the Labour Code and Article 133 of Directive 2017/1132/EU.

(Law of 7 September 1987)

[2017/1132/EU art. 92] [EC Regulation 2157/2001]

**«Art. 1021-2.**

(Law of 10 June 2009)

[2017/1132/EU art. 123]

«(1) The common draft terms of merger shall be published in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>185</sup>» and in the national gazette of each other Member State<sup>186</sup> concerned, for each of the merging companies at least one month before the date of the general meeting convened to decide on the common draft terms of merger.

(2) In case of a cross-border merger, the publication shall also include following particulars:

- 1° the type, name and registered office of the merging company;
- 2° (Law of 10 August 2016) «the register of commerce and companies in which the documents referred to in the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002 are filed by the acquiring company and the number of the entry in that register, if it is a Luxembourg company; if the legislation of the State of the foreign law governed company provides for a register, the register in which the documents referred to in «Article 16, paragraph 3 of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>187</sup> have been filed by the foreign law governed company and if the legislation of the State of the foreign law governed company provides for a registration number in that registry, the registration number in that register;»
- 3° an indication, for each of the merging companies, of the arrangements made for the exercise of the rights of creditors of such company and the address at which complete information on those arrangements may be obtained free of charge.»

(Law of 7 September 1987)

[2017/1132/EU art. 93.1]

**«Art. 1021-3.**

(Law of 10 June 2009)

[2017/1132/EU art. 126.1]

«(1) A merger shall require the approval of the general meetings of each of the merging companies and, where appropriate, of the holders of securities other than shares or corporate units, after examination of the reports referred to in by Articles 1021-5 and 1021-6. That decision requires that the conditions as to quorum and majority laid down for amendments of the articles are fulfilled.»

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<sup>185</sup> See footnote under Article 100-13 (1).

<sup>186</sup> See definition in the sixth paragraph of Article 100-2.

<sup>187</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

(Law of 23 March 2007)

«(2) In *sociétés en commandite simple* and in *sociétés coopératives*, the voting rights of members are in proportion to their share in the corporate assets and the quorum will be calculated by reference to the corporate assets.

(3) The consent of all members is required:

- 1° in acquiring companies and in companies being acquired which are *sociétés en nom collectif*, *sociétés coopératives* the members of which have unlimited and joint liability, civil companies or economic interest groupings;
- 2° in the companies being acquired where the acquiring company is:
  - a) a *société en nom collectif*;
  - b) a *société en commandite simple*;
  - c) a *société coopérative* the members of which have unlimited and joint liability;
  - d) a civil company;
  - e) an economic interest grouping.

In the cases referred to in the first sub-paragraph, point 1° and point 2°, letters a), b) and c), the unanimous consent of the holders of corporate units not representing capital will be required.

(4) In *sociétés en commandite simple* and in *sociétés en commandite par actions*, the consent of all the unlimited members will in addition be required.

(5) If there is more than one category of shares, securities or corporate units, whether representing capital or not, and if the merger results in a modification to their respective rights, Article 450-4 shall be applicable.»

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 23.2]

(6) «Where a *société européenne* (SE) is formed by way of a merger, employee involvement in the *société européenne* (SE) shall be decided pursuant to the provisions implementing Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees<sup>188</sup>. The general meeting of each of the merging companies may reserve the right to make registration of the SE conditional upon its express ratification of the arrangements so decided.»

(Law of 10 June 2009)

[2017/1132/EU art. 126.2]

«(7) In case of a cross-border merger, the general meeting of each of the merging companies may reserve the right to make implementation of the cross-border merger conditional on express ratification by it of the arrangements decided on with respect to the participation of employees in the company resulting from the cross-border merger.»

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<sup>188</sup> This directive has been implemented by Articles L. 441-1 and s. of the Labour Code.

*(Law of 7 September 1987)*

*[2017/1132/EU art. 94] [2017/1132/EU art. 126.3]*

**«Art. 1021-4.**

*(Law of 23 March 2007)* «Except in the cases referred to in Article 1021-3, paragraphs 2 to 4,» approval of the merger by the general meeting of the acquiring company is not necessary if the following conditions are fulfilled:

- 1° *(Law of 10 June 2009)* «the publication provided for by Article 1021-2 is made, on behalf of the acquiring company, at least one month before the date of the general meeting of the company or companies being acquired convened to decide on the common draft terms of merger»
- 2° all the *(Law of 23 March 2007)* «members» of the acquiring company are entitled, at least one month before the date indicated in point 1°, to examine at the registered office of that company the documents indicated in Article 1021-7, paragraph 1;
- 3° one or more *(Law of 23 March 2007)* «members» of the acquiring company holding at least 5 percent of the shares *(Law of 23 March 2007)* or «corporate units» in the subscribed capital are entitled up to the day following the holding of the general meeting of the company being acquired to require the convening of a general meeting of the acquiring company to decide whether to approve the merger. The meeting must be convened in such a manner as to be held within one month of the request for it to be held.»

*(Law of 3 August 2011)*

«For the purposes of the first paragraph, point 2°, Article 1021-7, paragraphs 2, 3 and 4 shall apply.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 95]*

**«Art. 1021-5.**

*(Law of 3 August 2011)*

*[2017/1132/EU art. 124]*

«(1) The administrative and management bodies of each of the merging companies shall draw up a detailed written report addressed to the members explaining the common draft terms of merger and setting out the legal and economic grounds for them, in particular for the share or corporate unit exchange ratio.

That report shall also indicate any special valuation difficulties which have arisen.

In case of a cross-border merger, the report shall be made available to the members and representatives of the employees, or where there are no such representatives, to the employees themselves, no less than one month before the date of the general meeting which shall decide on the common draft terms of merger. The report shall explain the implications of that merger for members, creditors and employees. Where the management or administrative body of any of the merging companies receives, in good time, an opinion from the representatives of their employees, that opinion shall be appended to the report.»

(2) The administrative or management bodies of each of the companies involved shall inform the general meeting of their company and the administrative or management bodies of the

other companies involved so that the latter may inform their respective general meetings of any material change in the assets and liabilities between the date of preparation of the draft common terms of merger and the date of the general meetings which are to decide on the draft common terms of merger.

(3) However, the report referred to in paragraph 1 and the information referred to in paragraph 2, shall not be required if all the members and the holders of other securities conferring the right to vote of each of the companies involved in the merger have so agreed.»

(Law of 7 September 1987)

[2017/1132/EU art. 96] [2017/1132/EU art. 125]

**«Art. 1021-6.**

(1) (Law of 23 July 2016) «The common draft terms of merger must be the subject of an examination and of a written report to the members. The examination shall be carried out and the report shall be drawn up for each of the merging companies by one or more independent experts to be appointed by the administrative or management body of each of the merging companies. The experts must be chosen among the *réviseurs d'entreprises* [statutory auditors]. However, it is possible to cause the report to be drawn up by one or more independent experts for all the merging companies. In such case, the appointment shall be made, at the joint request of the merging companies, by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters, in the district in which the registered office of the acquiring company is located, sitting as in urgency matters.»

(Law of 10 June 2009) «In case of a cross-border merger, that report must be made available one month before the date of the general meeting called to decide on the common draft terms of merger.

In case of formation of a *société européenne* (SE) by way of merger or in case of a cross-border merger, the merging companies may jointly apply for the appointment of one or more independent experts to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of one of the companies is located, sitting as in urgency matters or, to a judicial or administrative authority in another State of one of the merging companies<sup>189</sup> or mandate one or more independent experts approved by such an authority.»

(2) In the report mentioned in paragraph 1, the experts must in any case state whether, in their opinion, the share exchange ratio is or is not fair and reasonable. Their statement must:

- 1° indicate the method or methods used to arrive at the proposed share exchange ratio;
- 2° indicate whether such method or methods are adequate in the circumstances and indicate the values arrived at by each of such methods, and give an opinion as to the relative importance attributed to such methods in determining the value actually adopted.

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<sup>189</sup> The directive also allows application to the court and authorities of the Member State of the new company resulting from the merger.

In addition, the report shall describe any special valuation difficulties which may have arisen.

(3) *(Law of 3 August 2011)* «The rules laid down in Article 420-10, paragraphs 2 to 9 shall not apply in case an expert report is drawn up on the draft common terms of merger or if the circumstances envisaged by Article 420-10, paragraphs 2 to 9 do not exist.»

(4) Each expert shall be entitled to obtain from the merging companies all relevant information and documents and to carry out all necessary verifications.»

*(Law of 10 June 2009)*

(5) «Neither an examination of the common draft terms of merger by independent experts nor an expert report shall be required if all the members and holders of other securities conferring voting rights of each of the companies involved in the merger have so agreed.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 97]*

**«Art. 1021-7.**

*(Law of 10 June 2009)*

«(1) Every *(Law of 23 March 2007)* «member» shall be entitled to inspect the following documents at the registered office at least one month before the date of the general meeting called to decide on the common draft terms of merger:

- 1° the common draft terms of merger;
- 2° the annual accounts and the management reports of the merging companies for the last three financial years;
- 3° *(Law of 3 August, 2011)* «where applicable, an accounting statement drawn up as at a date which must not be earlier than the first day of the third month preceding the date of the common draft terms of merger, if the last annual accounts relate to a financial year which ended more than six months before that date;»
- 4° *(Law of 3 August 2011)* «where applicable, the reports of the administrative or management bodies of the merging companies referred to in Article 1021-5;»
- 5° where applicable, the reports referred to in Article 1021-6.»

*(Law of 3 August 2011)*

«For the purposes of paragraph 1, point 3°, an accounting statement shall not be required if the company publishes a half-yearly financial report in accordance with Article 4 of the amended Law of 11 January 2008 on transparency requirements for issuers of securities and makes it available to members in accordance with this paragraph or if all the members and holders of other securities conferring the right to vote of each of the companies involved in the merger have so agreed.»

(2) The accounting statement provided for in paragraph 1, point 3° shall be drawn up using the same methods and the same presentation as the last annual balance sheet.

It shall however not be necessary to take a fresh physical inventory.

Moreover, the valuations shown in the last balance sheet shall be altered only to reflect entries in the books of account; the following shall nevertheless be taken into account:

- 1° interim depreciation and provisions;

2° material changes in actual value not shown in the books.

(3) A full copy or, if so desired, a partial copy, of the documents referred to in paragraph 1 may be obtained by any (*Law of 23 March 2007*) «member» upon request and free of charge.»

(*Law of 3 August 2011*)

«Where a member has consented to the use by the company of electronic means for conveying information, such copies may be provided by electronic mail.»

(*Law of 3 August 2011*)

«(4) A company shall be exempt from the requirement to make the documents referred to in paragraph 1 available at its registered office if, for a continuous period beginning at least one month before the day fixed for the general meeting which is to decide on the draft common terms of merger and ending not earlier than the conclusion of that meeting, it makes them available on its website.

Paragraph 3 shall not apply if the website gives members the possibility, throughout the period referred to in the first sub-paragraph of this paragraph, of downloading and printing the documents referred to in paragraph 1. However, in that case the company shall make those documents available at its registered office for consultation by the members.»

(*Law of 23 March 2007*)

**«Art. 1021-8.**

(1) A *société à responsabilité limitée*, a *société coopérative* or an economic interest grouping can only acquire another company or economic interest grouping if the shareholders or members of such other company or economic interest grouping fulfil the conditions to become shareholder or member of the acquiring company or economic interest grouping.

(2) In *sociétés coopératives*, each member has the right, notwithstanding any provision to the contrary of the articles of incorporation, to resign at any time and without having to satisfy any other condition, as from the time the general meeting is called in order to resolve on the merger of the company with an acquiring company having a different legal form.

The resignation must be notified to the company by registered mail, deposited at the post office five days at least before the date of the meeting. Such resignation will only be effective if the merger is approved.

The notice to the meeting must include the provisions of the first and second paragraph of this paragraph.

(*Law of 7 September 1987*)

[2017/1132/EU art. 99]

**«Art. 1021-9.**

(*Law of 3 August 2011*)

«(1) Creditors of the merging companies, whose claims predate the date of publication of the deeds recording the merger provided for by Article 1021-14 may, notwithstanding any agreement to the contrary, apply within two months of that publication to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of the debtor company is

located and sitting as in urgency matters, to obtain adequate safeguards for any matured or unmatured debts, where they can credibly demonstrate that due to the merger the satisfaction of their claims is at stake and that no adequate safeguards have been obtained from the company. The president of the court shall reject the application if the creditor is already in possession of adequate safeguards or if such safeguards are unnecessary, having regard to the financial situation of the company after the merger. The debtor company may cause the application to be turned down by paying the creditor, even if it is a term debt.

If the safeguards are not provided within the time limit prescribed, the debt shall immediately fall due.»

(Law of 23 March 2007)

«(2) If the company being acquired is a *société en nom collectif*, a *société en commandite simple*, a *société en commandite par actions*, a *société coopérative* the members of which have unlimited and joint liability, a civil company or an economic interest grouping, the members of the *société en nom collectif*, the unlimited members of the *société en commandite simple* or of the *société en commandite par actions* or the members of the *société coopérative*, of the civil company or of the economic interest grouping remain severally or jointly liable, as applicable, vis-à-vis third parties for the obligations of the dissolved company which predate the effectiveness against third parties of the merger deed pursuant to Article 1021-14.

(3) If the acquiring company is a *société en nom collectif*, a *société en commandite simple*, a *société en commandite par actions*, a *société coopérative* the members of which have unlimited and joint liability, a civil company or an economic interest grouping, the members of the *société en nom collectif*, the unlimited members of the *société en commandite simple* or *société en commandite par actions* or the members of the *société coopérative*, of the civil company or of the economic interest grouping will be severally or jointly liable, as applicable, vis-à-vis third parties for the obligations of the dissolved company which pre-date the merger. They may nevertheless be relieved of such liability by an express provision included in the draft terms of the merger and in the merger deed, which will be effective vis-à-vis third parties in accordance with Article 1021-14.»

(Law of 7 September 1987)

[2017/1132/EU art. 100]

**«Art. 1021-10.**

Without prejudice to the rules governing the collective exercise of their rights, Article 1021-9 shall apply to the holders of bonds of the merging companies, unless the merger has been approved by a meeting of the bondholders or by the bondholders individually.»

(Law of 7 September 1987)

[2017/1132/EU art. 101]

**«Art. 1021-11.**

(Law of 10 June 2009)

«(1) The holders of securities other than shares or corporate units to which special rights are attached must be given rights, in the acquiring company, at least equivalent to those they possessed in the acquired company.»



(2) Paragraph I shall not apply if the alteration to those rights was approved by a meeting of the holders of such securities proceeding in accordance with the conditions as to quorum and majority provided for in Article 1021-3.»

*(Law of 10 June 2009)*

«(3) «In the event of failure to convene the meeting provided for in the foregoing paragraph or if such a meeting refuses to accept the proposed alteration, the securities concerned shall be repurchased at the price corresponding to their valuation in the common draft terms of merger, as verified by the independent experts provided for in Article 1021-6.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 102, art. 127 and 128]*

**«Art. 1021-12.**

*(Law of 10 June 2009)*

«(1) The minutes of the general meetings which decide upon the merger shall be drawn up in the form of a notarial instrument; the same shall apply to the common draft terms of merger where the merger need not to be approved by the general meetings of all the merging companies.

(2) The notary must verify and certify the existence and the validity of the legal acts and formalities required of the company in respect of which he is acting and of the common draft terms of merger.

*[EC Regulation 2157/2001, Art. 25.2 and 26]*

In case of formation of a *société européenne* (SE) by way of a merger or in case of a cross-border merger, the notary shall, without delay, issue a certificate conclusively attesting the correct completion of the pre-merger acts and formalities for the part of the procedure relating to the Luxembourg-law-governed company.

Where a *société européenne* (SE), formed by way of a merger, is intended to establish its registered office in the Grand Duchy of Luxembourg, or where the cross-border merger is carried out through the acquisition by a Luxembourg-law-governed company of a foreign-law-governed company, the notary, in order to carry out the legality control incumbent upon him, shall receive from each merging company, the certificate referred to in the foregoing paragraph established by a notary or the competent authority in accordance with the national legislation of each merging company within a period of six months from its issuance, together with a copy of the common draft terms of merger approved by each company. The notary specially verifies that the merging companies have approved the common draft terms of merger in the same terms, and where appropriate that arrangements relating to employee participation have been adopted in accordance with legal provisions implementing Council Directive 2001/86/EC of 8 October 2001 supplementing the Status for a European company with regard to the involvement of employees<sup>190</sup> «or »<sup>191</sup> «Article 133 of Directive (EU)

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<sup>190</sup> This directive has been implemented in Article L.441-1 et seq. of the Labour Code.

<sup>191</sup> Law of 7 August 2023.

2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>192</sup>.

(3) In case of a cross-border merger, if the law of a State to which a merging company is subject provides for a procedure to scrutinise and amend the ratio applicable to the exchange of securities or corporate units, or a procedure to compensate minority members without preventing the registration of the cross-border merger, such procedure shall only apply if the other merging companies situated in a State which does not provide for such procedure explicitly accept, when approving the draft terms of the cross-border merger, the possibility for the members of that merging company to have recourse to such procedure to be initiated before the authority having jurisdiction over that merging company. In such cases, the notary or the competent authority referred to in the previous paragraph may issue the certificate referred to in the previous paragraph even if such procedure has commenced. The certificate must, however, indicate that the procedure is pending. The decision in the procedure shall be binding on the company resulting from the cross-border merger and all its members.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 103]*

**«Art. 1021-13.**

The merger shall take effect when the concurring decisions of the companies involved shall have been adopted.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 104]*

**«Art. 1021-14.**

(1) *(Law of 10 June 2009)* «The merger shall have no effect vis-à-vis third parties until after the publication in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>193</sup>» of the minutes of the general meetings who decide on the merger for each merging company has been made or, in the absence of such a meeting, after the publication in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002 » of a notary certificate drawn up at the request of the company concerned, recording that the conditions of Article 1023-2 or of Article 1023-4 are fulfilled, has been made.»

(2) The acquiring company may carry out the publication formalities in respect of the acquired company or companies.»

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<sup>192</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>193</sup> See footnote under Article 100-13 (1).

(Law of 25 August 2006)

[EC Regulation 2157/2001, Art. 27]

**«Art. 1021-15.**

(1) By way of exception to Articles 1021-13 and 1021-14, the merger and simultaneous formation of a *société européenne* (SE) shall take effect on the date on which the *société européenne* (SE) is registered at the register of commerce and companies.

(2) The *société européenne* (SE) may not be registered until the formalities provided in Article 1021-12 have been completed.»<sup>194</sup>

(Law of 10 June 2009)

[2017/1132/EU art. 129 and 130]

**«Art. 1021-16.**

(1) By derogation to Articles 1021-13 and 1021-14, the merger by acquisition of a foreign-law-governed company shall take effect and shall be effective against third parties, from the date of the publication in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002<sup>195</sup>» of the minutes of the general meeting of the acquiring company which decides on the merger. This date must be after the verifications referred to in Article 1021-12 have been made.

(2) The register of commerce and companies, shall without delay notify to the register in which each merging company was required to file documents, that the cross-border merger has taken effect.

(3) In case of a merger by acquisition of a Luxembourg law governed company, it shall be de-registered on receipt, by the register of commerce and companies, of the notification of the effectiveness of the merger by the register having jurisdiction over the acquiring Company, but not before.»

(Law of 7 September 1987)

[2017/1132/EU art. 105]

**«Art. 1021-17.**

(Law of 23 March 2007)

«(1) The merger shall have the following consequences *ipso jure* and simultaneously:

- 1° the universal transfer, both as between the company being acquired and the acquiring company and vis-à-vis third parties, of all of the assets and liabilities of the company being acquired to the acquiring company;
- 2° the members of the company being acquired shall become members of the acquiring company;
- 3° the company being acquired shall cease to exist;
- 4° the cancellation of the shares or corporate units of the company being acquired held by the acquiring company or the company being acquired or by any person acting in his own name but on behalf of either of those companies.

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<sup>194</sup> This sub-paragraph was followed by a sub-paragraph which has been repealed by the Law of 10 June 2009.

<sup>195</sup> See footnote under Article 100-13 (1).

(2) By way of exception to paragraph 1, point 1°, the transfer of industrial and intellectual property rights and of ownership or other rights on assets other than collateral established on movable and immovable property will be valid vis-à-vis third parties on the conditions provided for in the specific laws governing such operations. The formalities may be completed within a period of six months after the date on which the merger takes effect.»

*(Law of 25 August 2006)*

*[EC Regulation 2157/2001, Art. 29.4]*

(3) «The rights and obligations of the participating companies on terms and conditions of employment arising from national law, practice and individual employment contracts or employment relationships and existing at the date of the registration shall, by reason of such registration, be transferred to the *société européenne* (SE) following its registration.»

*(Law of 10 June 2009)*

*[2017/1132/EU art. 131.4]*

«(4) In case of cross-border mergers, the rights and obligations of the merging companies arising from contracts of employment or from employment relationships and existing at the date on which the cross-border merger takes effect in accordance with Article 1021-16, paragraph 1 are transferred to the acquiring company at the date on which the cross-border merger takes effect.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 107]*

**«Art. 1021-18.**

*(Law of 10 June 2009)*

«The shareholders of the acquired company may individually take proceedings and exercise a liability action against the members of the administrative or management bodies and the experts provided for in Article 1021-6 to obtain indemnification for any damage which they may have suffered as a result of the misconduct of the members of the administrative or management bodies in preparing for and carrying out the merger or of the experts in the discharge of their duties. Any liability shall be joint and several for the members of the administrative or management bodies or the experts of the acquired company or, where appropriate, for all combined. However, each of them may relieve himself of any liability if he proves that no misconduct is attributable to him personally.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 108]*

**«Art. 1021-19.**

*(Law of 10 June 2009)*

«(1) The avoidance of a merger may only occur in the following circumstances:

- 1° the avoidance must be ordered by a court decision;
- 2° where a merger has taken effect pursuant to Article 1021-13, it may only be avoided on the grounds that there was no notarial instrument or private deed, as the case may be, or if it is established that the resolution of the general meeting of either of the companies participating in the merger is void;

- 3° an action for an avoidance may not be brought after the expiry of a period of six months as from the date on which the merger took effect vis-à-vis the person alleging nullity thereof, or if the situation has been rectified;
- 4° where it is possible to remedy a defect liable to render a merger void, the competent court shall grant the companies involved a period of time within which to rectify the situation;
- 5° any court order declaring a merger void shall be published in the manner prescribed by (*Law of 27 May 2016*) «Titel I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>196</sup>»;
- 6° third party objections to the court order declaring a merger void shall not be admissible after the expiry of six months from the publication of the court order made in accordance with (*Law of 27 May 2016*) «Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002 »;
- 7° the court order declaring a merger void shall not of itself affect the validity of obligations owed by or to the acquiring company which arose before the publication of the court order and after the date referred to in Article 1021-13;
- 8° the companies which have been party to the merger shall be jointly and severally liable for the obligations of the acquiring company referred to in point 7°.

[*EC Regulation 2157/2001, Art. 30*]

(2) In derogation to paragraph 1, point 2°, a merger intended for the formation of a *société européenne* (SE) may not be declared null and void once the *société européenne* (SE) has been registered at the register of commerce and companies.

The *société européenne* (SE) may be dissolved in case of absence of scrutiny of the legality of the merger pursuant to Article 1021-12, paragraph 2.

[*2017/1132/EU art. 134*]

(3) In derogation to paragraph 1, point 3°, the avoidance of a merger by acquisition of a foreign law governed company which has become effective in accordance with Articles 1021-16 may not be ordered.»

(*Law of 7 September 1987*)

«*Section 2 - Merger by incorporation of a new company*»

(*Law of 7 September 1987*)

[*2017/1132/EU art. 109*]

«**Art. 1022-1.**

(1) Articles 1021-1, 1021-2 and 1021-3 as well as Articles 1021-5 to 1021-19 shall apply to mergers by the incorporation of a new company. For such purpose, «merging companies» or

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<sup>196</sup> See footnote under Article 100-13 (1).

«company being acquired» shall describe the companies which cease to exist and «acquiring company» shall refer to the new company.

(2) Article 1021-1, paragraph 2, point 1°, shall also apply to the new company.

(3) (*Law of 10 June 2009*) «The common draft terms of merger containing the draft constitutive instrument of the new company must be approved by the general meeting of each of the companies which will cease to exist. The new company shall exist as from the last approval.»

(4) (*Law of 3 August 2011*) «The rules laid down in Article 420-10, paragraphs 2 to 9 shall not apply to the incorporation of the new company in case an expert report is drawn up on the draft common terms of merger or if the circumstances envisaged by Article 420-10, paragraphs 2 to 9 do not exist.»

(*Law of 10 June 2009*)

«(5) Where the new company resulting from a cross-border merger is a Luxembourg-law-governed company, the legality control of the notary referred to in Article 1021-12, paragraph 2 also covers the part of the procedure regarding the formation of that company».

(*Law of 10 June 2009*)

*«Section 3 - Acquisition of one company by another which holds 90 percent or more of the shares, corporate units and securities conferring voting rights in the first company»*

(*Law of 7 September 1987*)

[2017/1132/EU art. 110]

**«Art. 1023-1.**

(*Law of 10 June 2009*)

[2017/1132/EU art. 132.1]

«If the acquiring company holds all the shares, all the corporate units and all other securities conferring voting rights in the companies to be acquired, those companies transfer all of their assets and liabilities to the acquiring company at the moment of their dissolution without liquidation. The operation shall be subject to the provisions of Title X, Chapter II, Section 1., with the exception of Article 1021-1, paragraph 2, points 2°, 3° and 4°, Articles 1021-5 and 1021-6, Article 1021-7, paragraph 1, points 4° and 5°, Article 1021-17, paragraph 1, point 2° and Article 1021-18.

Sub-paragraph 1 shall not apply to *sociétés européennes* (SE).

In case of a cross-border merger, the provisions of Article 1021-5 and 1021-7, paragraph 1, point 4°, remain applicable.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 111]*

**Art. 1023-2.**

(1) *(Law of 23 March 2007)* «Article 1021-3, paragraph 1 shall not apply where, in the circumstances described in the foregoing Article,

- 1° the publication provided for by Article 1021-2 is made as regards each of the companies involved in the operation at least one month before the operation takes effect as between the parties;
- 2° all the members in the acquiring company are entitled, at least one month before the operation takes effect as between the parties, to inspect, at the registered office of that company, the documents specified in Article 1021-7, paragraph 1, points 1°, 2° and 3°; (...)<sup>197</sup>
- 3° one or more members of the acquiring company holding at least 5 percent of the shares or corporate units in the subscribed capital are entitled during the period provided for point 2° to require that a general meeting of the acquiring company be called in order to decide whether to approve the merger. The meeting must be convened in such a manner so as to be held within one month of the request for it to be held.»

*(Law of 3 August 2011)*

«For the purpose of paragraph 1, point 2°, Article 1021-7, paragraphs 2, 3 and 4 of are applicable.»

*(Law of 10 June 2009)*

*[2017/1132/EU art. 132.1]*

«(2) In case of a cross-border merger, Article 1021-3, paragraph 1 shall not apply to the company or the companies being acquired.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 112]*

**«Art. 1023-3.**

*(Law of 23 March 2007)*

«Articles 1023-1 and 1023-2 shall also be applicable to the acquisition operations where all the shares, corporate units and other securities referred to in Article 1023-1 in the company or companies being acquired belong to the acquiring company or to persons holding such shares, corporate units and securities in their own name but on behalf of that company.»

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<sup>197</sup> Sentence repealed by the Law of 3 August 2011.

(Law of 7 September 1987)

[2017/1132/EU art. 113]

**«Art. 1023-4.**

(Law of 3 August 2011)

«(1) Where a merger by acquisition is carried out by a company which holds 90 percent or more, but not all, of the shares, corporate units and other securities conferring the right to vote at general meetings of the company or companies being acquired, the approval of the merger by the general meeting of the acquiring company shall not be necessary if the following conditions are fulfilled:

1° the publication prescribed in Article 1021-2 is made, for the acquiring company, at least one month before the date of the general meeting of the company or companies being acquired which have been convened to decide whether to approve the draft terms of merger;

The provisions of this point 1° shall not apply to cross-border mergers of companies.

2° all the members in the acquiring company are entitled, at least one month before the date indicated under point 1°, to inspect, at the company's registered office, the documents indicated in Article 1021-7, paragraph 1, points 1° and 2° and where applicable in Article 1021-7, paragraphs 1, points 3°, 4°, and 5°.

3° Article 1021-4 3. shall apply.

For the purpose of paragraph 1, point 2°, Article 1021-7, paragraphs 2, 3 and 4 are applicable.

(2) Where a cross-border merger by acquisition is carried out by a company which holds 90 percent or more but not all of the shares, corporate units and other securities conferring the right to vote at general meetings of the company or companies being acquired, the reports by an independent expert or experts and the documents necessary for verification shall be required only to the extent that the national law governing either the acquiring company or the company being acquired so requires.»

(Law of 7 September 1987)

[2017/1132/EU art. 114]

**«Art. 1023-5.**

(Law of 23 March 2007)

«Articles 1021-5, 1021-6 and 1021-7 shall not apply in case of a merger referred to in the foregoing Article if the following conditions are fulfilled:

1° the minority members of the company being acquired are entitled to have their shares or corporate units acquired by the acquiring company;

2° in those circumstances, they shall be entitled to receive consideration corresponding to the value of their shares or corporate units;

3° in the event of disagreement regarding such consideration, it shall be determined by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters, in the district in which the registered office of the acquiring company is located and sitting as in urgency matters.»



*(Law of 7 September 1987)*

*[2017/1132/EU art. 115]*

**«Art. 1023-6.**

«Articles 1023-4 and 1023-5 shall also apply to acquisition operations where 90 percent or more, but not all, of the shares or corporate units and other securities referred to in Article 1023-4 in the company or companies being acquired are held by the acquiring company and/or to persons who hold such shares, corporate units and securities in their own name, but on behalf of that company.»

*(Law of 7 September 1987)*

*«Section 4 - Other operations assimilated to mergers»*

*(Law of 7 September 1987)*

*[2017/1132/EU art. 116]*

**«Art. 1024-1.**

*(Law of 23 March 2007)*

«Where, notwithstanding the provisions of Articles 1020-3 and 1020-4, the cash balance exceeds 10 percent, Sections 1 and 2, and Articles 1023-4, 1023-5 and 1023-6 shall continue to apply.

They shall also apply where one or more companies enter into liquidation and transfer their assets and liabilities to another company against the issue of shares or corporate units in the latter company to the members of the former company, with or without a cash balance. »

*(Law of 7 September 1987)*

**«Chapter III - Divisions<sup>198</sup>»**

*(Law of 7 September 1987)*

*[2017/1132/EU art. 135]*

**«Art. 1030-1.**

*(Law of 23 March 2007)*

«The present Chapter shall apply to all companies with legal personality pursuant to this Law and to economic interest groupings.

A division can also occur where the company or economic interest grouping which is acquired or will cease to exist is the subject of bankruptcy proceedings, proceedings relating to composition with creditors or a similar procedure such as the suspension of payments, controlled management or a similar procedure instituting special management or supervision

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<sup>198</sup> The amendments to this Section by the Law of 3 August 2011 do not apply to divisions where the draft terms have been published before 15 August, 2011.

of one or more of those companies or economic interest groupings.

A company or an economic interest grouping as referred to in the first sub-paragraph may also enter into a division transaction with a foreign company or economic interest grouping, provided the latter's national law does not prohibit such a transaction.

Where in the provisions below a reference is made to a «company» or to the «companies», such term shall be understood, save where specified differently, as also referring to (an) «economic interest grouping(s).»»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 135]*

**«Art. 1030-2.**

A division shall be carried out by acquisition, by the incorporation of new companies or by a combination of the two procedures.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 136]*

**«Art. 1030-3.**

(1) *(Law of 10 June 2009)* «Division by acquisition is the operation whereby a company, following its dissolution without liquidation, either transfers all of its assets and liabilities to more than one company, or transfers, without dissolution, to one or more than one company part or all of its assets and liabilities in exchange for the allocation to the members of the company being divided of shares or corporate units in the companies receiving contributions as a result of the division and a cash payment, if any, not exceeding 10 percent of the nominal value of the shares or corporate units allocated or, in the absence of a nominal value, of their accounting par value.»

(2) *(Law of 23 March 2007)* «Division by acquisition may also take place where the company being acquired is in liquidation, provided that it has not yet begun the distribution of its assets amongst its members.»

*[2017/1132/EU art. 155]*

**«Art. 1030-4.**

*(Law of 10 June 2009)*

«(1) Division by the incorporation of new companies is the operation whereby a company, either transfers following its dissolution without liquidation, all of its assets and liabilities to more than one newly incorporated company, or transfers, without dissolution, part or all of its assets and liabilities to one or more than one newly- incorporated company in exchange for the allocation to its members of shares or corporate units in the recipient companies and a cash payment, if any, not exceeding 10 percent of the nominal value of the shares or corporate units allocated or, in the absence of a nominal value, of their accounting par value.»

*(Law of 23 March 2007)*

«(2) Division by the incorporation of new companies may also take place where the company which will cease to exist is in liquidation, provided that it has not yet begun distribution of its assets amongst its members.»

(Law of 7 September 1987)

«Section 1 - Division by acquisition»

(Law of 7 September 1987)

[2017/1132/EU art. 137]

«Art. 1031-1.

(Law of 23 March 2007)

(1) «The management bodies of the companies involved in the division shall draw up draft terms of division.

(2) The draft terms of division shall specify:

- 1° the form, corporate denomination and registered office of the companies involved in the division;
- 2° the share or corporate unit exchange ratio and, where appropriate, the amount of the cash payment;
- 3° the terms for the delivery of shares or corporate units in the recipient company;
- 4° the date as from which those shares or corporate units shall carry the right to participate in the profits and any special conditions relating to that right;
- 5° the date from which the operations of the company being divided shall be treated, for accounting purposes, as being carried out on behalf of one or other of the recipient companies;
- 6° the rights conferred by the recipient company to members having special rights and to the holders of securities other than shares or corporate units, or the measures proposed concerning them;
- 7° any special advantage granted to the experts referred to in Article 1031-6, to the members of the management bodies and to the *commissaires aux comptes* [supervisory auditors] of the companies involved in the division;
- 8° the precise description and allocation of the assets and liabilities to be transferred to each of the recipient companies;
- 9° the allocation amongst the members of the company being divided of shares or corporate units in the recipient companies, and the criterion upon which such allocation is based.

(3) Where an asset is not allocated in the draft terms of division and where the interpretation of these terms does not make a decision on its allocation possible, the asset or the amount corresponding to the value thereof shall be allocated to all the recipient companies in the proportion to the assets<sup>199</sup> allocated to each of them in the draft terms of division.

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<sup>199</sup> The English version of the directive refers to: «net assets» as does the German version (*Nettoaktivvermögen*).

Where a liability is not allocated in the draft terms of division and where the interpretation of these terms does not make a decision on its allocation possible, each of the recipient companies shall be jointly and severally liable therefor.

The joint and several liability of the recipient companies shall however be limited to the net assets allocated to each of them.»

(Law of 7 September 1987)

[2017/1132/EU.art. 138]

**«Art. 1031-2.**

Draft terms of division shall be published in accordance with (Law of 27 May 2016) «the provisions of Title I, Chapter Vbis of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>200</sup>» for each of the companies involved in the division, at least one month before the date of the general meeting convened to decide on the draft terms of division.»

(Law of 7 September 1987)

[2017/1132/EU art. 139.1]

**«Art. 1031-3.**

(Law of 23 March 2007)

«(1) A division shall require the approval of the general meeting of each of the companies involved in the division and, where appropriate, of the holders of securities other than shares or corporate units. That decision requires that the conditions as to quorum, presence and majority laid down for amendments to the articles are fulfilled.»

(2) In *sociétés en commandite simple* and in *sociétés coopératives*, the voting rights of members are in proportion to their share in the corporate assets and the quorum will be calculated by reference to the corporate assets.

(3) The consent of all members is required:

- 1° in the companies being divided and in the recipient companies which are *sociétés en nom collectif*, *sociétés coopératives* the members of which have unlimited and joint liability, civil companies or economic interest groupings;
- 2° in the companies being divided where at least one of the recipient companies is:
  - a) a *société en nom collectif*;
  - b) a *société en commandite simple*;
  - c) a *société coopérative* the members of which have unlimited and joint liability;
  - d) a civil company;
  - e) an economic interest grouping.

In the cases referred to in paragraph 3, point 1° and point 2°, letters a), b) and c), the unanimous consent of the holders of corporate units not representing capital will be required.

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<sup>200</sup> See footnote under Article 100-13 (1).

(4) In *sociétés en commandite simple* and in *sociétés en commandite par actions*, the consent of all the unlimited members will in addition be required.

(5) If there is more than one category of shares, securities or corporate units, whether representing capital or not, and if the division results in a modification to their respective rights, Article 450-4 shall be applicable.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 140]*

**«Art. 1031-4.**

*(Law of 23 March 2007)*

«Except in the cases referred to in Article 1031-3, paragraphs 2 to 4, approval of the division by the general meeting of a recipient company is not necessary if the following conditions are fulfilled:

- 1° the publication provided for by Article 1031-2. is made, for the recipient company, at least one month before the date of the general meeting of the company being divided convened to decide on the draft terms of division;
- 2° all the members of the recipient company are entitled, at least one month before the date indicated under point 1°, to examine, at the registered office of that company, the documents indicated in Article 1031-7, paragraph 1;
- 3° one or more members of the recipient company holding at least 5 percent of the shares or corporate units of the subscribed capital are entitled, until the day following the holding of the general meeting of the company being divided, to require the convening of a general meeting of the recipient company to decide whether to approve the division. The meeting must be convened so as to be held within one month of the request for it to be held.»

*(Law of 3 August 2011)*

«For the purposes of point 2° of the first sub-paragraph, Article 1031-7, paragraphs 2, 3 and 4 shall apply.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 141]*

**«Art. 1031-5.**

*(Law of 23 March 2007)*

(1) «The management bodies of each of the companies involved in the division shall draw up a detailed written report explaining the draft terms of division and setting out the legal and economic grounds for them and, in particular, the share or corporate unit exchange ratio and the criterion determining their allocation.

(2) The report shall also indicate any special valuation difficulties which may have arisen. It shall also disclose the preparation of the report on the verification of the *(Law of 10 August 2016)* «contributions in kind», referred to in Article 420-10, paragraph 2 and the filing thereof in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter Vbis of

the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>201</sup>».

(3) The management bodies of the company being divided must inform the general meeting of the company being divided and the management bodies of the recipient companies, so that they can inform the general meetings of their companies, of any material change in the assets and liabilities which have occurred between the date of the preparation of the draft terms of division and the date of the general meeting of the company being divided which is to decide on the draft terms of division.»

(*Law of 7 September 1987*)

[2017/1132/EU art. 142]

«**Art. 1031-6.**

(*Law of 23 March 2007*)

(1) «The draft terms of division must be the subject of an examination and of a written report to the members. The examination shall be carried out and the report shall be drawn up for each of the companies involved in the division by one or more independent experts to be appointed by the board of directors of each of the companies involved in the division. (*Law of 23 July 2016*) «The experts must be chosen among the *réviseurs d'entreprises* [statutory auditors].»

However, it is possible to cause the report to be drawn up by one or more independent experts for all the companies involved in the division. In such case, the appointment shall be made, at the joint request of the companies involved in the division, by the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district where the registered office of the company being divided is located and sitting as in urgency matters.

(2) In the report mentioned in paragraph 1, the experts must in any case declare whether, in their opinion, the share exchange ratio is or is not fair and reasonable. Their statement must:

- 1° indicate the method or methods used to arrive at the proposed share exchange ratio;
- 2° indicate whether that method or methods are adequate in the circumstances and indicate the values arrived at by each of such methods, and give an opinion as to the relative importance attributed to such methods in determining the value adopted.

In addition, the report shall describe any special valuation difficulties, which may have arisen.

(3) (*Law of 3 August 2011*) «The rules laid down in paragraphs 2 to 9 of Article 420-10 shall not apply in case an expert report is drawn up on the draft terms of division or if the circumstances envisaged by paragraphs 2 to 9 of Article 420-10 do not exist.»

(4) Each expert shall be entitled to obtain from the companies involved in the division all relevant information and documents and to carry out all necessary verifications.»

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<sup>201</sup> See footnote under Article 100-13 (1).

*(Law of 7 September 1987)*

*[2017/1132/EU art. 143]*

**«Art. 1031-7.**

*(Law of 23 March 2007)*

(1) «Every member shall be entitled to inspect the following documents at the registered office, at least one month before the date of the general meeting called to decide on the draft terms of division:

- 1° the draft terms of division;
- 2° the annual accounts and the management reports for the three last financial years of the companies involved in the division;
- 3° *(Law of 3 August 2011)* «where applicable, an accounting statement drawn up as at a date which must not be earlier than the first day of the third month preceding the date of the draft terms of division if the last annual accounts relate to a financial year which ended more than six months before that date; »
- 4° *(Law of 3 August 2011)* «where applicable, the reports of the management bodies of the companies involved in the division, referred to in Article 1031-5, paragraph 1»;
- 5° *(Law of 10 June 2009)* «where applicable, the reports referred to in Article 1031-6.»

*(Law of 3 August 2011)*

«For the purposes of point 3° of the paragraph 1, an accounting statement shall not be required if the company publishes a half-yearly financial report in accordance with Article 4 of the amended Law of 11 January 2008 on transparency requirements for issuers of securities and makes it available to shareholders in accordance with this paragraph.

(2) The accounting statement provided for in paragraph 1, point 3° shall be drawn up using the same methods and take the same presentation as the last balance sheet.

It shall not however be necessary to take a fresh physical inventory.

Moreover, the valuations shown in the last balance sheet shall be altered only to reflect entries in the books of account; the following shall nevertheless be taken into account:

- 1° interim depreciation and provisions;
- 2° material changes in actual value not shown in the books.

(3) A full copy, or if so desired, a partial copy of the documents referred to in paragraph 1 may be obtained by any members on request and free of charge.»

*(Law of 3 August 2011)*

«Where a member has consented to the use by the company of electronic means for conveying information, such copies may be provided by electronic mail.»

*(Law of 3 August 2011)*

«(4) A company shall be exempt from the requirement to make the documents referred to in paragraph 1 available at its registered office if, for a continuous period beginning at least one month before the day fixed for the general meeting which is to decide on the draft terms of division and ending not earlier than the conclusion of that meeting, it makes them available on its website.

Paragraph 3 shall not apply if the website gives members the possibility, throughout the period referred to in the first sub-paragraph of this paragraph, of downloading and printing the documents referred to in paragraph 1. However, in that case the company shall make those documents available at its registered office for consultation by the members.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 144]*

**«Art. 1031-8.**

*(Law of 10 June 2009)*

«(1) An examination of the draft terms of division and the expert report provided for in Article 1031-6, paragraph 1 shall not be required if all the members and holders of other securities conferring the right to vote in each of the companies involved in the division have so agreed.

(2) The requirements of Articles 1031-5 and 1031-7, paragraph 1, points 3° and 4° do not apply if all the members and the holders of other securities conferring the right to vote in each of the companies involved in the division have so agreed.»

*(Law of 23 March 2007)*

**«Art. 1031-9.**

(1) A *société à responsabilité limitée*, a *société coopérative* or an economic interest grouping can only participate in a division transaction as a recipient company or economic interest grouping, if the shareholders or members of the company or economic interest grouping to be divided fulfil the conditions required to become shareholder or member of such recipient company or economic interest grouping.

(2) In *sociétés coopératives*, each member has the right notwithstanding any provision to the contrary in the articles of incorporation, to resign at any time and without having to satisfy any other condition, from the time the general meeting is called in order to resolve on the division of the company for the benefit of recipient companies of which one at least has a different legal form.

The resignation must be notified to the company by registered mail, deposited at the post office five days at least before the date of the meeting. Such resignation will only be effective if the division is approved.

The notice to the meeting must feature the text of the first and second sub-paragraphs of this paragraph.»

*(Law of 7 September 1987)*

*[2017/1132/EU.art. 146.1]*

**«Art. 1031-10.**

*(Law of 3 August 2011)*

«(1) Creditors of the companies involved in the division, whose claims pre-date the date of publication of the deeds recording the division provided for in Article 1031-15, may, notwithstanding any agreement to the contrary, apply within two months of such publication to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters in the district in which the registered office of the debtor company



is located and sitting as in urgency matters, to obtain adequate safeguards for any matured and unmatured debts where they can credibly demonstrate that due to the division the satisfaction of their claims is at stake and that no adequate safeguards have been obtained from the company. The application shall be rejected if the creditor already has adequate safeguards or if such safeguards are not necessary, having regard to the financial situation of the companies involved in the division. The debtor company may cause the application to be turned down by paying the creditor, even if it is a term debt.

If the safeguards are not provided within the time limit prescribed, the debt shall immediately fall due.»

(Law of 23 March 2007)

«(2) Insofar as a creditor or bondholder of the company being divided has not obtained satisfaction from the company to which the obligation has been transferred to in accordance with the draft terms of division, the recipient companies shall be jointly and severally liable for that obligation.

The joint and several liability of the recipient companies shall however be limited to the net assets allocated to each of them.»

(3) If the company being divided is a *société en nom collectif*, a *société en commandite simple*, a *société en commandite par actions*, a *société coopérative* the members of which have unlimited and joint liability, a *société civile* or an economic interest grouping, the members of the *société en nom collectif*, the unlimited members of the *société en commandite simple* or *société en commandite par actions* or the members of the *société coopérative*, of the civil company or of the economic interest grouping remain severally or jointly liable, as applicable, vis-à-vis third parties for the obligations of the dissolved company which pre-date the effectiveness vis-à-vis third parties of the merger deed pursuant to Article 1031-15.

(4) If the recipient company is a *société en nom collectif*, a *société en commandite simple*, a *société en commandite par actions*, a *société coopérative* the members of which have unlimited and joint liability, a *société civile* or an economic interest grouping, the members of the *société en nom collectif*, the unlimited members of the *société en commandite simple* or *société en commandite par actions* or the members of the *société coopérative*, of the civil company or of the economic interest grouping remain severally or jointly liable, as applicable, vis-à-vis third parties for the obligations of the dissolved company which pre-date the effectiveness vis-à-vis third parties of the division and which, in this latter case, have been transferred to the recipient company in accordance with the draft terms of division and Article 1031-1, paragraph 3, sub-paragraph 2.

They may however be exempted from this liability by an express provision to this effect in the draft terms of division and the deed of division which will be valid vis-à-vis third parties in accordance with Article 1031-15.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 146.5]*

**«Art. 1031-11.**

Without prejudice to the rules governing the collective exercise of their rights, Article 1031-10 shall apply to holders of bonds of the companies involved in the division, unless the division has been approved by a meeting of the bondholders or by the bondholders individually.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 147]*

**«Art. 1031-12.**

*(Law of 23 March 2007)*

«(1) The holders of securities, other than shares or corporate units, to which special rights are attached must be given rights in the recipient companies against which such securities may be invoked in accordance with the draft terms of division at least equivalent to those they possessed in the company being divided.

(2) Paragraph 1 shall not apply if the alteration to those rights was approved by a meeting of the holders of such securities, proceeding in accordance with the conditions as to quorum and majority provided for in Article 1031-3.

(3) In the event of failure to convene the meeting provided for in the foregoing paragraph or if such a meeting refuses to accept the proposed alteration, the securities concerned shall be repurchased at the price corresponding to their valuation in the draft terms of division, and verified by the experts provided for in Article 1031-6.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 148]*

**«Art. 1031-13.**

*(Law of 23 March 2007)*

(1) «The minutes of the general meetings which decide upon the division shall be drawn up in the form of a notarial instrument; the same shall apply to the draft terms of division where the division does not need to be approved by the general meetings of all the companies involved in the division.

(2) The notary must verify and certify the existence and validity of the legal acts and formalities required of the company in respect of which he is acting and of the draft terms of division.

(3) *Sociétés en nom collectif, sociétés en commandite simple, sociétés coopératives*, civil companies and economic interest groupings shall, for the adoption of the deeds referred to in paragraph 1, adopt the form of a notarial instrument or of a private deed, as is provided for in relation to their incorporation.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 149]*

**«Art. 1031-14.**

The division shall take effect when the concurring decisions of the companies involved shall have been adopted.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 150]*

**«Art. 1031-15.**

(1) The division shall have no effect vis-à-vis third parties until after the publication in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>202</sup>» has been made for each of the companies involved in the division.

(2) Any recipient company may carry out the publication formalities in respect of the company being divided.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 151]*

**«Art. 1031-16.**

*(Law of 23 March 2007)*

(1) «The division shall have the following consequences, ipso jure and simultaneously:

- 1° the transfer, both as between the company being divided and the recipient companies and vis-à-vis third parties, of all of the assets and liabilities of the company being divided to the recipient companies; such transfer shall be made with the assets and liabilities being divided in accordance with the allocation provided for in the draft terms of division or in Article 1031-1, paragraph 3;
- 2° the members of the company being divided become members of one or more of the recipient companies in accordance with the allocation provided for in the draft terms of division;
- 3° the company being divided ceases to exist;
- 4° the cancellation of the shares or corporate units of the company being divided held by the recipient company or companies or by the company being divided or by a person acting in his own name but on behalf of those companies.

(2) By way of exception to paragraph 1, point 1°, the transfer of industrial and intellectual property rights and of ownership or other rights on assets other than collateral established on movable and immovable property will be valid vis-à-vis third parties under the conditions provided for in the specific laws governing such operations. The recipient company or companies may complete such formalities.»

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<sup>202</sup> See footnote under Article 100-13 (1).

*(Law of 7 September 1987)*

*[2017/1132/EU art. 152]*

**«Art. 1031-17.**

*(Law of 25 August 2006)*

«The shareholders of the company being divided may individually take proceedings and exercise a liability action against the members of the management bodies and the experts of the company being divided to obtain compensation for any damage which they may have suffered as a result of the misconduct of the members of the management bodies in preparing for and carrying out the division or of the experts in the discharge of their duties. Any liability shall be joint and several for the members of the management bodies or the experts of the company being divided or, where appropriate, for all combined. However, each of them may relieve himself of any liability if he proves that no misconduct is attributable to him personally.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 153]*

**«Art. 1031-18.**

*(Law of 23 March 2007)*

«The avoidance of a division may occur in the following circumstances:

- 1° the avoidance must be ordered by a court decision;
- 2° where the division has taken effect pursuant to Article 1031-14, it may only be avoided on the grounds that there was no notarial instrument or private deed, as applicable, or if it is established that the resolution of the general meeting of either of the companies involved in the division is void;
- 3° an action for avoidance may not be brought after the expiry of a period of six months as from the date on which the division took effect vis-à-vis the person alleging nullity, or if the situation has been rectified;
- 4° where it is possible to remedy a defect liable to render the division void, the competent court shall grant the companies concerned a period of time within which to rectify the situation;
- 5° a court order declaring a division void shall be published in the manner prescribed by *(Law of 27 May 2016)* «Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>203</sup>»;
- 6° third party objections to the court order declaring a division void shall not be admissible after the expiry of six months from publication of the court order in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis*, of the above-mentioned Law of 19 December 2002 »;

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<sup>203</sup> See footnote under Article 100-13 (1).

- 7° the court order declaring a division void shall not of itself affect the validity of obligations owed by or to the recipient companies which arose before publication of the court order and after the date referred to in Article 1031-14;
- 8° each of the recipient companies shall be liable for its obligations which arose after the date on which the division took effect and before the date on which the court order declaring the division void was published. The company being divided shall also be liable for such obligations. The liability of the recipient company shall however be limited to the net assets allocated to it<sup>204</sup>.»

*(Law of 7 September 1987)*

*[2017/1132/EU art. 154]*

**«Art. 1031-19.**

*(Law of 3 August 2011)*

«Without prejudice to Article 1031-4, where the recipient companies are together the holders of all the shares or corporate units in the company being divided and of all other securities conferring the right to vote at general meetings, the approval of the division by the general meeting of the company being divided in accordance with Article 1031-3 paragraph 1 shall not be necessary if the following conditions are fulfilled:

- 1° the publication prescribed in Article 1031-2 is made as regards each of the companies involved in the operation, at least one month before the operation takes effect between the parties;
- 2° all the members of the companies involved in the operation are entitled, at least one month before the operation takes effect between the parties, to inspect at the registered office of their company the documents indicated in Article 1031-7, paragraph 1;
- 3° where a general meeting of the company being divided is not convened in order to decide whether to approve the division, the information provided for by Article 1031-5, paragraph 3, shall cover any material change in the assets and liabilities occurring after the date of preparation of the draft terms of division.

For the purpose of point 2° of the first sub-paragraph, Article 1031-7, paragraphs 2, 3 and 4 as well as Article 1031-8 are applicable.»

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<sup>204</sup> The directive (Art. 153.1 (h)) provides Member States may limit the liability of the company being divided to the share of net assets transferred to the recipient company on which account the obligations arose.

*(Law of 7 September 1987)*

*«Section 2 - Division by the incorporation of new companies»*

*(Law of 7 September 1987)*

*[2017/1132/EU art. 156]*

**«Art. 1032-1.**

*(Law of 23 March 2007)*

(1) «Articles 1031-1, 1031-2, 1031-3, 1031-5 as well as 1031-6 paragraphs 1, 2 and 4 and Articles 1031-7 to 1031-18 shall apply to divisions by the incorporation of new companies.

For such purpose, «companies involved in the division» shall refer to the company being divided and the expression «recipient company» shall refer to each of the new companies.

(2) The draft terms of division shall indicate, in addition to the information referred to in Article 1031-1, paragraph 2, the form, corporate denomination and registered office of each of the new companies.

(3) The draft terms of division containing the draft constitutive instrument of each of the new companies must be approved by the general meeting of the company being divided.»

(4) *(Law of 3 August 2011)* «The rules laid down in paragraphs 2 to 9 of Article 420-10 shall not apply in case an expert report is drawn up on the draft terms of division or if the by circumstances envisaged by paragraphs 2 to 9 of Article 420-10 do not exist.»

(5) *(Law of 3 August 2011)* «The rules laid down in Articles 1031-5, 1031-6 and 1031-7, paragraph 1, points 3°, 4° and 5. shall not apply to the incorporation of new companies where the shares or corporate units in each of the new companies are allocated to the members of the company being divided in proportion to their rights in the capital of that company.»

*(Law of 7 September 1987)*

*«Section 3 - Other operations assimilated to division»*

*(Law of 7 September 1987)*

*[2017/1132/EU art. 158]*

**«Art. 1033-1.**

*(Law of 23 March 2007)*

«Where, notwithstanding the provisions of Articles 1030-3 and 1030-4, the cash payment exceeds 10 percent, Sections 1 and 2 shall continue to be applicable.

The same shall apply where a company enters into liquidation and transfers its assets and liabilities to more than one company against the issue of shares or corporate units in the latter companies to the members of the former company, with or without a cash payment.»

(Law of 23 March 2007)

**«Chapter IV - Transfers of assets, branch of activity transfers and all assets and liabilities transfers »**

(Law of 23 March 2007)

**«Art. 1040-1.**

The present Chapter shall apply to all companies with legal personality pursuant to this Law and to economic interest groupings.

Where in the provisions below a reference is made to a «company» or to the «companies», such term shall be understood, save where specified differently, as also referring to (an) «economic interest grouping(s).»»

(Law of 23 March 2007)

**«Art. 1040-2.**

The company contributing a part of its assets to another company and the receiving company may jointly determine to submit such transaction to the provisions of Chapter III of the present Title, with the exception of Article 1031-16. In such case, the contribution results *ipso jure* in the transfer to the receiving company of the assets and of the liabilities attaching thereto.»

(Law of 23 March 2007)

**«Art. 1040-3.**

The contribution of a branch of activity is a transaction by which a company contributes, without dissolution, to another company, one of its branches of activity as well as the liabilities and assets attaching thereto in exchange for the issue of shares or corporate units of the receiving company.

The company which contributes a branch of activity to another company and the receiving company may jointly determine to submit the transaction to the provisions of Chapter III of the present Title, with the exception of Article 1031-16. In such case, the contribution results *ipso jure* in the transfer to the receiving company of the assets and of the liabilities attaching thereto.

A branch of activity is a division which from a technical and organisational point of view exercises an independent activity and is capable of functioning by its own means<sup>205</sup>.»

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<sup>205</sup> Council Directive 2009/133/EC inter alia on the common system of taxation applicable to mergers and division, defines a branch of activity as: «all the assets and liabilities of a division of a company which from an organisational point of view constitute an independent business, that is to say an entity capable of functioning by its own means.»

*(Law of 23 March 2007)*

**«Art. 1040-4.**

An all assets and liabilities contribution is a transaction by which a company contributes, without dissolution, all its assets and liabilities to one or more existing or new companies in exchange for the issue of shares or corporate units in the receiving company(ies).

The company making the all assets and liabilities contribution to another company and the receiving company may submit the transaction to the provisions of Chapter III of the present Title, with the exception of Article 1031-16. In such case, the contribution results ipso jure in the transfer to the receiving company of the assets and of the liabilities attaching thereto.»

*(Law of 23 March 2007)*

**«Art. 1040-5.**

In the case of a transfer of assets or a branch of activity transfer or an all assets and liabilities transfer, with or without consideration, falling within the definitions of Articles 1040-3 and 1040-4, the parties may determine to submit the transaction to the regime provided for by Chapter III of the present Title, with the exception of Article 1031-16. In such case the transfer results ipso jure in the transfer to the receiving company of all of the assets and of the liabilities attaching thereto.

This determination is expressly mentioned in the draft terms of transfer established pursuant to Article 1031-1 and in the transfer deed filed pursuant to Article 1031-15. Such draft terms and such deed are, if applicable, drawn up in the form of a notarial deed.»

*(Law of 23 March 2007)*

## **«Chapter V - Transfers of professional assets»**

*(Law of 23 March 2007)*

**«Art. 1050-1.**

Companies, economic interest groupings and natural persons may transfer all or part of their professional assets, comprising all assets and liabilities, to another person<sup>206</sup> within the framework of a professional assignment.

Chapter III of the present Title, with the exception of Article 1031-16, shall apply where the transferring and the receiving persons are companies with legal personality pursuant to this Law or economic interest groupings and where the members of the transferring company or grouping receive shares or corporate units in the receiving company or grouping.

A company, an economic interest grouping or a natural person referred to in the first subparagraph, may also enter into a transfer transaction of their professional assets with a foreign company, economic interest grouping or natural person provided the latter's national law does not prohibit such a transaction.

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<sup>206</sup> A literal translation would be «to another legal subject».



The transfer of professional assets results ipso jure in the transfer to the receiving company of the assets and liabilities attaching thereto.»

*(Law of 23 March 2007)*

**«Art. 1050-2.**

The persons participating in the transfer enter into the transfer agreement, if applicable following approval of their general meeting, resolving at the quorum, presence and majority provided for the amendment of the articles. The provisions of Article 1031-3, paragraphs 2 to 5 as well as of Article 1031-4 shall, as the case may be, be complied with.

Such agreement must be in writing. The provisions of Article 1031-13 must be complied with.»

*(Law of 23 March 2007)*

**«Art. 1050-3.**

(1) The management bodies of the persons involved in the transfer shall draw up draft terms of transfer.

(2) The draft terms of transfer shall specify:

- 1° the form, corporate denomination or name, and the registered office or domicile of the persons involved in the transfer;
- 2° an inventory which shall clearly indicate the assets and liabilities to be transferred;
- 3° the total value of the assets and liabilities to be transferred;
- 4° the consideration, if any.

(3) The transfer of the professional assets is only authorised if the inventory shows an excess of assets.

(4) Where an asset cannot be allocated on the basis of the draft terms of transfer and where the interpretation of these terms does not make a decision on its allocation possible, such asset shall remain with the transferring person.

Where a liability cannot be allocated on the basis of the draft terms of transfer and where the interpretation of those terms does not make a decision on its allocation possible, the transferring person and the receiving person shall be jointly and severally liable therefor.

The joint and severable liability of the receiving person shall however be limited to the net assets allocated to it.»

*(Law of 23 March 2007)*

**«Art. 1050-4.**

Draft terms of transfer shall be published in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>207</sup>» for each of the persons involved in the transfer, at least one month before the execution of the transfer agreement meaning, if applicable, one month at least before the date of the general meeting convened to decide on the draft terms of transfer.»

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<sup>207</sup> See footnote under Article 100-13 (1).

*(Law of 23 March 2007)*

**«Art. 1050-5.**

The management bodies of each of the persons involved in the transfer shall draw up, in order to allow the decision to be taken, a detailed written report explaining the drafts terms of transfer and setting up the legal and economic grounds for them namely:

- 1° the purpose and consequences of the transfer of the professional assets;
- 2° the transfer agreement;
- 3° the consideration for the transfer.»

*(Law of 23 March 2007)*

**«Art. 1050-6.**

(1) The transferring person shall be jointly and severally liable during three years with the receiving person for the satisfaction of the debts which pre-date the transfer of the professional assets.

(2) Any action against the transferring person prescribe at the latest three years after the publication of the transfer of the professional assets. If the claim matures after that publication, the prescription runs as from that maturity.

(3) The persons involved in the transfer of the estate must upon the request of their creditors referred to in paragraph 1, provide security:

- 1° if the joint and severable liability terminates before the end of the three year period; or
- 2° if the creditors establish it is likely that the joint and severable liability is an insufficient safeguard.

Creditors shall formulate their claim to that end in accordance with the procedure provided in Article 1031-10 which shall be applicable by analogy.

(4) The creditors of the transferring person and of the receiving person whose claims are not comprised in the transferred professional assets and which pre-date the date of the publication of the transfer provided for in Article 1050-7, may also apply for the provision of security in accordance with the procedure provided in Article 1031-10.

(5) The persons involved in the transfer of the professional assets who are ordered to provide security may instead pay the claim to the extent that this does not cause any damage to the other creditors.»

*(Law of 23 March 2007)*

**«Art. 1050-7.**

The transfer of the professional assets shall take effect when the concurring decisions of the persons concerned shall have been adopted.

The transfer of the professional assets shall have no effect vis-à-vis third parties until after the publication in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter Vbis of the amended Law of 19 December 2002 on the register of commerce and companies

and the accounting and annual accounts of undertakings<sup>208</sup>» has been made for each of the persons involved in the transfer.»

*(Law of 23 March 2007)*

**«Art. 1050-8.**

(1) The transfer of the professional assets shall have the consequence, ipso jure, of the transfer to the receiving person(s) of all the assets and liabilities specified in the inventory.

(2) By way of exception to paragraph 1, the transfer of industrial and intellectual property rights and the ownership or other rights on assets other than collateral, established on moveable and immoveable property, will be valid vis-à-vis third parties under the conditions provided for in the specific laws governing such operations. The receiving person(s) may complete such formalities.»

*(Law of 23 March 2007)*

**«Art. 1050-9.**

The avoidance of a transfer of professional assets may occur only in the following circumstances:

- 1° the avoidance must be ordered by a court decision;
- 2° when the transfer of the professional assets has taken effect pursuant to Article 1050-7, first paragraph, it may only be avoided on the grounds that there was no written deed or, if applicable, in case of breach of the provisions of Article 1031-13, or if it is established that the resolution of the general meeting of either of the companies involved in the transfer of the professional assets is void;
- 3° an action for avoidance may not be brought after the expiry of a period of six months as from the date on which the transfer of professional assets took effect vis-à-vis the person alleging nullity, or if this situation has been rectified;
- 4° where it is possible to remedy a defect liable to render the transfer of professional assets void, the competent court shall grant the companies concerned a period of time within which to rectify the situation;
- 5° a court order declaring a transfer of professional assets void shall be published in the manner prescribed by *(Law of 27 May 2016)* «Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>209</sup>»;
- 6° third party objections to the court order declaring a transfer of professional assets void shall not be admissible after the expiry of six months from publication of the court order in accordance with *(Law of 27 May 2016)* «the provisions of Title I, Chapter *Vbis* of the above-mentioned Law of 19 December 2002 »;
- 7° the court order declaring a transfer of professional assets void shall not of itself affect the validity of obligations owed by or to the receiving person which arose before

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<sup>208</sup> See footnote under Article 100-13 (1).

<sup>209</sup> See footnote under Article 100-13 (1).

publication of the court order and after the date referred to in Article 1050-7, first subparagraph;

- 8° the receiving person shall be liable for its obligations which arose after the date on which the transfer of professional assets took effect and before the date on which the court order declaring the transfer of professional assets void was published. The receiving person shall also be liable for such obligations. The liability of the receiving person shall however be limited to the net assets allocated to it.»

## **Title XI - The liquidation of companies**

### **Art. 1100-1.**

*(Law of 10 August 2016)*

«(1) Civil and commercial companies, other than *sociétés commerciales momentanées* and *sociétés commerciales en participation*, shall, after dissolution, be deemed to exist for the purpose of their liquidation.

The *société européenne* (SE) with its registered office in the Grand Duchy of Luxembourg is subject to the rules applicable to *sociétés anonymes*.

All documents emanating from a dissolved company shall indicate that it is in liquidation.

(2) The instrument recording a voluntary dissolution through the fact that all the corporate units have come to be held by a single holder must, on pain of nullity, be accompanied by certificates issued by:

- 1° the *Centre d'informatique, d'affiliation et de perception des cotisations commun aux institutions de sécurité sociale* [the Central Social Security Office],
- 2° the *Administration des contributions directes* [the direct tax administration],
- 3° the *Administration de l'enregistrement et des domaines* [the registration tax and VAT administration],

such certificates confirming that the company is in compliance with its obligations relating to the payment of social security contributions, taxes and duties as at a date which may not be earlier than three months before the date of the instrument of dissolution nor later than the instrument of dissolution.

(3) Civil and commercial companies which comply with the payment deadlines they have been granted by one of the authorities referred to in paragraph 2, points 2° and 3°, in accordance with applicable laws or regulations, shall be regarded as being compliant and may require delivery to them of the certificate referred to in paragraph 2.»

### **Art. 1100-2.**

In the absence of any agreement to the contrary, the method of liquidation shall be determined and the liquidators shall be appointed by the general meeting of members. *(Law of 7 September 1987)* «Where several classes of shares exist in *sociétés anonymes* and *sociétés en commandite par actions*, and the resolution of the general meeting is such as to change the respective rights thereof, the resolution must, in order to be valid, fulfil the conditions as to attendance and majority laid down in Article 450-3 with respect to each

class.» (Law of 7 August 2023) «In *sociétés en nom collectif*, resolutions shall be validly adopted only with the consent of half of the members holding three-quarters of the corporate assets and in *sociétés à responsabilité limitée*, decisions can only be validly taken with the consent of shareholders holding three quarters of the share capital; in the absence of such a majority, the matter shall be settled by the courts.» (Law of 12 July 2013) «In *sociétés en commandite simple*, unless otherwise provided in the partnership agreement, resolutions shall be validly adopted only with the consent of partners representing three quarters of partnership interests.»<sup>210</sup>

(Law of 18 September 1933)

«Where there are several liquidators, they shall form a committee which shall deliberate in accordance with Article 444-3.»

(Law of 10 August 2016)

«If the liquidator is a legal entity, the individual who represents the liquidator must be designated in the instrument of appointment.

Any amendment to the appointment of that individual must be decided upon in accordance with the first sub-paragraph, and must be filed and published in accordance with Article 100-13, paragraph 1, point 1°, letter c».

(Law of 12 July 2013)

«The liquidation of the *société en commandite spéciale* shall be carried out in the manner laid down in the partnership agreement and, in the absence thereof, pursuant to the rules applicable to the liquidation of *sociétés en commandite simple*.

Articles 1865 3°, 4° and 5° and 1869 of the Civil Code shall apply neither to the *société en commandite simple* nor to the *société en commandite spéciale*.»

(Law of 25 August 2006)

**«Art. 1100-3.**

If no liquidators are appointed, the managing members in *sociétés en nom collectif* or in *sociétés en commandite*, the managers in *sociétés à responsabilité limitée* and the directors or members of the management board, as applicable, in *sociétés anonymes* and *sociétés coopératives* shall, vis-à-vis third parties, be deemed to be liquidators.»

**Art. 1100-4.**

Unless the articles or the instrument of appointment provide otherwise, the liquidators may bring and defend any action on behalf of the company, receive any payments, grant releases with or without receipt, realise all securities of the company, endorse any negotiable instrument and transact or compromise on any disputes. They may dispose of immovable property of the company by public auction if they consider the sale thereof necessary to pay the debts of the company (...)»<sup>211</sup>.

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<sup>210</sup> This sub-paragraph was followed by a sub-paragraph which has been repealed by the Law of 23 November 1972.

<sup>211</sup> Terms deleted by the Law of 10 August 2016.

**Art. 1100-5.**

They may, but only with the authorisation of the general meeting of members, given in accordance with Article 1100-2, continue, until the sale thereof, with the industrial and/or commercial activity of the company, borrow moneys to pay the debts of the company, issue negotiable instruments, mortgage and pledge the assets of the company, dispose of the immovable property thereof, even by private contract, and contribute the assets of the company to other companies.

**Art. 1100-6.**

The liquidators may require members to pay-up amounts which they have undertaken to pay to the company and which the liquidators consider necessary for the completion of the liquidation.

*(Law of 10 August 2016)*

**«Art. 1100-7.**

The liquidators must convene the general meeting of members so that it is held within a period of one month where members representing one-tenth of the corporate capital require them to do so by means of a written request with an indication of the agenda, and they must convene the general meeting of bondholders so that it is held within a period of one month, where they are required to do so by bondholders representing one twentieth of the bonds outstanding forming part of the same issue.»

**Art. 1100-8.**

Without prejudice to the rights of creditors benefiting from liens or mortgages, the liquidators shall pay all the debts of the company, proportionally and without distinction between debts which have matured and those that have not matured, subject to a discount in the case of the latter.

They may, however, under their personal guarantee, first pay the debts which have matured if the assets significantly exceed the liabilities or if the term debts have the benefit of adequate safeguards and without prejudice to the right of creditors to take recourse to the courts.

**Art. 1100-9.**

After the payment or the deposit in escrow of the sums necessary for payment of the debts, the liquidators shall distribute to the *(Law of 10 August 2016)* «members» those amounts or assets capable of forming equal shares; they shall deliver to them any property which may have been retained for the purpose of apportionment.

They may, subject to the authorisation referred to in Article 1100-5, repurchase the shares or the corporate units of the company either on the Stock Exchange or by subscription or tender, in which all the *(Law of 10 August 2016)* «members» shall be entitled to participate.

*(Law of 20 June 1930)*

**«Art. 1100-10.»**

*(Law of 8 August 1985)*

«By way of derogation from the provisions of Article 1100-8 and the first sub-paragraph of Article 1100-9, where a *société anonyme* has contributed all of its assets and liabilities to

another *société anonyme*, the liquidators of the contributing company may, complying as appropriate with «Article 420-10»<sup>212</sup> of this law, distribute amongst the shareholders the shares allotted in consideration of the contribution, without having to first reimburse the bonds or deposit in escrow the amounts required for such reimbursement, the company receiving the contribution being directly liable for the performance of the obligations of the contributing company, in the same way as the latter was liable, all special collateral being maintained for the benefit of the bondholders.»

(Law of 20 June 1930)

«The company which has received and the company which has made the contribution shall both have the Luxembourg nationality, unless the legislation of the jurisdiction of the contributing company allows the contribution to be made in such conditions even to a foreign company.»

(Law of 2 April 1948)

«In case all of the assets and liabilities of a *société anonyme* is taken over by the Government, it may pay the shareholders without being required to previously reimburse the bondholders or deposit the necessary amounts for such a reimbursement in escrow.»

(Law of 12 July 2013)

**«Art. 1100-11. »**

(Law of 10 August 2016)

«By way of derogation from the provisions of Article 1100-8 and the first sub-paragraph of Article 1100-9, where the shareholders of a civil or commercial company vested with legal personality have unanimously decided to continue their company within a *société en commandite spéciale*, which shall take over all the assets and liabilities, the liquidators may distribute amongst the shareholders the partnership interests in the *société en commandite spéciale* without having to first reimburse the bonds or deposit in escrow the amounts required for such reimbursement, the *société en commandite spéciale* being directly liable for the performance of the obligations of the civil or commercial company, in the same way as the latter was liable, all special collateral being maintained for the benefit of the creditors.»

(Law of 10 August 2016)

**«Art. 1100-12.**

In *sociétés anonymes* and *sociétés européennes* (SE), the member of the board of liquidators or the sole liquidator having a direct or indirect financial interest conflicting with that of the company in a transaction which has to be considered upon by the board of the liquidators or is within the scope of his/her powers and duties, must comply with Article 441-7.»

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<sup>212</sup> This reflects a clean-up of the Law of 1915 by the Grand Ducal Regulation of 5 December 2017, the law having contained a reference to an abrogated article .

**Art. 1100-13.**

The liquidators shall be liable, both to third parties and to the company, for the execution of the mandate given to them and for any misconduct in the management of the liquidation.

**Art. 1100-14.**

Each year, the results of the liquidation shall be submitted to the general meeting of the company, together with a statement as to the reasons which have prevented completion of the liquidation. In the case of *sociétés anonymes*, the balance sheet shall also be published.

**Art. 1100-15.**

When the liquidation is completed, the liquidators shall make a report to the general meeting regarding the employment of the corporate assets and shall present supporting accounts and documents. The meeting shall appoint auditors<sup>213</sup> to examine such documents and shall determine a further meeting which, after the auditors shall have issued their report, shall deliberate on the management of the liquidators. (...) <sup>214</sup>

Notice of completion of the liquidation shall be published in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>215</sup>».

Such publication must also include:

- 1° an indication of the place designated by the general meeting where the corporate books and documents are to be filed and retained for at least five years;
- 2° an indication of the measures taken for the deposit in escrow of the sums and assets due to creditors or to members, which it has not been possible to deliver to them<sup>216</sup>.

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<sup>213</sup> The French version uses the terms «*commissaires*» but the duties of the «*commissaires*» under this Article are different from the duties of the «*commissaires aux comptes*» referred to in Article 61 et seq.

<sup>214</sup> Sentence repealed by the Law of 23 July 2016.

<sup>215</sup> See footnote under Article 100-13 (1).

<sup>216</sup> Additionally, in accordance with Article 17 (4) of the Law of 13 January 2019 creating a Register of beneficial owners, the company must at the time of its deregistration from the Register of commerce and companies indicate the place where information on its beneficial owners and supporting documentation will be retained during five years following the date of deregistration. These indications must be published in the *Recueil électronique des sociétés et associations* in the same manner as the publication of the completion of the liquidation.



(Law of 31 May 1999)

## **«Title XII - Court-ordered dissolution and close-down of commercial companies»**

(Law of 31 May 1999)

### **«Art. 1200-1.»**

(Law of 7 August 2023)

«(1) The *Tribunal d'Arrondissement* [District Court] dealing with commercial matters, may, at the application of the *Procureur d'État* (Public Prosecutor), order the dissolution and the liquidation of any company governed by Luxembourg law which pursues activities contrary to criminal law or which seriously contravenes the provisions of the Commercial Code or the laws governing commercial companies including those laws governing authorisations to do business.<sup>217</sup>

(2) The application and the procedural deeds shall be served through the *greffe*. If the company cannot be contacted at its legal domicile in the Grand Duchy of Luxembourg, the application is published by way of extract in two newspapers published in the Grand Duchy of Luxembourg.

(3) Upon ordering the liquidation, the court shall appoint a supervisory judge and one or more liquidators. It shall determine the method of liquidation. It may render applicable to such extent as it may determine, the rules governing the liquidation of a bankruptcy. The method of liquidation may be changed by subsequent decision, either of the court's own motion or at the request of the liquidator or liquidators.

(4) Court decisions ordering the dissolution and liquidation of a company shall be published by extract on the *Recueil électronique des sociétés et associations*, in accordance with the provisions of Title I, Chapter *Vbis*, of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>218</sup>. The court, may, in addition, and regardless of the publications to be made in newspapers published in the Grand Duchy of Luxembourg, order publication thereof, by extract, in such foreign newspapers as it may designate.

The publications shall be arranged by the liquidator or liquidators.

(5) The court may decide that the judgement ordering dissolution and liquidation shall be enforceable on a provisional basis.

(6) In case the absence or an insufficiency of assets is ascertained by the supervisory judge, the expenses and fees of the liquidators, which shall be ruled upon by the court, shall be borne by the State and be paid as legal expenses.

(7) The time limit for lodging an appeal against a judgement ordering the liquidation of a commercial company governed by Luxembourg law is forty days from the date of service.

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<sup>217</sup> A serious violation of the Law of 31 May 1999 on, inter alia the domiciliation of companies shall constitute a ground of application of Articles 1200-1 and 1200-2 (Article 5 of the Law of 31 May 1999).

<sup>218</sup> See footnote under Article 100-13 (1).

The appeal shall be lodged by writ served by bailiff and contain a summons to appear on a fixed date, and it shall be heard and judged promptly by oral procedure.

(8) Actions against liquidators shall prescribe five years after publication of the completion of the liquidation.»

(Law of 31 May 1999)

«Art. 1200-2.»

(Law of 7 August 2023)

«(1) The *Tribunal d'Arrondissement* [District Court] dealing with commercial matters, may, at the application of the *Procureur d'État* (Public Prosecutor), order the close-down of any establishment of a foreign company which pursues activities contrary to criminal law or which seriously contravenes the provisions of the commercial code or the laws governing commercial companies including those laws governing authorisations to do business.

(2) The application and the procedural deeds shall be served through the *greffe*. If the company cannot be contacted at its legal domicile in the Grand Duchy of Luxembourg, the application is published by way of extract in two newspapers published in the Grand Duchy of Luxembourg. The court may in addition order publication thereof, by extract, in such foreign newspapers as it may designate.

(3) Court decisions ordering the close-down of the establishment of a foreign company shall be published by extract on the *Recueil électronique des sociétés et associations*, in accordance with the provisions of Title I, Chapter *Vbis*, of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>219</sup>. The court, may, in addition, and regardless of the publications to be made in newspapers published in the Grand Duchy of Luxembourg, order publication thereof, by extract, in such foreign newspapers as it may designate. The publications shall be arranged by the *Procureur d'État*.

(4) The court may decide that the judgement ordering the close-down of the establishment of a foreign company shall be enforceable on a provisional basis.

(5) The time limit for lodging an appeal against a judgement ordering the close-down of the establishment of a foreign company is forty days from the date of service. The appeal shall be lodged by writ served by bailiff and contain a summons to appear on a fixed date, and it shall be heard and judged promptly by oral procedure.

(6) Shall be subject to a jail term of eight days to five years and a fine of one thousand two hundred and fifty to one hundred and twenty-five thousand euros or to one of those penalties, any person who shall be in breach of a judgement ordering a close-down pursuant to this Article.»

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<sup>219</sup> See footnote under Article 100-13 (1).

(Law of 7 August 2023)

**«Art. 1200-3.**

(1) If assets appear after completion of the liquidation, the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters may, at the application of the *Procureur d'État* (Public Prosecutor), revoke the decision to close the liquidation.

(2) The application shall be published by way of extract in two newspapers published in the Grand Duchy of Luxembourg.

(3) Upon ordering the liquidation, the court shall appoint a supervisory judge and one or more liquidators. It shall determine the method of liquidation. It may render applicable to such extent as it may determine, the rules governing the liquidation of a bankruptcy. The method of liquidation may be changed by subsequent decision, either of the court's own motion or at the request of the liquidator or liquidators.

(4) The company shall be deemed to exist for the purpose of its liquidation.

(5) Court decisions ordering the liquidation of a company shall be published by extract on the *Recueil électronique des sociétés et associations*, in accordance with the provisions of Title I, Chapter *Vbis*, of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>220</sup>. The court, may, in addition, and regardless of the publications to be made in newspapers published in the Grand Duchy of Luxembourg, order publication thereof, by extract, in such foreign newspapers as it may designate.

The publications shall be arranged by the liquidator or liquidators.

(6) The court may decide that the judgement ordering the liquidation shall be enforceable on a provisional basis.

(7) The time limit for lodging an appeal against a judgement ordering the liquidation of a commercial company governed by Luxembourg law is forty days from the date of publication of the judgement in the *Recueil électronique des sociétés et associations*, in accordance with the provisions of Title I, Chapter *Vbis*, of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>221</sup>. The action shall be brought and heard as in urgency matters, and Articles 934, 935, 936, 937 and 939 of the New Code of Civil Procedure shall be applied. By way of derogation from Article 934, paragraph 1, of the New Code of Civil Procedure, the claim may be brought at a hearing specifically scheduled for these cases.

(8) Actions against liquidators shall prescribe five years after publication of the completion of the liquidation.»

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<sup>220</sup> See footnote under Article 100-13 (1).

<sup>221</sup> See footnote under Article 100-13 (1).

## **Title XIII - Companies constituted in a foreign jurisdiction**

### **Art. 1300-1.**

All companies or associations constituted or having their registered office in a foreign jurisdiction may carry on business and act in the courts in the Grand Duchy of Luxembourg.

### **Art. 1300-2.**

*(Law of 25 August 2006)*

«Any company whose central administration (head office) is in the Grand Duchy of Luxembourg shall be subject to Luxembourg law, even though the constitutive instrument may have been executed in a foreign jurisdiction.»

*(Law of 31 May 1999)*

«In case the domicile of a company is located in the Grand Duchy of Luxembourg, it is of Luxembourg nationality and Luxembourg law is fully applicable to it.

In case the domicile of a company is located abroad but such company has in the Grand Duchy of Luxembourg one or more locations where it conducts operations, the place of its most important establishment in the Grand Duchy of Luxembourg, which it shall indicate for that purpose in the documents whose publication is required by law, shall constitute the secondary domicile of that company in the Grand Duchy of Luxembourg.

The absence of a known domicile of a company constitutes a serious contravention of the law, which may lead to its dissolution and court-ordered close-down in application of articles 1200-1 and 1200-2.»

### **Art. 1300-3.**

The Articles relating to the publication of instruments and balance sheets and Articles 462-1, 600-3 and 813-2, shall apply to foreign commercial companies or companies constituted in one of the forms of commercial companies, which establish a branch or any operational seat in the Grand Duchy of Luxembourg.

The persons entrusted with the management of the Luxembourg branch or office shall be subject to the same liability towards third parties as if they were managing a Luxembourg company.

The Articles mentioned in the first sub-paragraph shall also apply to foreign companies with a branch or operational seat in the Grand Duchy of Luxembourg at the time of coming into force of the present law.

*(Law of 27 November 1992)*

### **«Art. 1300-4.**

For the companies referred to in Articles 1300-5 and 1300-9, Article 1300-3, first sub-paragraph is replaced by Articles 1300-5 to 1300-14.»

(Law of 27 November 1992)

[2017/1132/EU art. 29 and art. 30]

**«Art. 1300-5.**

(Law of 10 August 2016)

«Branches opened in the Grand Duchy of Luxembourg (Law of 7 August 2023) «by a company which is governed by the law of another Member State»<sup>222</sup> and to which «Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>223</sup> applies shall disclose, in accordance with Title I, Chapter Vbis of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>224</sup>, the following documents and particulars:»

- 1° the address of the branch;
- 2° particulars on the activities of the branch;
- 3° (Law of 10 August 2016) «the register in which the company file mentioned in «Article 16 of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>225,226</sup> is kept together with the registration number in that register;»
- 4° the corporate denomination and legal form of the company and the name of the branch if it is different from the corporate denomination of the company;
- 5° (Law of 10 August 2016) «the appointment, termination of office and particulars of the persons who are authorised to represent the company in dealings with third parties and in legal proceedings:
  - a) as a company organ constituted pursuant to law or as members of any such organ, in accordance with the disclosure by the company as provided for in «Article 14, letter (d) of the above-mentioned Directive (EU) 2017/1132»<sup>227</sup> ;
  - b) as permanent representatives of the company for the activities of the branch, with an indication of the extent of their powers;»
- 6° (Law of 10 August 2016)
  - a) «the dissolution of the company, the appointment of liquidators, particulars concerning them and their powers and the termination of the liquidation as provided for in Article 14, letters (h), (j) and (k) of the «above-mentioned Directive (EU) 2017/1132»<sup>228</sup>;
  - b) bankruptcy proceedings, arrangements, compositions, or any analogous proceedings to which the company is subject;»

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<sup>222</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. See also the definition of «Member State» in the sixth paragraph of Article 100-2.

<sup>223</sup> Updated by the Grand Ducal Regulation of 5 December 2017.

<sup>224</sup> See footnote under Article 100-13 (1).

<sup>225</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>226</sup> The file is mentioned in paragraph 1 of Article 16 of Directive (EU) 2017/1132.

<sup>227</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>228</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

- 7° the accounting documents in accordance with Article 1300-6;
- 8° the closure of the branch.»

*(Law of 27 November 1992)*

*[2017/1132/EU art. 31 and art. 32]*

**«Art. 1300-6.»**

*(Law of 10 August 2016)*

«The compulsory disclosure provided for by Article 1300-5, point 7°, shall be limited to the accounting documents of the company as drawn up, audited and disclosed pursuant to the law of the Member State<sup>229</sup> by which the company is governed in accordance with Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings and Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts.

The accounting documents referred to in the preceding paragraph must be published in the following languages: French, German, English.»

*(Law of 19 December 2002)*

*[2017/1132/EU art. 33]*

**«Art. 1300-7.**

Where a company has opened more than one branch in the Grand Duchy of Luxembourg, the disclosure referred to in Article 1300-6 may be made in the file of the branch of the company's choice.

In that case, the disclosure obligations by the other branches shall consist «in the number of that branch in that register.»

*(Law of 27 November 1992)*

*[2017/1132/EU art. 35]*

**«Art. 1300-8.»**

*(Law of 10 August 2016)* «Letters and order forms used by a branch shall state, in addition to the information prescribed by «Article 26 of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>230</sup>, the register in which the file in respect of the branch is kept together with the registration number of the branch in that register.»

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<sup>229</sup> See definition in the sixth paragraph of Article 100-2.

<sup>230</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

(Law of 27 November 1992)

[2017/1132/EU art. 36 and art. 37]

«Art. 1300-9.

(Law of 10 August 2016)

«Branches opened in the Grand Duchy of Luxembourg (Law of 7 August 2023) «of companies which are not governed by the law of a Member State»<sup>231</sup> but which are of a legal form comparable with the types of company to which the «above-mentioned Directive (EU) 2017/1132»<sup>232</sup> applies, shall disclose the following documents and particulars in accordance with Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>233</sup>:»

- 1° the address of the branch;
- 2° particulars on the activities of the branch;
- 3° the law of the State by which the company is governed;
- 4° where that law so provides, the register in which the company is entered and the registration number of the company in that register;
- 5° the constitutive instrument and the articles of association if they are contained in a separate instrument, with all the amendments to these documents;
- 6° the legal form of the company, its registered office and its object and, at least annually, the amount of subscribed capital if these particulars are not given in the documents referred to in point 5°;
- 7° the corporate denomination of the company and the name of the branch if that is different from the corporate denomination of the company;
- 8° the appointment, termination of office and particulars of the persons who are authorised to represent the company in dealings with third parties and in legal proceedings:
  - a) as a company organ constituted pursuant to law or as members of any such organs;
  - b) as permanent representatives of the company for the activities of the branch;The extent of the powers of those persons must be stated, together with whether they may act alone or must act jointly.
- 9°
  - a) the dissolution of the company and the appointment of liquidators, particulars concerning them and their powers and the termination of the liquidation;
  - b) bankruptcy proceedings, arrangements, compositions, or any analogous proceedings to which the company is subject;
- 10° the accounting documents in accordance with Article 1300-10;
- 11° the closure of the branch.»

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<sup>231</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. See also the definition of «Member State» in the sixth paragraph of Article 100-2.

<sup>232</sup> Reference updated by the Grand Ducal Regulation of 5 December 2017.

<sup>233</sup> See footnote under Article 100-13 (1).

(Law of 27 November 1992)

[2017/1132/EU art. 38]

**«Art. 1300-10.**

(Law of 10 August 2016)

«The compulsory disclosure provided for by Article 1300-9, point 10°, shall apply to the accounting documents of the company as drawn up, audited and disclosed pursuant to the law of the State which governs the company.

Where these documents are not drawn up in accordance with, or in a manner equivalent to, Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, accounting documents relating to the activities of the branch shall be drawn up and disclosed in accordance with Luxembourg law. Where the branch exceeds the criteria for a small company, as set out in Article 35 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, the audit of the accounting documents by one or more *réviseurs d'entreprises agréés* [approved statutory auditors] is compulsory. Article 36 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings also applies.

The appointment of the *réviseur(s) d'entreprises agréé(s)* shall be made by the person entrusted with the management of the branch.

Article 1300-6, second sub-paragraph, and Article 1300-7 apply to the documents referred to in the first sub-paragraph of Article 1300-10, sub-paragraph 1 and the documents referred to in Article 1300-9, point 5°.»

Where these documents are not drawn up in accordance with or in a manner equivalent to the above-mentioned Directive 2013/34/EU, accounting documents relating to the activities of the branch shall be drawn up and disclosed in accordance with Luxembourg law. Where the branch exceeds the criteria for a small company, as set out in Article 35 of the above-mentioned Law of 19 December 2002, the audit of the accounting documents by one or more *réviseurs d'entreprises agréés* [approved statutory auditors] is compulsory. Article 36 of the above-mentioned Law of 19 December 2002 also applies.

(Law of 27 November 1992)

[89/666/EEC Art. 10][2017/1132/EU art. 39]

**«Art. 1300-11.**

Article 1300-8 shall apply to letters and order forms used by the branches covered by Article 1300-9.»

(Law of 27 November 1992)

**«Art. 1300-12.**

The persons entrusted with the management of the Luxembourg branches are responsible for compliance with the obligations provided for by Articles 1300-5 to 1300-11.»



(Law of 27 November 1992)

**«Art. 1300-13.**

Where the disclosure made at the branch is different from the disclosure made at the company, the former shall prevail for dealings made with the branch.»

(Law of 27 November 1992)

**«Art. 1300-14.**

Article 1300-6, first sub-paragraph, and Article 1300-10, sub-paragraph 1 and 2, do not apply to Luxembourg branches set up by credit institutions and financial institutions subject to Directive 89/117/EEC on the obligations of branches established in a Member State<sup>234</sup> of credit institutions and financial institutions having their head offices outside that Member State regarding the publication of annual accounting documents.

The same applies to branches established by foreign insurance companies.»<sup>235</sup>

## **Title XIV - Rights of action and prescription periods**

**Art. 1400-1.**

(Law of 12 July 2013)

«No court order in connection with commitments of the company ruling that members who are jointly and severally liable in a *société en nom collectif*, a *société en commandite simple*, a *société en commandite spéciale*, a *société en commandite par actions* and a *société coopérative* with unlimited liability, shall be personally liable may be delivered before an order has been made against the company itself.»

**Art. 1400-2.**

Creditors may, in all companies, obtain a court decision ordering the making of the payments provided for in the articles and which are necessary for safeguarding their rights; the company may cause the action to be dismissed by reimbursing its debts vis-à-vis such creditors at their value, after deduction of a discount.

(Law of 25 August 2006)

«The managers, directors or members of the management board, as applicable, are personally obliged to execute any order given for that purpose.»

Creditors may, in accordance with Article 1166 of the Civil Code, exercise against the members or shareholders the rights of the company as regards any outstanding payments which are due by virtue of the articles, corporate resolutions or court orders.

**Art. 1400-3.**

(Law of 10 August 2016)

«One or more members representing at least 10 per cent of the corporate capital or 10 per cent of the votes attached to all existing securities, may, either individually or by acting

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<sup>234</sup> See definition in the sixth paragraph of Article 100-2.

<sup>235</sup> The former article 161 which followed this Article has been repealed by the Law of 10 July 2005.

together in any manner whatsoever, ask the management body questions in writing on one or more [acts of management] of the company and as the case may be, of the controlled companies within the meaning of Article 1711-1 of this law. In the latter case, the request must be assessed in view of the interest of the companies included within the consolidation. A copy of the answer must be provided to the person in charge of the statutory audit of the accounts.

In the absence of an answer within a period of one month, these members may apply to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters to appoint one or more experts instructed to submit a report on the act(s) of management targeted in the written question.

If the application is accepted, the court decision shall determine the scope of the assignment and the powers of the experts. It may allocate costs to the company.

The judge shall determine whether the report should be published.

The usufructuary of shares or corporate units shall also benefit from the rights set forth in this Article.»

**Art. 1400-4.**

Members of *associations momentanées* shall be summoned directly and individually.

There shall be no direct right of action between third parties and a participant who has confined himself to mere participation.

**Art. 1400-5.**

Actions against companies shall be prescribed after the same period as actions against individuals.

**Art. 1400-6.**

*(Law of 10 August 2016)*

The following prescribe after five years:

- 1° all actions by third parties against members or shareholders, from the publication either of their withdrawal from the company or of an instrument of dissolution or the expiry of its contractual term;
- 2° all actions by third parties for the recovery of dividends improperly distributed, from the distribution thereof;
- 3° all actions against liquidators, in such capacity, from the publication prescribed by Article 1100-15;
- 4° all actions against managers, directors, members of the management board, members of the management committee, *directeurs généraux* (managing executive officers), members of the supervisory board, *(Law of 7 August 2023)* «presidents and *directeurs* (executive officers) of *sociétés par actions simplifiées*,» *commissaires* [supervisory

auditors] or liquidators, for action taken by them in that capacity, as from the time of such action, or if they were fraudulently concealed, from the discovery thereof<sup>236</sup>;

- 5° all actions for the avoidance of a *société anonyme*, a *société à responsabilité limitée* or a *société en commandite par actions*, a civil company, a *société en nom collectif*, a *société en commandite simple*, a *société en commandite spéciale* and a *société coopérative* based on Articles 100-4, 100-18, paragraph 1, points 1° or 2°, and paragraph 2, point 2°, 320-1, paragraph 8, point 1° and 811-3, paragraph 2, point 1°, from publication, where the contract has been performed for at least five years, without prejudice to any damages which may be due;
- 6° all actions for the avoidance of a *société coopérative*, from publication where the contract has been performed for at least five years, without prejudice to any damages which may be due.

However, the avoidance of *sociétés coopératives* whose existence is contrary to law may be applied for, even after expiry of the prescription period.

All actions for the avoidance of deeds and deliberations subsequent to the incorporation of the company shall lapse six months after the date from which the decisions made are valid against the person who applies for the avoidance, or from which they are, or, in view of the circumstances, should have been, known by this person.»

## Title XV - Criminal law provisions

### Art. 1500-1.

(Law of 11 July 1988)

«Any person who, purporting to be the owner of shares or bonds which do not belong to it, participates in a company constituted under the present law, in any vote in a general meeting of shareholders or bondholders and any person who has delivered shares or bonds so that they may be used for the purpose described above are punishable by a fine of «500 to 25,000 euros»<sup>237</sup>.»

### Art. 1500-2.

(Law of 25 August 2006)

«The same penalty shall be imposed upon:

- 1° (Law of 23 March 2007) «the persons who fail to include the information required by

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<sup>236</sup> Pursuant to Article 11 paragraph (2) of the Law of 23 July 2016 on the audit profession, professional liability actions against a *réviseur d'entreprises* [statutory auditor], a *réviseur d'entreprises agréé* [approved statutory auditor], a *cabinet de révision* [audit firm], a *cabinet de révision agréé* [approved audit firm] or an audit firm shall be prescribed five years after he or it ceased to provide of his or its services. In connection with a statutory audit of accounts, professional liability actions against a *réviseur d'entreprises agréé* [approved statutory auditor], a *cabinet de révision agréé* [approved audit firm] or an audit firm shall be prescribed five years after the date of the audit report.

<sup>237</sup> As amended pursuant to the Law of 13 June 1994 concerning penal sanctions (Mém.A - 59 of 7 July 1994, p.1096; doc.parl. 2974) and the Law of 1 August, 2001 on euro conversion (Mém.A - 117 of 18 September 2001, p.2440; doc.parl. 4722).

Articles 420-1, 420-15<sup>238</sup> and 420-19 in the instruments, draft instruments or notices published on the (*Law of 27 May 2016*) «*Recueil électronique des sociétés et associations*» or filed in accordance with (*Law of 27 May 2016*) «the provisions of Title I, Chapter *Vbis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>239</sup>», in subscription forms, prospectuses, circulars addressed to the public, announcements and notices published in newspapers»;

2° the managers and directors who have failed to submit to the general meeting within six months after the end of the financial year, the annual accounts, the consolidated accounts, the management report, the certificate of the person entrusted with the audit as well as the managers and directors who have failed to publish such documents (*Law of 7 August 2023*) «or have not made the annual accounts available at the company's registered office » in violation of the requirements of Articles 461-8, 710-23, 813-4 and 1770-1 of this law and Article 79 of the above-mentioned Law of 19 December 2002<sup>240</sup>;

(*Law of 18 December 2015*)

3° «the managers and directors who have failed to publish the report on payments to governments or the consolidated report on payments to governments in violation of the requirements of Article 1760-4 of this law and Article 72*septies* of the above-mentioned Law of 19 December 2002;»

(*Law of 23 July 2016*)

[2013/34/EU art. 51]

4° «managers and directors who have failed to publish the non-financial statement or the corporate governance statement referred to in Article 1730-1 of this law and Articles 68*bis* and 68*ter* of the above-mentioned Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings; »

5° the directors, *commissaires* [supervisory auditors] or liquidators who have failed to convene, within three weeks of being requested to do so, the general meeting provided for in Article 450-8, second sub-paragraph;

6° the persons who contravene the regulations adopted in implementation of Article 813-9, first sub-paragraph, concerning the audit of *sociétés coopératives*;

7° the managers of *sociétés à responsabilité limitée* and of civil companies and, in the

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<sup>238</sup> The Law of 10 August 2016 deleted the reference to Article 29 [now: Article 420-17].

<sup>239</sup> See footnote under Article 100-13 (1).

<sup>240</sup> Law of 22 May 2020 on the extension of deadlines for the filing and publication of annual accounts, consolidated accounts and related reports during the state of crisis.

Art. 4. By derogation from the provisions of the amended Law of 10 August 1915 on commercial companies, the period referred to in Article 1500-2, 2° is extended for three months.

Art. 5. This law only applies to annual accounts, consolidated accounts as well as related reports and annual general meetings in relation to the financial year closed as at the date of the end of the state of crisis as extended of 24 March 2020 extending the state of crisis declared by Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19 and for which the deadlines for filing and publication or holding had not expired by 18 March 2020.

This Law shall enter into force on the day of its publication in the Official Journal of the Grand Duchy of Luxembourg. [*This Law entered into force on 29 May 2020.*]

latter, in the absence of managers, the members, who have failed to publish changes of membership in accordance with Article 100-13, paragraphs 2, point 3°;

- 8° (*Law of 10 August 2016*) «the managers who, directly or through intermediaries have opened a public subscription for corporate units or profit units of a *société à responsabilité limitée*; as well as the executives of a *société par actions simplifiée* who have opened a public subscription for shares; »
- 9° the directors of *sociétés anonymes* who fail to file the report referred to in Article 430-18, paragraph 2, or who present a report not containing the minimum information prescribed thereby;
- 10° the persons referred to in Article 1300-12 who have failed to carry out the publications provided for by Articles 1300-5 to 1300-7, 1300-9,1300-10;<sup>241</sup>»

(*Law of 15 August 2023*)

[2013/34/EU Art. 51]

- 11° «the managers or directors who have not drawn up, published or made accessible, within twelve months of the end of the financial year to which it relates, the report on income tax information referred to in Title II, Chapter *IIquater*, of the aforementioned Law of 19 December 2002<sup>242</sup>. The same penalties shall apply to the permanent representatives of the company for the activities of the branch referred to in Article *72duodecies*, paragraph 5, of the aforementioned Law of 19 December 2002.»

#### **Art. 1500-3.**

Shall be regarded as guilty of *escroquerie* (fraud) and be subject to the penalties laid down in the *Code Pénal* (Criminal Code) any person who shall have caused any subscriptions or payments to be made, or shares, bonds or other securities of companies to be purchased:

- 1° by simulating subscriptions or payments to a company;
- 2° by publishing subscriptions or payments which they know not to exist;
- 3° by publishing the names of persons described as being now or in the future associated with the company on any basis whatsoever, when they know that such description is untruthful;
- 4° by publishing any other facts which they know to be false.

#### **Art. 1500-4.**

(*Law of 11 July 1988*)

«Shall be subject to a jail term of one month to two years and a fine of «5,000 to 125,000 euros»<sup>243</sup>, any person who, by any fraudulent means, caused or attempted to cause the price of company shares, bonds or other securities to rise or fall.»

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<sup>241</sup> The full point has been replaced by a semicolon by the Law of 15 August 2023.

<sup>242</sup> The provisions of Chapter *IIquater* of the Law of 19 December 2002 shall apply from the commencement date of the first financial year starting on or after 22 June 2024.

<sup>243</sup> See footnote to Article 1621500-1.

**Art. 1500-5.**

(*Law of 10 August 2016*) «The following shall be subject to a jail term of one month to two years and a fine of 5,000 to 125,000 euros or to either one such penalties:

- 1° the managers or directors who have fraudulently given incorrect information in the statement of bonds outstanding referred to in Article 470-12;
- 2° the managers or directors who, with fraudulent intent, have failed to publish the annual accounts, the consolidated accounts, the management report and the certificate of the person entrusted with the audit, as provided for by Articles 461-8, 813-4 and 1770-1 and Article 79 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings;»
- 3° any director contravening Article 420-13.»

**Art. 1500-6.**

(*Law of 10 August 2016*)

«Any manager or director who, in the absence of inventories, or notwithstanding inventories, or by means of fraudulent inventories, have caused dividends or interest to be distributed to shareholders which was not taken from the actual profits and any director or manager who breaches Articles 461-3 and 710-25, shall be subject to the same penalty.»

**Art. 1500-7.**

(*Law of 24 April 1983*)

«The same penalties shall apply to any person who, in his capacity as director, *commissaire* [supervisory auditor], manager or member of the supervisory committee, knowingly:

- 1° (*Law of 10 August 2016*) «repurchased shares by decreasing the corporate capital or the legal reserve, contrary to the provisions of Article 430-15 in the case of *sociétés anonymes* and Article 710-5, paragraphs 2 to 7 in the case of *sociétés à responsabilité limitée*;»
- 2° (*Law of 10 August 2016*) «made loans or advances using company funds or provided security with a view to the acquisition of shares (...) <sup>244</sup> in the company or taken a pledge on the company's shares (...) <sup>245</sup>, in violation of Articles 430-19 and 430-21 (...) <sup>246</sup>;»

(*Law of 12 March 1998*)

- 3° «ordered, authorised or accepted that another company, as defined in Article 430-23, paragraph 1, sub-paragraphs 1 and 2, subscribes, acquires or holds shares in the conditions referred to in the provisions of Article 420-23, paragraph 1, sub-paragraphs 1 and 2, in violation of Article 430-15;»

(*Law of 24 April 1983*)

- 4° «made by any means whatsoever, at the expense of the company, payments on shares or corporate units or acknowledged payments to have been made which have not in fact been made in the prescribed manner and at the prescribed times.»

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<sup>244</sup> Terms deleted by the Law of 6 August 2021.

<sup>245</sup> Terms deleted by the Law of 6 August 2021.

<sup>246</sup> Terms deleted by the Law of 6 August 2021.

**Art. 1500-8.**

*(Law of 11 July 1988)*

«Shall be subject to a criminal jail term of five to ten years and a fine of «5,000 to 250,000 euros»<sup>247</sup> any person who has committed forgery with fraudulent intent or the intent to cause damage, in the balance sheets or the profit and loss accounts of companies prescribed by law or by the articles thereof,

- 1° either by means of false signatures,
- 2° or by the forgery or alteration of records or signatures,
- 3° or by the fabrication of agreements, provisions, obligations or discharges or by insertion thereof in the balance sheets or profit and loss accounts after the event, or
- 4° by the addition or alteration of clauses, declarations or facts which these documents are intended to include and record.»

**Art. 1500-9.**

Any person making use of such false instrument shall be punished as if he had done the forgery.

**Art. 1500-10.**

The balance sheet shall exist, for the purpose of application of the foregoing Articles, as from the time it is submitted for inspection to the shareholders or members.

*(Law of 21 July 1992)*

**«Art. 1500-11.**

Shall be subject to a jail term of one to five years and a fine of «500 to 25,000 euros»<sup>248</sup> or either one of these penalties, the legally appointed or de facto directors<sup>249</sup>, who, in bad faith,

- 1° will have made a use of the assets or the credit of the company which they knew was contrary to its interests, for personal purposes or for the benefit of another company or undertaking in which they were directly or indirectly interested in;
- 2° will have made a use of the power they had or the votes they could cast, in that capacity, which they knew was contrary to the interests of the company, for personal purposes or for the benefit of another company or undertaking in which they were directly or indirectly interested in.»

*(Law of 28 July 2014)*

**«Art. 1500-12.**

(1) Managers or directors are punishable by a fine of 5,000 euros to 125,000 euros in case they knowingly:

- 1° fail to keep a register of registered shares in accordance with Article 430-3;

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<sup>247</sup> See footnote to Article 1500-1.

<sup>248</sup> See footnote to Article 1500-1.

<sup>249</sup> The French version uses the term «dirigeant» which also covers managers (gérants) and senior executives.

- 2° fail to appoint a depository or fail to deposit the bearer shares with such depository in accordance with the provisions of Article 430-6;
3. acknowledge the rights attaching to bearer shares in breach of the provisions of Article 430-6, paragraph 5.

(2) A depository, or in case of a legal entity, the managers or the directors of the depository who knowingly breach the provisions of Article 430-6, paragraphs 3, 4 and 6, shall be subject to a fine of 500 euros to 25,000 euros.»

**Art. 1500-13.**

The provisions of the first book of the *Code Pénal* (Criminal Code) and «the provisions of Articles 130-1 to 132-1 of the *Code d’Instruction Criminelle* (Criminal Procedure Code)»<sup>250</sup> on mitigating circumstances shall apply to the offences provided for in this law.

**Art. 1500-14.**

(*Law of 25 August 2006*)

«Evidence of the accusations made against managers, directors and *commissaires* [supervisory auditors] of *sociétés en commandite par actions*, *sociétés anonymes* and *sociétés coopératives*, by reason of facts relating to their management or supervision, shall be admitted, either against such persons or against the company, by all ordinary methods of proof unless the opposite is proven by the same methods, all in accordance with the amended Law of 8 June 2004 on the freedom of expression in the media.»

(*Law of 25 August 2006*)

**«Art. 1500-15.**

The sanctions prescribed by Articles 1500-1 to 1500-14 are applicable, depending on their respective duties, to the members of the management board and to the members of the supervisory board of *sociétés anonymes* governed by Articles 442-1 to 442-19.»

## **Title XVI - Additional Provisions**

**Art. 1600-1.**

Title III of the first book of the Commercial Code, insofar as it has not been abrogated by the Law of 16 April 1879, is repealed as from the date of application of this law.

**Art. 1600-2.**

The provisions of Articles 100-12, 430-3 to 430-6, 430-12, 443-2, 444-1, 450-1 to 450-5, 450-10, 461-1 to 461-8, 462-1, 462-3, 470-1 with the exception of the last sub-paragraph, 470-2 and 1400-1 shall apply to companies incorporated under the previous legislation. The foregoing list is not limitative.

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<sup>250</sup> As amended pursuant to the Law of 13 June 1994 concerning penal sanctions (Mém.A - 59 of 7 July 1994, p.1096; doc.parl. 2974).



Articles 470-3 to 470-20 inclusive shall not apply to bonds issued before the date of application of the present law except with regard to the granting of special security to the holders of such bonds and the adoption of provisions consequential thereto.

Article 470-21 shall not apply to bonds issued prior to the date of application of the present law.

The prescription period of five years laid down in Article 1400-6 shall apply even to acts done under the previous law and which would take more than five years to prescribe under the previous law.

**Art. 1600-3.**

Commercial companies and civil companies incorporated in the form of any of the five commercial companies provided for in Article 100-3 which existed before the date of application of the present law may not be continued beyond the term fixed for their duration unless all the provisions in their articles which are contrary to this law are removed and the company is made subject to all the provisions hereof.

They may not, before the expiry of that period, make any changes to their articles otherwise than by bringing the clauses affected by the said changes into line with the provisions of the present law.

In such cases, if the relevant company is a *société anonyme*, it shall be exempted from governmental authorisation only if it proceeds in the manner laid down in the first subparagraph.

*Sociétés anonymes* enjoying concessions in respect of railways or other works of public utility shall remain subject, in all cases, to the control and supervisory measures laid down in their present articles.

**Art. 1600-4.**

No company which, after the date of application of this law, has duly operated for a period of one year without the validity thereof being contested, may be declared void under Articles 42 and 46 of the Commercial Code of 1807.

**Art. 1600-5.**

Private powers of attorney, subscription forms and receipts, as provided for in this law, shall be exempt from stamp duty.

(Law of 11 July 1988)

## «Title XVII - Consolidated accounts»<sup>251, 252, 253, 254</sup>

### Chapter I - Conditions and Manner of preparation of consolidated accounts

#### *Section 1 - Conditions for the preparation of consolidated accounts»*

(Law of 11 July 1988)

[2013/34/EU Art. 21 and Art. 22]

#### «Art. 1711-1.

(1) (Law of 10 December 2010) «Each *société anonyme*, *société en commandite par actions* (Law of 10 August 2016) «*société par actions simplifiée*» or *société a responsabilité limitée* and (Law of 30 July 2013) «each company referred to in Article 77, paragraph 2, points 2° and 3°» of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings(...)»<sup>255</sup> must draw up consolidated accounts and a consolidated management report if it:»

- 1° has a majority of the shareholders' or members' voting rights in another undertaking; or
- 2° has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking and is at the same time a

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<sup>251</sup> Pursuant to Regulation (EC) n°1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, listed companies, for each financial year starting on or after 1 January, 2005 shall prepare their consolidated accounts in conformity with the «international accounting standards» meaning the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and related interpretations and interpretations and standards adopted in the future by the International Accounting Standards Board (IASB).

Pursuant to that same Regulation, Member States may permit or require listed companies to prepare their annual accounts and companies other than listed companies to prepare their consolidated and/or their annual accounts in conformity with international accounting standards. This option was introduced in Luxembourg by the Law of 10 December 2010 on the introduction of international accounting standards (Mémorial A – 225 of 17 December 2010; doc. parl. 5976). See also Article 1780-1 hereafter and Article 72bis of the Law of 19 December 2002 on the register of commerce and companies reproduced in Annex I.

<sup>252</sup> The Law of 10 December 2010 has amended certain provisions of this section. In accordance with Article 4 of such law, undertakings have the option to disapply the Law of 10 December 2010 to their financial year which is ongoing on 21 December 2010.

<sup>253</sup> In accordance with Article 27 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, a Grand-ducal regulation may authorise certain undertakings to derogate from the provisions of this Title.

<sup>254</sup> In accordance with Article IV point 1. of the Law of 18 December 2015, the provisions thereof shall apply for the first time to the consolidated accounts and to the related reports of the financial years starting 1 January 2016 or during 2016.

<sup>255</sup> The words « except for credit institutions, insurance and reinsurance companies and pension savings companies with variable capital » have been removed by the Law of 23 July 2016 regarding the publication of non-financial information and information on diversity by certain major companies and certain groups. See however paragraphs (3) and (4) of this Article.

shareholder in or member of that undertaking; or

3° is a shareholder in or member of an undertaking, and controls alone, pursuant to an agreement with other shareholders in or members of that undertaking, a majority of shareholders' or members' voting rights in that undertaking.»<sup>256</sup>

*(Law of 25 August 2006)*

«A *société européenne* (SE) having its registered office in the Grand Duchy of Luxembourg shall be governed by the provisions applicable to *sociétés anonymes*.»

(2) For the purposes of this Title, the company having the rights set out in paragraph 1 shall be referred to as the parent company. The undertakings with regard to which the rights set out above are held shall be referred to as subsidiary undertakings.»

*(Law of 23 July 2016)*

«(3) Insurance and reinsurance companies are excluded from the scope of the present Title except for Chapter VI regarding the consolidated report on payments to governments, which shall apply to them.

(4) Credit institutions are excluded from the scope of the present Title except for Chapter VI regarding the consolidated report on payments to governments as well Article 1730-1 concerning the publication of non-financial information, which shall apply to them. »

*(Law of 11 July 1988)*

*[2013/34/EU Art. 22.3, .4 and .5]*

**«Art. 1711-2.**

(1) For the purposes of Article 1711-1, paragraph 1, the voting rights and the rights of appointment and removal of any other subsidiary undertaking as well as those of any person acting in his own name but on behalf of the parent company or of another subsidiary undertaking must be added to those of the parent company.

(2) For the purposes of Article 1711-1, paragraph 1, the rights mentioned in paragraph 1 above must be reduced by the rights:

1° attaching to shares or corporate units held on behalf of a person who is neither the parent company nor a subsidiary undertaking thereof; or

2° attaching to shares or corporate units held by way of security, provided that the rights in question are exercised in accordance with the instructions received, or held in connection with the granting of loans as part of normal business activities, provided that the voting rights are exercised in the interests of the person providing the security.

(3) For the purposes of Article 1711-1, paragraph 1, sub-paragraphs 1° and 3°, the total of the shareholders' or members' voting rights in the subsidiary undertaking must be reduced by the voting rights attaching to the shares or corporate units held by that undertaking itself by a subsidiary undertaking of that undertaking or by a person acting in his own name but on behalf of those undertakings.»

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<sup>256</sup> For companies preparing their consolidated accounts under International Financial Reporting Standards (IFRS), IFRS 10 contains provisions which determine the entities to be included in the consolidation, including entities where the parent company holds less than 50% of the voting rights.

*(Law of 11 July 1988)*

*[2013/34/EU Art 2.10 and Art. 22.6]*

**«Art. 1711-3.**

(1) Without prejudice to Article 1711-8, a parent company and all of its subsidiary undertakings shall be consolidated regardless of where the registered offices of such subsidiary undertakings are situated.

(2) For the purposes of paragraph 1 above, any subsidiary undertaking of a subsidiary undertaking shall be considered a subsidiary undertaking of the parent company which is the parent of the undertakings to be consolidated.»

*(Law of 10 December 2010)*

«(3) Each parent company within the meaning of Article 1711-1 which principally holds one or more subsidiary companies required to be consolidated which are credit institutions or insurance undertakings may apply the provision of Part III of the amended Law of 17 June 1992 relating to the annual accounts of credit institutions governed by Luxembourg law and the obligations regarding publication of the accounting documents of branches of credit institutions and financial institutions governed by foreign laws for the purpose of consolidation or the provisions of Part III of the amended Law of 8th December 1994 relating to the annual accounts and the consolidated accounts of insurance and re-insurance undertakings governed by Luxembourg law – the obligation regarding the drawing up and publication of the accounting documents of branches of insurance undertakings governed by foreign laws, respectively. The parent company which elects this option is exempted from drawing up consolidated accounts in accordance with Article 1711-1.»<sup>257</sup>

*(Law of 11 July 1988)*

*[2013/34/EU Art. 3, 8, 9, 10 and 11 and Art. 23.2]*

**«Art. 1711-4.**

*(Law of 18 December 2015)*

«(1) By way of derogation from Article 1711-1, paragraph 1, a parent company shall be exempted from the obligation to draw up consolidated accounts and a consolidated management report if at the balance sheet date of the parent company, the undertakings which would have to be consolidated do not together, on the basis of their latest annual accounts, exceed the limits of at least two of the three criteria set out below:

- balance sheet total: 20 million euros
- net turnover: 40 million euros
- average number of full-time staff employed during the financial year: 250.»

(2) The figures of the criteria relating to the balance sheet total and net turnover may be increased by 20 percent, if the set-off referred to in Article 1712-4, paragraph 1 and the elimination referred to in Article 1712-11, paragraph 1, points 1° and 2° are not effected.

(3) *(Law of 18 December 2015)* «This exemption shall not apply to those companies where one of the companies to be consolidated is a company whose securities are admitted to

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<sup>257</sup> Former article 312 which followed this Article has been repealed by the Law of 18 December 2015.

official trading on a regulated market<sup>258</sup> of any Member State<sup>259</sup> (...) <sup>260</sup> within the meaning of (*Law of 7 August 2023*) «Article 1, item 31, of the amended Law of 30 May 2018 on markets in financial instruments.»

(4) Article 36 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings shall be applicable.

(5) The amounts indicated above may be amended by Grand Ducal Regulation.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 23.3 and .4]

**«Art. 1711-5.**

(1) By way of derogation from Article 1711-1, paragraph 1, any parent company which is also a subsidiary undertaking shall be exempted from the obligation to draw up consolidated accounts and a consolidated management report if its own parent undertaking is governed by the law of a Member State (...) <sup>261</sup>, in the following two cases:

- 1° where that parent undertaking holds all of the corporate units or shares in the exempted undertaking. The corporate units or shares in that company held by members of its administrative, management or supervisory bodies pursuant to a legal obligation or the articles shall be ignored for this purpose; or
- 2° where that parent undertaking holds 90 percent or more of the corporate units or shares in the exempted company and the remaining shareholders in or members of that company have approved the exemption.

(2) The exemption shall be conditional upon compliance with all of the following conditions:

- 1° the exempted company and, without prejudice to Article 1711-8, all of its subsidiary undertakings are consolidated in the accounts of a larger body of undertakings, the parent undertaking of which is governed by the law of a Member State (...) <sup>262</sup>;
- 2° a) the consolidated accounts referred to in 1° above and the consolidated management report of the larger body of undertakings must be drawn up by the parent undertaking of that body and audited, according to the law of the Member State by which the parent undertaking of that larger body of undertakings is governed;
- b) the consolidated accounts referred to in 1° above and the consolidated management report referred to in a) above and the report of the (*Law of 10 December 2010*) «by

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<sup>258</sup> The MiFID II Law (Law of 30 May 2018) defines «regulated market» as a «multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments [Note: meaning those instruments specified in Section C of Annex I of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments] – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of Directive 2014/65/EU. »

<sup>259</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. See also the definition of «Member State» in the sixth paragraph of Article 100-2.

<sup>260</sup> Terms deleted by the Law of 7 August 2023.

<sup>261</sup> Terms deleted by the Law of 7 August 2023. See definition in the sixth paragraph of Article 100-2.

<sup>262</sup> Terms deleted by the Law of 7 August 2023. See definition in the sixth paragraph of Article 100-2.

the person or persons» responsible for auditing those accounts shall be published for the exempted company in the manner prescribed by Article 100-13.

3° the notes to the annual accounts of the exempted company must disclose:

- a) the name and registered office of the parent undertaking which draws up the consolidated accounts referred to in 1° above; and
- b) the exemption from the obligation to draw up consolidated accounts and a consolidated management report.»

(Law of 10 December 2010)

«(3) This exemption shall not apply to the companies whose securities are admitted to official trading on a regulated market<sup>263</sup> of a Member State (...)»<sup>264</sup> within the meaning of (Law of 7 August 2023) «Article 1, item 31, of the amended Law of 30 May 2018 on markets in financial instruments ».»

(Law of 11 July 1988)

[2013/34/EU Art. 23.5]

**«Art. 1711-6.**

In cases not covered by Article 1711-5, paragraph 1, any parent company which is also a subsidiary undertaking, the parent undertaking of which is governed by the law of a Member State (...)»<sup>265</sup>, is exempted from the obligation to draw up consolidated accounts and a consolidated management report, provided that all the conditions set out in Article 1711-5, paragraph 2, are fulfilled and that the shareholders in or members of the exempted undertaking who own at least 10 percent of the subscribed capital of that undertaking, in the case it is a *société anonyme* or a *société en commandite par actions*, and at least 20 percent, in the case it is a *société à responsabilité limitée*, have not requested the preparation of consolidated accounts at least six months before the end of the financial year.»

(Law of 11 July 1988)

[2013/34/EU Art. 23.8]

**«Art. 1711-7.**

By way of derogation from Article 1711-1, paragraph 1, any parent company which is also a subsidiary undertaking of a parent undertaking not governed by the law of a Member State (...)»<sup>266</sup>, is exempted from the obligation to draw up consolidated accounts and a consolidated management report if all of the following conditions are fulfilled:

- 1° the exempted company and, without prejudice to Article 1711-8, all of its subsidiary undertakings are consolidated in the accounts of a larger body of undertakings;
- 2° the consolidated accounts referred to in 1° above and, where appropriate, the consolidated management report must be drawn up in accordance with the provision of this Title or in a manner equivalent thereto,

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<sup>263</sup> Please see note under Article 1711-4 (3) for the definition of this term.

<sup>264</sup> Terms deleted by the Law of 7 August 2023. See definition in the sixth paragraph of Article 100-2.

<sup>265</sup> Terms deleted by the Law of 7 August 2023. See definition in the sixth paragraph of Article 100-2.

<sup>266</sup> Terms deleted by the Law of 7 August 2023. See definition in the sixth paragraph of Article 100-2.

3° the consolidated accounts referred to in 1° above must have been audited by one or more person authorised to audit accounts under the national law governing the undertaking which drew them up.

*(Law of 30 July 2013)*

«Article 1711-5, paragraph 2, point 2°, letter b) and point 3°, and paragraph 3 as well as Article 1711-6 shall apply.»

*(Law of 11 July 1988)*

[2013/34/EU Art. 6.1, point j) and Art. 23.9 and .10]

**«Art. 1711-8.**

(1) An undertaking need not be included in consolidated accounts where it is (*Law of 18 December 2015*) «not material» for the purposes of Article 1712-1, paragraph 3.

(2) Where two or more undertakings satisfy the requirements of paragraph 1 above, they must nevertheless be included in consolidated accounts if, they are (*Law of 18 December 2015*) «material»<sup>267</sup> for the purposes of Article 1712-1, paragraph 3<sup>268</sup>.

(3) In addition, an undertaking need not be included in consolidated accounts where:

- 1° severe long-term restrictions substantially hinder the parent company in the exercise of its rights over the assets or management of that undertaking.
- 2° the information necessary for the preparation of consolidated accounts in accordance with this Law cannot be obtained without disproportionate expense or undue delay.
- 3° the shares of that undertaking are held exclusively with a view to their subsequent resale.»

*(Law of 18 December 2015)*

[2013/34/EU Art. 23.10]

**«Art. 1711-9.**

Without prejudice to Article 51, paragraph 1, letter b) of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, and to Article 1711-4 of this Title, any parent company, including a public-interest entity within the meaning of Chapter VI, shall be exempted from the obligation imposed in Article 1711-1 if:

- 1° it only has subsidiary undertakings which are immaterial, both individually and collectively; or
- 2° all its subsidiary undertakings can be excluded from consolidation by virtue of Article 1711-8.»

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<sup>267</sup> The English version of Directive 83/349/EEC (this translation following the French version of the directive) specified: “if as a whole, they are [material]”. The German version of the directive is identical to the English version («sofern sie insgesamt»).

<sup>268</sup> This paragraph was followed by a paragraph repealed by the Law of 18 December 2015.

*(Law of 11 July 1988)*

*«Section 2 - Manner of preparation of consolidated accounts»*

*(Law of 11 July 1988)*

*[2013/34/EU Art. 4]*

**«Art. 1712-1.**

(1) Consolidated accounts shall comprise the consolidated balance sheet, the consolidated profit and loss account and the notes to the accounts. These documents shall constitute a composite whole.

*(Law of 10 December 2010)*

«Each company referred to in Article 1711-1, paragraph 1 may include other statements in the consolidated accounts in addition to the documents referred to in the first subparagraph.»

(2) Consolidated accounts shall be drawn up clearly and in accordance with this Law.

(3) Consolidated accounts shall give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included therein taken as a whole.

(4) Where the application of the provisions of this Title would not be sufficient to give a true and fair view within the meaning of paragraph 3 above, additional information must be given.

(5) Where, in exceptional cases, the application of a provision of Articles 1712-2 to 1712-20 and Article 1790-1 is incompatible with the obligation provided in paragraph 3 above, that provision must be departed from in order to give a true and fair view within the meaning of paragraph 3.

Any such departure must be disclosed in the notes to the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and profit or loss.»

*(Law of 18 December 2015)*

*[2013/34/EU Art. 2.16]*

«(6) Where a provision of this Title refers to the term «material», this term shall mean the status of information where its omission or misstatement could reasonably be expected to influence decisions that users make on the basis of the consolidated accounts of the group. The materiality of individual items shall be assessed in the context of other similar items.»

*(Law of 11 July 1988)*

*[2013/34/EU Art. 24]*

**«Art. 1712-2.**

(1) *(Law of 10 December 2010)* «Articles 28 to 34, 37 to 46 and 48 to 50 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings» shall apply in respect of the layout of consolidated accounts, without prejudice to the provisions of this Title and taking account of the indispensable adjustments resulting from the particular characteristics of consolidated accounts as compared with annual accounts.



(2) Stocks may be combined in the consolidated accounts where detailed disclosure in accordance with the layout provided in (*Law of 10 December 2010*) « Article 34 of the above-mentioned Law of 19 December 2002» can be made only at disproportionate expense.»

(*Law of 10 December 2010*)

«(3)» (*Law of 18th December 2015*) «For the purpose of paragraphs 1 and 2, the layouts of balance sheets referred to in Articles 10 and 11 and the layouts of profit and loss accounts referred to in Article 13, paragraphs 1 and 2 of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings may also be used. In addition, companies may also apply the provisions of Article 9 paragraphs 2 and 3, of the above-mentioned Directive 2013/34/EU concerning the subdivision, layout, nomenclature and terminology of items in the consolidated balance sheet and the consolidated profit and loss account.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.2]

**«Art. 1712-3.**

The assets and liabilities of undertakings included in a consolidation shall be incorporated in full in the consolidated balance sheet.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.3, points a) and e)]

**«Art. 1712-4.**

(1) The book values of shares or corporate units in the capital of the undertakings included the consolidation shall be set off against the proportion of the capital and reserves of the undertakings included in the consolidation which they represent:

1° that set-off shall be made on the basis of book values as at the date at which such undertakings are included in the consolidation for the first time.

Differences arising from such set-off shall as far as possible be entered directly against those items in the consolidated balance sheet which have values above or below their book values;

2° such set-off may also be made on the basis of the values of identifiable assets and liabilities as at the date of acquisition of the shares or corporate units or, in the event of an acquisition in two or more stages, as at the date on which the undertaking became a subsidiary undertaking;

3° any difference remaining after the application of point 1° or resulting from the application of point 2° shall be shown as a separate item in the consolidated balance sheet with an appropriate heading. That item, the methods used and any significant changes as compared to the preceding financial year must be explained in the notes to the accounts. Positive and negative differences may be set-off provided that a breakdown is given in the notes to the accounts;

(2) However, paragraph 1 above shall not apply to shares or corporate units in the capital of the parent company held either by that company itself or by another undertaking included in the consolidation. In the consolidated accounts such shares or corporate units shall be

treated as own shares or corporate units in accordance (*Law of 30 July 2013*) «with Title II», (*Law of 10 December 2010*) «Chapter II» of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 25]

**«Art. 1712-5.**

(*Law of 18 December 2015*)

«(1) Undertakings may set off the book values of shares or corporate units held in the capital of an undertaking included in the consolidation against the corresponding percentage of capital only, provided that the undertakings in the business combination are ultimately controlled by the same party both before and after the business combination, and that control is not transitory

(2) Any difference arising under paragraph 1 shall be added to or deducted from consolidated reserves, as appropriate.

(3) The application of the method described in paragraph 1, the resulting movements in reserves and the names and registered offices of the undertakings concerned shall be disclosed in the notes to the consolidated accounts.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.4]

**«Art. 1712-6.**

The amounts attributable to shares or corporate units in subsidiary undertakings included in the consolidation held by persons other than the undertakings included in the consolidation shall be shown in the consolidated balance sheet as a separate item with the heading «Minority interests».»

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.5]

**«Art. 1712-7.**

The income and expenditure of undertakings included in a consolidation shall be incorporated in full in the consolidated profit and loss account.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.6]

**«Art. 1712-8.**

The amount of any profit or loss attributable to shares or corporate units in subsidiary undertakings included in the consolidation held by persons other than the undertakings included in the consolidation shall be shown in the consolidated profit and loss account as a separate item with the heading «Minority interests».»

(*Law of 11 July 1988*)

**«Art. 1712-9.**

Consolidated accounts shall be drawn up in accordance with the principles provided for in Articles 1712-10 to 1712-13.»

*(Law of 11 July 1988)*

*[2013/34/EU Art. 4.4 and Art. 6.1 point b)]*

**«Art. 1712-10.**

(1) The methods of consolidation must be applied consistently from one financial year to another.

(2) Derogations from the provisions of paragraph 1 above shall be permitted in exceptional cases. Any such derogations must be disclosed in the notes to the accounts and the reasons for them must be given together with an assessment of their effect on the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation taken as a whole.»

*(Law of 11 July 1988)*

*[2013/34/EU Art. 6.1 point j) and Art. 24.7]*

**«Art. 1712-11.**

(1) Consolidated accounts shall show the assets, liabilities, financial positions and profits or losses of the undertakings included in a consolidation as if the latter were a single undertaking. In particular:

- 1° debts and claims between the undertakings included in a consolidation shall be eliminated from the consolidated accounts;
- 2° income and expenditure relating to transactions between the undertakings included in a consolidation shall be eliminated from the consolidated accounts;
- 3° where profits and losses resulting from transactions between the undertakings included in a consolidation are included in the book values of assets, they shall be eliminated from the consolidated accounts.

These eliminations may be effected in proportion to the percentage of the capital held by the parent undertaking in each of the subsidiary undertakings included in the consolidation.

(2) Derogations may be made from the provisions of paragraph 1, point 3° above where a transaction has been concluded according to normal market conditions and where the elimination of the profit or loss would entail disproportionate expenses. Any such derogations must be disclosed and where the effect on the assets, liabilities, financial position and profit or loss of the undertakings, included in the consolidation, taken as a whole, is (*Law of 18 December 2015*) «material», that fact must be disclosed in the notes to the consolidated accounts.

(3) Derogations from the provisions of paragraph 1, points 1°, 2° or 3° above shall be permitted where the amounts concerned are (*Law of 18 December 2015*) «not material» for the purposes of Article 1712-1, paragraph 3.»

*(Law of 11 July 1988)*

*[2013/34/EU Art. 24.8]*

**«Art. 1712-12.**

(1) Consolidated accounts must be drawn up as at the same date as the annual accounts of the parent company.

(2) However, consolidated accounts may be drawn up as at another date in order to take account of the balance sheet dates of the largest number or the most important of the undertakings included in the consolidation. Where use is made of this derogation, that fact shall be disclosed in the notes to the consolidated accounts together with the reasons therefor. In addition, account must be taken or disclosure made of important events concerning the assets and liabilities, the financial position or the profit or loss of an undertaking included in a consolidation which have occurred between that undertaking's balance sheet date and the consolidated balance sheet date.

(3) (*Law of 18 December 2015*) «Where the balance sheet date of an undertaking included in the consolidation precedes or follows the consolidated balance sheet date by more than three months, that undertaking shall be consolidated on the basis of interim accounts drawn up as at the consolidated balance sheet date.»

(*Law of 11 July 1988*)  
[2013/34/EU Art. 24.9]

**«Art. 1712-13.**

If the composition of the undertakings included in a consolidation has changed significantly in the course of a financial year, the consolidated accounts must include information which makes the comparison of successive sets of consolidated accounts meaningful. Where such a change is a major one, that obligation may be fulfilled by the preparation of an adjusted opening balance sheet and an adjusted profit and loss account.»

(*Law of 11 July 1988*)  
[2013/34/EU Art. 24.10 to .14]

**«Art. 1712-14.<sup>269</sup>**

(1) Assets and liabilities to be included in consolidated accounts shall be measured on a uniform basis and in accordance with (*Law of 10 December 2010*) «sections 7 and 7bis» (*Law of 30 July 2013*) «of Title II, Chapter II of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings».

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<sup>269</sup> Grand-Ducal Regulation of 11 September, 2006 (Mém. A-167 of 15 September 2006, p. 3060):

«Art. 1 [*As regards annual accounts, see footnote under Article 65 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings set out in Annex I*].

Art.2

The undertakings referred to in Article 309 [now : 1711-1] of the amended Law of 10 August 1915 on commercial companies are authorised to derogate from Articles 332, 337 and 339 [now : 1712-4, 1712-19 and 1720-1] of the amended Law of 10 August 1915 on commercial companies when drawing up their consolidated accounts, if they choose to opt for a valuation at fair value of financial instruments including derivatives in accordance with Articles 1 and 2 of Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC [these directives have been replaced by Directive 2013/34/UE] as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions and in order to comply with the publications required by article 2 paragraphs 2) and 3) of such directive.

Art.3.

This Grand-Ducal Regulation comes into force on first October 2006. It shall apply to the consolidated accounts of undertakings for their fiscal years ending after that date.»

(2) The company which draws up consolidated accounts must apply the same measurement basis as are applied in its annual accounts. However, other measurement basis complying with the aforementioned Articles may be used in consolidated accounts.

(*Law of 30 July 2013*) «Where use is made of these derogations, that fact shall be disclosed in the notes to the consolidated accounts and the reasons given.»

(3) (*Law of 18 December 2015*) «Where assets and liabilities included in consolidated accounts have been measured by undertakings included in the consolidation using bases differing from those used for the purposes of the consolidation, those assets and liabilities shall be re-measured in accordance with the bases used for the consolidation. Departures from this requirement shall be permitted in exceptional cases. Any such departures shall be disclosed in the notes to the consolidated accounts and the reasons given.»

(4) Account shall be taken in the consolidated balance sheet and in the consolidated profit and loss account of any difference arising on consolidation between the tax chargeable for the financial year and for preceding financial years and the amount of tax paid or payable in respect of those years, provided that it is probable that an actual charge to tax will arise within the foreseeable future for one of the undertakings included in the consolidation.

(5) (*Law of 18 December 2015*) «Where assets included in consolidated accounts have been the subject of value adjustments solely for tax purposes, they shall be incorporated in the consolidated accounts only after those adjustments have been eliminated.»

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.3 point c)]

**«Art. 1712-15.**

The item referred to in Article 1712-4 paragraph 1, point 3°, if it corresponds to a positive consolidation difference, shall be dealt with in accordance with the rules laid down in (*Law of 18 December 2015*) «Article 59, paragraphs 1 and 2 of the amended Law of 19 December 2002» on the register of commerce and companies and the accounting and annual accounts of undertakings». <sup>270</sup>

(*Law of 11 July 1988*)

[2013/34/EU Art. 24.3, point f)]

**«Art. 1712-16.**

An amount shown as a separate item, referred to in Article 1712-4, paragraph 1, point 3°, if it corresponds to a negative consolidation difference may be transferred to the consolidated profit and loss account only:

- 1° where that difference corresponds to the expectation, at the date of acquisition, of unfavourable future results in the relevant undertaking, or to the expectation of costs which that undertaking would incur, insofar as such an expectation materialises; or
- 2° insofar as such a difference corresponds to a realised gain.»

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<sup>270</sup> This sub-paragraph was followed by a sub-paragraph repealed by the Law of 18 December 2015.

*(Law of 11 July 1988)*

*[2013/34/EU Art. 26]*

**«Art. 1712-17.**

(1) Where an undertaking included in a consolidation manages another undertaking jointly with one or more undertakings not included in that consolidation, that other undertaking may be included in the consolidated accounts in proportion to the rights in its capital held by the undertaking included in the consolidation.

(2) Articles 1711-8 to 1712-16 shall apply mutatis mutandis to the proportional consolidation referred to in paragraph 1 above.

(3) Where this Article is applied, Article 1712-18 shall not apply if the undertaking proportionally consolidated is an associated undertaking as defined in Article 1712-18.»

*(Law of 11 July 1988)*

*[2013/34/EU Art. 27]*

**«Art. 1712-18.**

(1) Where an undertaking included in a consolidation exercises a significant influence over the operations and the financial policy of an undertaking not included in the consolidation (an associated undertaking) in which it holds a participating interest, as defined in the *(Law of 10 December 2010)* «Article 41 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings», that participating interest shall be shown in the consolidated balance sheet as a separate item with an appropriate heading.

An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20 percent or more of the shareholders' or members' voting rights in that undertaking. Article 1711-2 shall apply.

(2) When this Article is applied for the first time to a participating interest covered by paragraph 1 above, that participating interest shall be shown in the consolidated balance sheet either:

1° at its book value calculated in accordance with the valuation rules laid down *(Law of 30 July 2013)* «in Title II, Chapter II of the above-mentioned Law of 19 December 2002 ». The difference between that value and the amount corresponding to the proportion of capital and reserves represented by that participating interest shall be disclosed separately in the consolidated balance sheet or in the notes to the accounts. That difference shall be calculated as at the date at which that method is used for the first time; or

2° at an amount corresponding to the proportion of the associated undertaking's capital and reserves represented by that participating interest. The difference between that amount and the book value calculated in accordance with the valuation rules laid down in *(Law of 30 July 2013)* «Title II », of the *(Law of 10 December 2010)* « Chapter II » of the above-mentioned Law of 19 December 2002 » shall be disclosed separately in the consolidated balance sheet or in the notes to the accounts. That difference shall be calculated as at the date at which that method is used for the first time;

3° the consolidated balance sheet or the notes to the accounts must indicate whether point 1° or 2°, has been used;

4° for the purposes of the application of points 1° and 2° above, the difference may be calculated as at the date of acquisition of the shares or corporate units or, where they were acquired in two or more stages, as at the date on which the undertaking became an associated undertaking.

(3) Where an associated undertaking's assets or liabilities have been valued by methods other than those used for consolidation in accordance with Article 1712-14, paragraph 2, they may, for the purpose of calculating the difference referred to in paragraph 2, points 1° or 2° above, be revalued by the methods used for consolidation. Where such revaluation has not been carried out that fact must be disclosed in the notes to the accounts.

(4) The book value referred to in paragraph 2, point 1° above, or the amount corresponding to the proportion of the associated undertaking's capital and reserves referred to in paragraph 2, point 2° above, shall be increased or reduced by the amount of any variation which has taken place during the financial year in the proportion of the associated undertaking's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.

(5) Insofar as the positive difference referred to in paragraph 2, point 1° or point 2° above cannot be related to any category of assets or liabilities it shall be dealt with in accordance with Article 1712-15.

(6) The proportion of the profit or loss of the associated undertaking attributable to such participating interests shall be shown in the consolidated profit and loss account as a separate item under an appropriate heading.

(7) The eliminations referred to in Article 1712-11, paragraph 1, point 3° shall be effected insofar as the facts are known or can be ascertained. Article 1712-11, paragraphs 2 and 3, shall apply.

(8) Where an associated undertaking draws up consolidated accounts, the foregoing provisions shall apply to the capital and reserves shown in such consolidated accounts.

(9) This Article need not be applied where the participating interests in the capital of the associated undertaking is (*Law of 18 December 2015*) «not material» for the purposes of Article 1712-1, paragraph 3.»

*(Law of 11 July 1988)*

«**Art. 1712-19.** <sup>271</sup>

*[2013/34/EU Art. 16.1 point a) and Art. 28.]*

*(Law of 18 December 2015)* «In addition to the information required under other provisions of this Title, the notes to the accounts shall disclose the following information presented in the order in which the items to which they relate are presented in the consolidated balance sheet and in the consolidated profit and loss account:»

1° *(Law of 18 December 2015)* «accounting policies and measurement bases;»

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<sup>271</sup> See footnote under Article 1712-14.

*[2013/34/EU Art. 28.2 point a)]*

- 2° a) the names and registered offices of the undertakings included in the consolidation; the proportion of the capital held in undertakings included in the consolidation, other than the parent company, by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings; which of the conditions referred to in Article 1711-1 following application of Article 1711-2 has formed the basis on which the consolidation has been carried out. The latter disclosure may, however, be omitted where consolidation has been carried out on the basis of Article 1711-1, paragraph 1, point 1°, and where the proportion of the capital and the proportion of the voting rights held are the same;
- b) (*Law of 30 July 2013*) «the same information must be given in respect of undertakings excluded from the consolidation pursuant to Article 1711-8 and an explanation of the reasons for the exclusion of the undertakings referred to in Article 1711-8 must be given;»

*(Law of 18 December 2015)*

- «c)when Article 1711-9 is applied, the notes to the annual accounts of the exempted company must include the information provided for by Article 1712-19, point 2°, letter b);»

*[2013/34/EU Art. 28.2 point b)]*

- 3° a) the names and registered offices of undertakings associated with an undertaking included in the consolidation as described in Article 1712-18, paragraph 1 and the proportion of their capital held by undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings;
- b) the same information must be given in respect of the associated undertakings referred to in Article 1712-18, paragraph 9, together with the reasons for applying that provision;

*[2013/34/EU Art. 28.2. point c)]*

- 4° the names and registered offices of undertakings proportionally consolidated pursuant to Article 1712-17, the factors on which joint management is based, and the proportion of their capital held by the undertakings included in the consolidation or by persons acting in their own names but on behalf of those undertakings;

*[2013/34/EU Art. 28.2 point d)]*

- 5° the name and registered office of each of the undertakings, other than those referred to in points 2°, 3° and 4° above, in which undertakings included in the consolidation (...) <sup>272</sup> either themselves or through persons acting in their own names but on behalf of those undertakings, hold at least 20 percent of the capital, showing the proportion of the capital held, the amount of the capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which accounts have been adopted. This information may be omitted where, for the purposes of Article 1712-1, paragraph 3, it is

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<sup>272</sup> Abrogated by the Law of 10 December 2010.



of negligible importance only. (*Law of 18 December 2015*) «The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet»;

[2013/34/EU Art. 16.1 point g) and Art. 28.1]

6° the total amount of debts shown in the consolidated balance sheet and becoming due and payable after more than five years, as well as the total amount of debt shown in the consolidated balance sheet and secured by collateral on assets granted by undertakings included in the consolidation, with an indication of the nature and form of the collateral;

(2013/34/EU Art. 16.1 point d) and Art. 28.1]

7° the total amount of any financial commitments that are not included in the consolidated balance sheet, insofar as this information is of assistance in assessing the financial position of the undertakings included in the consolidation taken as a whole. Any commitments concerning pensions and affiliated undertakings which are not included in the consolidation must be disclosed separately;

(*Law of 10 December 2010*)

[2013/34/EU Art. 17.1 point p)]

8° «the nature and business purpose of any arrangements that are not included in the balance sheet, and the financial impact of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the companies included in the consolidation taken as a whole;»

[2013/34/EU Art. 17.1 point r)]

9° (*Law of 18 December 2015*) «transactions which have been entered into with related parties, including the amounts of such transactions, the nature of the related party relationship as well as any other information about the transactions necessary for an understanding of the financial position of the undertakings included in the consolidation. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of the related party transactions on the financial position of the undertakings included in the consolidation;

by way of derogation from the preceding sub-paragraph, it is possible to present in the notes to the accounts only transactions with related parties which have not been concluded under normal market conditions;

transactions between related parties included in a consolidation which are eliminated in consolidation are not mentioned;

the term «related party»<sup>273</sup> has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European

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<sup>273</sup> For a definition of «related party», see the note following the Grand-Ducal Regulation of 18 December 2015 set out hereafter. In addition, Article 1790-2 (2) also contains a reference to the definition of this term.

Parliament and of the Council of 19 July 2002 on the application of international accounting standards;»

[2013/34/EU Art. 18.1 point a)]

10° the consolidated net turnover as defined in the (*Law of 10 December 2010*) «Article 48 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings», broken down by categories of activity and into geographical markets insofar as, taking account of the manner in which the sale of products and the provision of services falling within the ordinary activities of the undertakings included in the consolidation taken as a whole are organised, these categories and markets differ substantially from one another;

[2013/34/EU Art. 17.1 point e) and Art. 28.1 point b)]

11° a) the average number of staff employed during the financial year by undertakings included in the consolidation broken down by categories and, if they are not disclosed separately in the consolidated profit and loss account, the staff costs relating to the financial year;

b) the average number of staff employed during the financial year by undertakings to which Article 1712-17 has been applied shall be disclosed separately;<sup>274</sup>

[2013/34/EU Art. 17.1 point f) and Art. 28.1]

12° (*Law of 30 July 2013*)

«a) the difference between the tax charged to the consolidated profit and loss account for the financial year and to those for earlier financial years and the amount of tax already paid or payable in respect of those years, provided that this difference is material for the purposes of future taxation. This amount may also be disclosed in the balance sheet as a cumulative amount under a separate item with an appropriate heading;

b) where valuation at fair value has been applied in accordance with Section 7bis of Title II, Chapter II of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, the balance sheet shall show, as the case may be, deferred tax liabilities as a cumulative amount;»

(*Law of 18 December 2015*)

«c) the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year;»

[2013/34/EU Art. 28.1 point c)]

13° the amount of the fees granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies of the parent company by reason of their responsibilities in the parent company and its subsidiary undertakings, and the amount of any commitments arising or entered into under the same conditions in respect of retirement pensions for former members of those bodies. This information

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<sup>274</sup> This point 11° [9° at the time] was followed by a point 10° repealed by the Law of 18 December 2015.

must be given as a total for each category;

[2013/34/EU Art. 28.1 point c)]

14° the amount of advances and loans granted to the members of the administrative, managerial and supervisory bodies of the parent company by the parent company or by its subsidiary undertakings, with indications of the interest rates, main conditions and amounts repaid, if any, as well as commitments entered into on their behalf by way of guarantee of any kind. This information must be given as a total for each category;»

(Law of 18 December 2009)

[2013/34/EU Art. 18.1 point b) and Art. 28.1]

15° (Law of 23 July 2016) «separately, the total fees received<sup>275</sup> during the financial year by the *réviseur d'entreprises agréé* [approved statutory auditor], the *cabinet de révision agréé* [approved audit firm] or the *cabinet d'audit* [audit firm] for the statutory audit of the consolidated accounts, the total fees received for other assurance services, the total fees received for tax advisory services and the total fees received for any other services other than audit services»<sup>276</sup>;

(Law of 10 December 2010)

[2013/34/EU Art. 16.1 point c) and Art. 28.1]

16° (Law of 30 July 2013) «where valuation at fair value of financial instruments has been

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<sup>275</sup> The English version of the directive uses the term «charged» and the German version uses the term «*berechnet*» whereas the French version uses «*perçus*» which has been translated by «received».

<sup>276</sup> Some terms used in this point 14) are defined as follows by the Law of 23 July 2016 on the audit profession (certain other terms which are necessary for a full understanding being also included):

«audit firm» [*cabinet d'audit*] [means] a legal person or any other entity, regardless of its legal form, that is approved in accordance with Directive 2006/43/EC by the competent authorities of another Member State to carry out statutory audits of accounts.

«*cabinet de révision agréé*» [approved audit firm] [means] a legal person or any other entity, regardless of its legal form which is a member of IRE and is authorised under Article 5 [of the Law of 23 July 2016].»

«competent authorities» [means] the authorities designated by law that are in charge of the regulation and/or oversight of statutory auditors or audit firms or of specific aspects thereof; the reference to «competent authority» in a specific article [of the Law of 23 July 2016] means a reference to the authority responsible for the functions referred to in that article;

«IRE» [means] the Institut des Réviseurs d'Entreprises;

«*réviseur d'entreprises agréé*» [approved statutory auditor] [means] a *réviseur d'entreprises* who is a member of IRE who is approved in accordance [with the Law of 23 July 2016] to carry out:

a) statutory audits;

b) any duties which are exclusively entrusted to the *réviseurs d'entreprises* [statutory auditors] by law.

Without prejudice to the provisions of Articles 18 to 23 [of the Law of 23 July 2016], the performance of the duties provided for under a) and b) of this point is not incompatible with the performance of other activities such as domiciliation, the contractual audit of accounts, providing tax advice, organising and setting up accountings and analysing, by means of accounting procedures, the position and operation of undertakings from economic, legal, and financial perspectives.

«statutory audit» [means] the audit of the annual financial statements or of the consolidated financial statements to the extent required by law or by directly applicable Union law.»

«statutory auditor» [*contrôleur légal des comptes*] [means] a natural person who is approved in accordance with Directive 2006/43/EC by the competent authorities of another Member State to carry out statutory audits of accounts.

applied in accordance with «Section 7bis of Title II<sup>277</sup>, Chapter II, of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings»:

- a) the significant assumptions underlying the valuation models and techniques used where fair values have been determined in accordance with Article 64ter, paragraph 1, letter b) of the above-mentioned Law of 19 December 2002;
- b) per category of financial instruments, the fair value, the changes in value included directly in the profit and loss account as well as, in accordance with Article 64quater of that law, changes included in the fair value reserve;
- c) for each class of derivative financial instruments, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows; and
- d) a table showing movements in the fair value reserve during the financial year;»

*(Law of 10 December 2010)*

*[2013/34/EU Art. 17.1 point c) and Art. 28.1]*

17° «where valuation at fair value of financial instruments has not been applied in accordance with Section 7bis of (*Law of 30 July 2013*) «Title II», Chapter II of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

- a) for each class of derivative instruments;
  - i) the fair value of the instruments, if such a value can be determined by any of the methods prescribed in Article 64ter, paragraph 1, of the above-mentioned Law of 19 December 2002;
  - ii) information about the extent and the nature of the instruments; and
- b) for financial fixed assets covered by Article 64bis of the above-mentioned Law of 19 December 2002, carried at an amount in excess of their fair value and without use being made of the option to make a value adjustment in accordance with Article 55, paragraph 1, letter c), aa) of the above-mentioned Law of 19 December 2002;
  - i) the book value and the fair value of either the individual assets or appropriate groupings of those individual assets;
  - ii) the reasons for not reducing the book value, including the nature of the evidence that provides the basis for the belief that the book value will be recovered;»

*(Law of 30 July 2013)*

18° «where valuation at fair value of certain categories of assets other than financial instruments has been applied in accordance with Section 7bis of Title II, Chapter II of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings:

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<sup>277</sup> Reference corrected by the Law of 7 August 2023 .

- a) the main assumptions underlying the valuation models and techniques used, where fair value has not been determined by reference to a market value;
- b) for each class of assets other than financial instruments, the fair value as at the date of the end of the financial year and the changes in value during the financial year;
- c) for each class of assets other than financial instruments, information on the significant terms and conditions that may affect the amount and certainty of future cash flows;»

*(Law of 18 December 2015)*

19° «the nature and the financial effect of material events arising after the consolidated balance sheet date which are not reflected in the consolidated profit and loss account or the consolidated balance sheet.»

*(Law of 11 July 1988)*

*[2013/34/EU Art.28.3]*

**«Art. 1712-20.**

The disclosures prescribed in Article 1712-19, points 2°, 3°, 4° and 5° may:

- 1° take the form of a statement deposited in accordance with Article 100-13; this must be disclosed in the notes to the accounts;
- 2° be omitted when their nature is such that they would be seriously prejudicial to any of the undertakings affected by these provisions. Any such omission must be disclosed in the notes to the accounts. »<sup>278</sup>

*(Law of 11 July 1988)*

## **«Chapter II - The consolidated management report»**

*(Law of 11 July 1988)*

*[2013/34/EU Art. 19, Art. 20 and Art. 29]*

**«Art. 1720-1.»<sup>279</sup>**

*(Law of 10 December 2010)*

«(1) The consolidated management report shall include at least a fair review of the development and performance of the business and of the position of the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. The review shall be a balanced and comprehensive analysis of the development and performance of the business and of the position of the undertakings included in the consolidation taken as a whole, consistent with the size and complexity of the business. To the extent necessary for an understanding of such development, performance or position, the analysis shall include both financial and, where

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<sup>278</sup> This paragraph was followed by a paragraph repealed by the Law of 18 December 2015.

<sup>279</sup> See footnote under Article 1712-14.

appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters.

In providing its analysis, the consolidated management report shall, where appropriate, provide references to and additional explanations of amounts reported in the consolidated accounts.»

(2) In respect of those undertakings, the report shall also give an indication of:

- 1° the likely future development of those undertakings taken as a whole;<sup>280</sup>
- 2° the activities of those undertakings taken as a whole in the field of research and development;
- 3° the number and nominal value or, in the absence of a nominal value, the accounting par value of all of the parent company's shares or corporate units held by that company itself, by subsidiary undertakings of that undertaking or by a person acting in his own name but on behalf of those undertakings. These particulars may be disclosed in the notes to the accounts;»

(*Law of 10 December 2010*)

4° (*Law of 30 July 2013*) «in relation to the use by such undertakings<sup>281</sup> of financial instruments and, where material for the assessment of their assets, liabilities, financial position and profit or loss,

- a) the financial risk management objectives and policies of such undertakings<sup>282</sup>, including their policy for hedging each major type of forecasted transaction for which hedge accounting is used; and
- b) the exposure such undertakings to price risk, credit risk, liquidity risk and cash flow risk;»

(*Law of 10 December 2010*)

5° «a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts, where a company has its securities admitted to trading on a regulated market<sup>283</sup> (*Law of 7 August 2023*) «of a Member State»<sup>284</sup> within the meaning of (*Law of 7 August 2023*) «Article 1, item 31., of the amended Law of 30 May 2018 on markets in financial instruments». In the event that the consolidated management report and the management report are presented as a single report, this information must be included in the section of the report containing the corporate governance statement as provided for by Article 68*bis* of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

If the information required by Article 68*bis* of the above-mentioned Law of 19 December

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<sup>280</sup> This point was preceded by a point repealed by the Law of 18 December 2015.

<sup>281</sup> The law follows the English version of the directive which uses the plural form, thereby referring to all companies included in the consolidation, whereas the French version is limited to referring to the company.

<sup>282</sup> See prior footnote.

<sup>283</sup> Please see note under Article 1711-4 for the definition of this term.

<sup>284</sup> See definition in the sixth paragraph of Article 100-2.

2002 is set out in a separate report published together with the management report in the manner prescribed by Article 68 of the above-mentioned Law of 19 December 2002, the information referred to in this point shall also form part of that separate report.»

*(Law of 10 December 2010)*

«(3) Where a consolidated annual report is required in addition to an annual report, the two reports may be presented as a single report. In preparing such a single report, it may be appropriate to give greater emphasis to those matters which are significant to the undertakings included in the consolidation taken as a whole».

*(Law of 23 July 2016)*

### **«Chapter III - Consolidated non-financial statement »**

*(Law of 23 July 2016)*

*[2013/34/EU art. 29a]*

#### **«Art. 1730-1**

(1) This Article applies to parent companies as referred to by Article 1711-1, paragraph 2 which fulfil all of the following conditions:

- 1° being a public interest entity within the meaning of Article 2, point 1), of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings<sup>285</sup>; and
- 2° exceeding, together with its subsidiary undertakings in the meaning of Article 1711-1, paragraph 2, on its balance sheet date on a consolidated basis and during two consecutive financial years, the numerical thresholds of at least two of the three criteria referred to in Article 1711-4; and

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<sup>285</sup> Article 2, point 1) of directive 2013/34/EU defines « public interest entity » as follows :

« public interest entities », means undertakings within the scope of Article 1 [of Directive 2013/34/EU] [see note under Article 68(1) of the law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings] which are:

- (a) governed by the law of a Member State and whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments [article 4, paragraph 1, point 21 of Directive 2014/65/EU [MiFID II]];
- (b) credit institutions as defined in point (1) of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, other than those referred to in Article 2 of that Directive;
- (c) insurance undertakings within the meaning of Article 2(1) of Council Directive 91/674/EEC of 19 December 1991 on the annual accounts of insurance undertakings; or
- (d) designated by Member States as public-interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees.

3° exceeding, together with its subsidiary undertakings in the meaning of Article 1711-1, paragraph 2, on its balance sheet date on a consolidated basis, the criterion of the average number of 500 employees during the financial year.

For the purpose of the non-financial statements, the undertakings comprised in the consolidation within the meaning of Article 1712-1 shall, as a whole, be referred to as the group.

(2) The parent companies referred to in paragraph 1 shall include in the consolidated management report a consolidated non-financial statement containing information to the extent necessary for an understanding of the group's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:

- 1° a brief description of the group's business model;
- 2° a description of the policies pursued by the group in relation to those matters, including due diligence processes implemented;
- 3° the outcome of those policies;
- 4° the principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the group manages those risks;
- 5° non-financial key performance indicators relevant to the particular business.

Where the group does not pursue policies in relation to one or more of those matters, the consolidated non-financial statement shall provide a clear and reasoned explanation for not doing so.

The consolidated non-financial statement referred to in the first subparagraph shall also, where appropriate, include references to, and additional explanations of, amounts reported in the consolidated financial statements.

Information relating to impending developments or matters in the course of negotiation may be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, position and impact of its activity.

For the disclosure of the information referred to in the first subparagraph, the parent undertaking may rely on national, European Union-based or international frameworks. The parent undertaking shall specify which frameworks it has relied upon.

(3) A parent undertaking fulfilling the obligation set out in paragraph 2 shall be deemed to have fulfilled the obligation relating to the analysis of non-financial information set out in Article 68, paragraph 1, letter b) of the amended law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings. The same applies to the obligation relating to the analysis of non-financial information set out in Article 1720-1, paragraph 1.



(4) A parent undertaking which is also a subsidiary undertaking shall be exempted from the obligation set out in paragraph 2 if that exempted parent undertaking and its subsidiaries are included in the consolidated management report or the separate report of another undertaking, drawn up in accordance with Article 29 and 29a of the above-mentioned Directive 2013/34/EU.

(5) Where a parent undertaking prepares a separate report corresponding to the same financial year, referring to the whole group, whether or not relying on national, European Union-based or international frameworks and covering the information required for the consolidated non-financial statement as provided for in paragraph 2, that parent undertaking is exempted from the obligation to prepare the consolidated non-financial statement laid down in paragraph 2, provided that such separate report:

- 1° is published together with the consolidated management report in accordance with Article 1770-1; or
- 2° is made publicly available within a reasonable period of time, not exceeding six months after the balance sheet date, on the parent undertaking's website, and is referred to in the consolidated management report.

Paragraph 3 shall apply to parent undertakings preparing a separate report as referred to in the first subparagraph of this paragraph.

(6) The *réviseur d'entreprise agréé* [approved statutory auditor] checks whether the consolidated non-financial statement referred to in paragraph 2 or the separate report referred to in paragraph 5 has been provided. »

*(Law of 10 December 2010)*

#### **«Chapter IV - Duty and liability for drawing up and publishing the consolidated accounts and the consolidated management report»**

*(Law of 10 December 2010)*

**«Art. 1740-1.»**

*(Law of 23 July 2016)*

«The members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by law, have collectively the duty to ensure that the consolidated accounts, the consolidated management report and, when provided separately, the consolidated<sup>286</sup> corporate governance statement and the report referred to in Article 1730-1, paragraph 5, are drawn up and published in accordance with the

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<sup>286</sup> Neither the Law of 1915 nor the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings provide for a «consolidated » corporate governance statement.

requirements of this law and, where applicable, in accordance with the international accounting standards<sup>287</sup> adopted in accordance with Regulation (EC) No 1606/2002.»

(Law of 11 July 1988)

## «Chapter V - The auditing of consolidated accounts»

(Law of 11 July 1988)

[2013/34/EU Art. 34.1 and .2]

### «Art. 1750-1.

(Law of 18 December 2009)

(1) «An undertaking which draws up consolidated accounts must have them audited by one or more *réviseurs d'entreprises agréés* [approved statutory auditors].»<sup>288</sup>

(Law of 18 December 2015)

«(2) «The *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] shall:

1° express an opinion on:

- a) whether the consolidated management report is consistent with the consolidated accounts for the same financial year, and
- b) whether the consolidated management report has been prepared in accordance with the applicable statutory requirements;

2° state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the consolidated management report, and in that case shall give an indication of the nature of any such misstatements. »

(Law of 23 July 2016)

3° «paragraph 2 of this Article does not apply to the non-financial statement referred to in Article 1730-1, paragraph 2 nor to the separate report referred to in Article 1730-1, paragraph 5. »<sup>289</sup>

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<sup>287</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>288</sup> As regards certain rules on the appointment, termination and resignation of *réviseurs d'entreprises agréé* [approved statutory auditors], please refer to the footnote under Article 69 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings reproduced in Annex I.

<sup>289</sup> This paragraph was followed by three paragraphs repealed by the Law of 18 December 2015.

(Law of 18 December 2015)

[2013/34/EU Art. 35]

**Art. 1750-2<sup>290</sup>.**

«(1) The *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or the *cabinet(s) de révision agréé(s)* [approved audit firm(s)] shall present the outcome of the statutory audit of the accounts in an audit report. This report shall be drawn up in accordance with such international auditing standards as adopted for the Grand Duchy of Luxembourg by the Commission de surveillance du secteur financier.<sup>291</sup>

(2) The audit report shall be in writing and shall:

- 1° identify the entity whose consolidated accounts are the subject of the statutory audit; specify the relevant consolidated accounts, the balance sheet date and the period covered; and identify the financial reporting framework that has been applied in their preparation;
- 2° contain a description of the scope of the statutory audit of the accounts, which shall, as a minimum, identify the auditing standards in accordance with which the statutory audit was conducted;
- 3° contain an audit opinion, which shall be either unqualified, qualified or an adverse opinion and shall clearly state the opinion of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or *cabinet(s) de révision agréé(s)* [approved audit firm(s)] as to:
  - a) whether the consolidated accounts give a true and fair view in accordance with the relevant financial reporting framework; and
  - b) where appropriate, whether the consolidated accounts comply with statutory requirements.

If the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or the *cabinet(s) de révision agréé(s)* [approved audit firm(s)] are unable to express an audit opinion, the report shall contain a disclaimer of opinion;

- 4° refer to any other matters to which the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or *cabinet(s) de révision agréé(s)* [approved audit firm(s)] draw attention by way of emphasis without qualifying the audit opinion;
- 5° include the audit opinion and the statement, each based on the work performed during the audit, referred to in Article 1750-1, paragraph 2;
- 6° include a statement on potential material uncertainties related to events or to circumstances that may cast significant doubt upon the entity's ability to continue as a going concern;
- 7° specify the place of establishment of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or *cabinet(s) de révision agréé(s)* [approved audit firm(s)].

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<sup>290</sup> This Article should be read together with Article 35 of the Law of 23 July 2016 on the audit profession which is set forth in a footnote under Article 69bis of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

<sup>291</sup> See CSSF Regulation N° 22-01.

(3) Where the statutory audit of the accounts has been carried out by several *réviseurs d'entreprises agréés* [approved statutory auditors] or *cabinets de révision agréés* [approved audit firms], they shall together agree on the outcome of the statutory audit of the accounts and present a joint report and opinion. In case of disagreement, each *réviseur d'entreprises agréé* [approved statutory auditor] or *cabinet de révision agréé* [approved audit firm] shall express its opinion in a paragraph that is separate from the audit report and shall set out the reasons for the disagreement.

(4) The audit report shall be signed and dated by the *réviseur d'entreprises agréé* [approved statutory auditor]. Where a *cabinet de révision agréé* [approved audit firm] carries out the statutory audit of the accounts, the audit report shall bear the signature of at least the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] carrying out the statutory audit of the accounts on behalf of the audit firm. Where several *réviseurs d'entreprises agréés* [approved statutory auditors] or *cabinets de révision agréés* [approved audit firms] have worked at the same time, the audit report shall be signed by all the *réviseurs d'entreprises agréés* [approved statutory auditors] or at least by the *réviseurs d'entreprises agréés* [approved statutory auditors] carrying out the statutory audit of the accounts on behalf of each *cabinet de révision agréé* [approved audit firm].

(5) The report of the *réviseur d'entreprises agréé* [approved statutory auditor] or of the *cabinet de révision agréé* [approved audit firm] on the consolidated accounts shall comply with the requirements set out in paragraphs 1 to 4. In reporting on the consistency of the consolidated management report and the consolidated accounts as required by point 5° of paragraph 2, the *réviseur d'entreprises agréé* [approved statutory auditor] or the *cabinet de révision agréé* [approved audit firm] shall consider the consolidated accounts and the consolidated management report. Where the annual accounts of the parent undertaking are attached to the consolidated accounts, the reports by the *réviseurs d'entreprises agréés* [approved statutory auditors] or *cabinets de révision agréés* [approved audit firms] required by this Article may be combined.»

(Law of 18 December 2015)

## «Chapter VI - Consolidated report on payments to governments

[2013/34/EU Art. 41]

### **Art. 1760-1.**

For the purpose of this Chapter, the following definitions shall apply:

1° «undertaking active in the extractive industry» means an undertaking, all or part of the activities of which consist in the exploration, prospection, discovery, development, and extraction of deposits of minerals, oil, natural gas or other materials, within the economic activities listed in Section B, Divisions 05 to 08 of Annex I to Regulation (EC) No

1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2<sup>292</sup>;

- 2° «undertaking active in the logging of primary forests» means an undertaking with activities in primary forests as referred to in Section A, Division 02, Group 02.2 of Annex I to the above-mentioned Regulation (EC) No 1893/2006<sup>293</sup>;
- 3° «government» means any national, regional or local authority of a Member State<sup>294</sup> or of a third country. It includes a department, agency or undertaking controlled by that authority within the meaning of Articles 1711-1 to 1711-3;
- 4° «project» means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities to a government. None the less, if multiple such agreements are interconnected in a substantive manner, they shall be considered as one project;
- 5° «payment» means an amount paid, in cash or in kind, for activities as described in points 1° and 2°, of the following types:
- a) production based payment claims<sup>295</sup>;
  - b) taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes;
  - c) royalties;
  - d) dividends;
  - e) signature, discovery and production bonuses;
  - f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and
  - g) payments for infrastructure improvements.
- 6° «large undertaking» means an undertaking organised as a *société anonyme*, *société européenne*, *société en commandite par actions*, *société à responsabilité limitée* or as one of types of companies referred to in Article 77, paragraph 2, items 2° and 3° of the above-mentioned Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, and which, on its balance sheet date, exceeds the limits of at least two of the three criteria referred to in Article 47 of the above-mentioned amended Law of 19 December 2002;
- 7° «public-interest entities» means undertakings within the meaning of Article 2, point 1) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related

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<sup>292</sup> 05: Mining of coal and lignite; 06: Extraction of crude petroleum and natural gas, 07: Mining of metal ores, 08: Other mining and quarrying (inter alia stone, sand, clay, gypsum, chemical minerals, peat, salt).

<sup>293</sup> Logging.

<sup>294</sup> See definition in the sixth paragraph of Article 100-2.

<sup>295</sup> Translation based on the German version of the directive: *Produktionszahlungsansprüche*.

reports of certain types of undertakings<sup>296</sup>;

- 8° «subsidiary undertaking» means an undertaking as defined in Article 1711-1, paragraph 2;
- 9° «parent undertaking» means an undertaking as defined in Article 1711-1, paragraph 2;
- 10° «group» means all of the undertakings included in the consolidation within the meaning of Article 1712-1;
- 11° «affiliated undertakings» means any two or more undertakings which are connected as described in Article 1790-2, paragraph 1.

[2013/34/EU Art. 44]

**Art. 1760-2.**

(1) Any large undertaking or any public-interest entity active in the extractive industry or the logging of primary forests must draw up a consolidated report on payments to governments in accordance with Article 1760-3 if that parent undertaking is under the obligation to prepare consolidated accounts.

A parent undertaking is considered to be active in the extractive industry or the logging of primary forests if any of its subsidiary undertakings is active in the extractive industry or the logging of primary forests.

The consolidated report shall only include payments resulting from extractive operations and/or operations relating to the logging of primary forests.

(2) The obligation to draw up the consolidated report referred to in paragraph 1 shall not apply to:

- 1° a parent undertaking of a group which on its balance sheet date does not exceed the numerical limits of at least two of the three criteria referred to in Article 1711-4, except where one of its affiliated undertakings is a public-interest entity;
- 2° a parent undertaking (...) <sup>297</sup> which is also a subsidiary undertaking, if its own parent undertaking is governed by the law of a Member State.

(3) An undertaking, including a public-interest entity, need not be included in a consolidated report on payments to governments where at least one of the following conditions is fulfilled:

- 1° severe long-term restrictions substantially hinder the parent undertaking in the exercise of its rights over the assets or management of that undertaking;
- 2° extremely rare cases where the information necessary for the preparation of the consolidated report on payments to governments in accordance with this Chapter cannot be obtained without disproportionate expense or undue delay;
- 3° the shares of that undertaking are held exclusively with a view to their subsequent resale.

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<sup>296</sup> The Law of 23 July 2016 on the audit profession contains a definition of «public-interest entities». See the footnote under Article 443-1.

<sup>297</sup> Terms deleted by the Law of 7 August 2023.

The above exemptions shall apply only if they are also used for the purposes of the consolidated accounts.

[2013/34/EU Art. 43]

**Art. 1760-3.**

(1) Any payment, whether made as a single payment or as a series of related payments, need not be taken into account in the report if it is below 100,000 euros within a financial year.

(2) The report shall disclose the following information in relation to activities as described in points 1° and 2° of Article 1760-1 in respect of the relevant financial year:

- 1° the total amount of payments made to each government;
- 2° the total amount per type of payment as specified in point 5°, letters a) to g) of Article 1760-1 made to each government;
- 3° where those payments have been attributed to a specific project, the total amount per type of payment as specified in point 5., a) to g) of Article 1760-1, made for each such project and the total amount of payments for each such project.

Payments made by the undertaking in respect of obligations imposed at entity level may be disclosed at the entity level rather than at project level.

(3) Where payments in kind are made to a government, they shall be reported in value and, where applicable, in volume. Supporting notes shall be provided to explain how their value has been determined.

(4) The disclosure of the payments referred to in this Article shall reflect the substance, rather than the form, of the payment or activity concerned. Payments and activities may not be artificially split or aggregated to avoid the application of this Chapter.

[2013/34/EU Art. 45.1]

**Art. 1760-4.**

The consolidated report on payments to governments referred to in this Chapter shall be published on the *Recueil électronique des sociétés et associations*. This publication shall be made by way of a reference to the filing at the register of commerce and companies deposited within twelve months of the end of the financial year covered by the report<sup>298</sup>.

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<sup>298</sup> Law of 22 May 2020 on the extension of deadlines for the filing and publication of annual accounts, consolidated accounts and related reports during the state of crisis.

Art. 2. By derogation from the provisions of the amended Law of 10 August 1915 on commercial companies, the following are extended by three months: (...)

2° the period for publication of the report on payments to governments on the *Recueil électronique des sociétés et associations* referred to in Article 1760-4 of the Law of 10 August 1915 mentioned above. (...)

Art. 5. This law only applies to annual accounts, consolidated accounts as well as related reports and annual general meetings in relation to the financial year closed as at the date of the end of the state of crisis as extended of 24 March 2020 extending the state of crisis declared by Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19 and for which the deadlines for filing and publication or holding had not expired by 18 March 2020.

This Law shall enter into force on the day of its publication in the Official Journal of the Grand Duchy of Luxembourg. [This Law entered into force on 29 May 2020.]

[2013/34/EU Art. 45.2]

**Art. 1760-5.**

The members of the responsible bodies of an undertaking, acting within the competences assigned to them by law, have responsibility for ensuring that, to the best of their knowledge and ability, the consolidated report on payments to governments is drawn up and published in accordance with the requirements of this Chapter.

[2013/34/EU Art. 46]

**Art. 1760-6.**

Undertakings referred to in Article 1760-2 that prepare and make public a consolidated report complying with third-country reporting requirements assessed, in accordance with Article 47 of the above-mentioned Directive 2013/34/EU, as equivalent to the requirements of this Chapter<sup>299</sup> are exempt from the requirements of this Chapter except for the obligation to publish this report in accordance with Article 1760-4.

(Law of 11 July 1988)

## «Chapter VII - The publication of consolidated accounts»

(Law of 11 July 1988)

[2013/34/EU Art. 30]

**«Art. 1770-1.**

(Law of 18 December 2009)

«(1) Consolidated accounts, duly approved, and the consolidated management report, together with the opinion submitted by the (Law of 10 December 2010) «réviseur(s) d'entreprises agréé(s) [approved statutory auditor(s)]» entrusted with the auditing of the consolidated accounts, shall be published for the company which drew up the consolidated accounts as laid down by Article 100-13.»<sup>300</sup>

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<sup>299</sup> The equivalence of third-country requirements must be acknowledged by an implementing act of the European Commission.

<sup>300</sup> Law of 22 May 2020 on the extension of deadlines for the filing and publication of annual accounts, consolidated accounts and related reports during the state of crisis.

Art. 2. By derogation from the provisions of the amended Law of 10 August 1915 on commercial companies, the following are extended by three months:

1° the publication of consolidated accounts and related reports referred to in Article 1770-1 paragraph 1 of the Law of 10 August 1915 mentioned above; (...)

Art. 5. This law only applies to annual accounts, consolidated accounts as well as related reports and annual general meetings in relation to the financial year closed as at the date of the end of the state of crisis as extended of 24 March 2020 extending the state of crisis declared by Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19 and for which the deadlines for filing and publication or holding had not expired by 18 March 2020.

This Law shall enter into force on the day of its publication in the Official Journal of the Grand Duchy of Luxembourg. [This Law entered into force on 29 May 2020.]



*(Law of 30 July 2013)*

«(2) Consolidated accounts and the consolidated management report are drawn up in only one language. For this purpose, the parent company is free to use the German or the English language instead of the French language.»

(3) *(Law of 10 December 2010)* «Article 79 paragraph 1, sub-paragraphs 2 and 3, of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings» shall apply with respect to the consolidated management report.

(4) *(Law of 10 December 2010)* «Articles 80 and 81 of the above-mentioned Law of 19 December 2002 shall apply.

*(Law of 10 December 2010)*

«(5) Paragraph 2 shall not apply to companies whose securities are admitted to trading on a regulated market<sup>301</sup> of a Member State<sup>302</sup> (...) <sup>303</sup> within the meaning of *(Law of 7 August 2023)* «Article 1, item 31, of the amended Law of 30 May 2018 on markets in financial instruments.»

*(Law of 10 December 2010)*

### **«Chapter VIII - Consolidated Accounts prepared in accordance with international accounting standards»**

*(Law of 10 December 2010)*

[*EC Regulation No 1606/2002, Art. 5*]

#### **«Art. 1780-1.**

A company whose securities are not admitted to trading on a regulated market<sup>304</sup> of a Member State<sup>305</sup> (...) <sup>306</sup> within the meaning of *(Law of 7 August 2023)* «Article 1, item 31, of the amended Law of 30 May 2018 on markets in financial instruments», have the option to derogate from the provisions of Title XVII of this law and to establish their consolidated accounts in accordance with international accounting standards adopted in accordance with the procedure provided by Article 6, paragraph 2, of Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards<sup>307</sup>.

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<sup>301</sup> For the definition of this term, see the footnote under Article 1711-4.

<sup>302</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. See also the definition of «Member State» in the sixth paragraph of Article 100-2.

<sup>303</sup> Terms deleted by the Law of 7 August 2023.

<sup>304</sup> Please see footnote under Article 1711-4 for the definition of this term.

<sup>305</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. See also the definition of «Member State» in the sixth paragraph of Article 100-2.

<sup>306</sup> Terms deleted by the Law of 7 August 2023.

<sup>307</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

However, in that case, the relevant companies remain subject to the provisions of Articles 1711-1 to 1711-7, 1712-19, points 2° to 5°, 11°, 13° to 15°, 1712-20, paragraph 1, 1720-1, 1730-1, 1750-1 and 1780-2.»

(Law of 29 July 1993)

«Art. 1780-2. »

(abrogated by the Law of 7 August 2023)

## «Chapter IX - Miscellaneous provisions»

(Law of 11 July 1988)

«Art.1790-1. »

(abrogated by the Law of 7 August 2023)

(Law of 11 July 1988)

[2013/34/EU Art. 2.12 and Art. 2.3]

«Art. 1790-2.

(1) Undertakings which are connected as described in Article 1711-1, paragraph 1 and those other undertakings which are similarly connected with one of the aforementioned undertakings, shall be affiliated undertakings for the purposes of (Law of 30 July 2013) «Title II of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings» and for the purposes of this Title.

(Law of 10 December 2010)

(2) «The term «affiliated party<sup>308</sup>» shall have the same meaning as in international accounting standards adopted in accordance with Regulation (EC) n° 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>309</sup>. »

(3) Article 1711-2 and Article 1711-3, paragraph 2, shall apply.

(4) Parent companies which do not have the legal form of a *société anonyme*, (Law of 30 July 2013) «a *société européenne* (SE)», a *société en commandite par actions*, a *société à responsabilité limitée* (Law of 30 July 2013) «or a company referred to in Article 77, paragraph 2, items 2° and 3°, of the above-mentioned Law of 19 December 2002 » and which are therefore not required to draw up consolidated accounts and a consolidated management report shall be excluded from the application of paragraph 1.»<sup>310</sup>

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<sup>308</sup>For the definition of «affiliated party» see the note following the Grand-Ducal Regulation of 18 December 2015 set out in Annex I below. In addition Article 1712-19 9° also contains a reference to the definition of this term.

<sup>309</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>310</sup> Former article 344-1 which followed this Article has been repealed by the Law of 10 December 2010.

## Annex I

### Chapters I, Ibis, II, IIbis, IIter, IIquater and IV of Title II of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings<sup>311,312</sup>

#### TITLE II

On accounting books and annual accounts of undertakings<sup>313</sup>

#### Chapter I. - On the obligation to keep accounting books and draw up and deposit annual accounts

##### Art. 24.<sup>314</sup>

Title II. - On commercial books, of Book I of the Commercial Code is amended as follows:

##### «Art. 8.

For the application of this Title, «undertakings» are

- 1° individuals who are business persons;
- 2° (*Law of 30 July 2013*) «commercial companies vested with legal personality, European economic interest groupings and economic interest groupings»;

(*Law of 12 July 2013*)

- 3° «*sociétés en commandite spéciale.*»

Individual business persons not domiciled in Luxembourg, foreign law undertakings referred to sub 2° in the first paragraph and European economic interest groupings with registered seat abroad are only subject to the provisions of this (*Law of 30 July 2013*) «title» in respect of their branches or seats of activity established in Luxembourg. Their branches and seats of activity established in the country are together considered as one undertaking. Books, accounts and supporting documents concerning such seats and branches must be kept in Luxembourg.

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<sup>311</sup> In accordance with Article IV point 1. of the Law of 18 December 2015, the provisions of that law shall apply for the first time to the annual accounts and to the related reports of the financial years starting on 1 January 2016 or during calendar 2016.

<sup>312</sup> In accordance with Article 4 of the Law of 30 July 2013, undertakings may decide not to apply the provisions of that law to financial years which have not yet ended as of 5 October 2013.

<sup>313</sup> The Law of 10 December 2010 has amended certain provisions of this Title. In accordance with Article 4 of such law, undertakings have the option to disapply the Law of 10 December 2010 to their financial year which is ongoing on 21 December 2010.

<sup>314</sup> Article 24 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém.A - 149 of 31 December 2002, p.3630) amending Title II of Book I of the Commercial Code.

**Art. 9.**

Each undertaking must keep accounting books which are appropriate to the nature and extent of its activities and comply with the specific legal provisions which are relevant for those activities.

**Art. 10.**

The accounting books of legal entities shall take into account all their transactions, assets and rights of any kind and all their liabilities, obligations and commitments of any kind.

The accounting books of business persons who are individuals shall take into account those same items where they relate to the business activity of such individuals; they shall separately state the equity allocated to that business activity.

**Art. 11.**

(*Law of 30 July 2013*) «The accounting books shall be kept in accordance with a system of books and accounts which comply with the standard rules of double entry bookkeeping, except for individual business persons referred to in Article 13, sub-paragraph 1, who are entitled to keep simplified accounting books.»

All transactions are recorded without delay, fairly and without omission and in chronological order, either in a single ledger, or in a system of specialised ledgers. In the latter case, all data recorded in specialised ledgers are reported in a single centralised ledger together with an indication of the various accounts affected.

**Art. 12.**

Accounts used are defined in a chart of accounts which is appropriate for the undertaking's activities. The chart of accounts is permanently kept at the registered office of the undertaking to be available to all who are concerned by it.

(*Law of 30 July 2013*) «The content of a standard chart of accounts is determined by a Grand Ducal regulation<sup>315</sup>.»

**Art. 13.**

(*Law of 18 December 2015*)

«Individual business persons whose turnover for the last financial year, excluding value added tax, does not exceed 100,000 euros, have the option to not keep their accounting books in accordance with the requirements of Article 12, 2nd paragraph. Such an option also exists for *sociétés en nom collectif* and *sociétés en commandite simple* except for those referred to in Article 77, 2<sup>nd</sup> paragraph, points 2° and 3° of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings. This option exists for *sociétés en commandite spéciale* regardless of their turnover.»

The amount referred to in the first paragraph can be modified by Grand Ducal regulation.

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<sup>315</sup> Grand-Ducal regulation of 12 September 2019 on the content of the revised standard chart of accounts referred to in article 12 of the Commercial Code (Mémorial A N°631 of 23 September 2019). The standard chart of accounts attached to the latter regulation applies to financial years beginning on or after 1st January 2020, save for those provisions referred to in its article 13(2).

In case the financial year has a duration of less or more than 12 months, the amount referred to in the first paragraph is multiplied by a fraction, the denominator of which is 12 and the numerator of which is the number of months included in the relevant financial year, any incomplete month being counted as a full month.

Individual business persons and *sociétés en nom collectif* or *société en commandite simple* which launch their activities, are entitled not to keep their accounting books in accordance with the requirements of Article 12, as long as forecasts established on a good faith basis show that the turnover, excluding value added tax, expected to be reached at the end of the first financial year does not exceed the amount referred to in the first paragraph, calculated, where necessary, in accordance with the previous paragraph.

(Law of 30 July 2013) «Article 12 does not apply to credit institutions, insurance and reinsurance companies, or to undertakings of the financial sector which are subject to the prudential supervision of the *Commission de Surveillance du Secteur Financier (CSSF)*<sup>316</sup>, except for support PFS referred to in sub-section 3 of section 2 of chapter 2 of part I of the amended Law of 5 April 1993 on the financial sector.»

**Art. 14.**

Supporting documents, correspondence received and copies of the outgoing correspondence must be kept in a chronological order and by following a methodical classification.

**Art. 15.**

Any undertaking shall draw up once a year a complete inventory of its assets and rights of any kind and of its liabilities, obligations and commitments of any kind.

After their reconciliation with the inventory, the accounting books shall be summarised in a descriptive document which shall form the annual accounts.

**Art. 16.**

With the exclusion of the balance sheet and the profit and loss account, the documents and the information referred to in articles 11, 12, 14 and 15 can be archived in copy form. These copies shall have the same value in evidence as original documents of which they are presumed, unless proven otherwise, to be an accurate copy when they are made in the framework of a consistently followed management method and provided that they comply with the conditions set forth by a Grand Ducal regulation.

The documents and the information referred to articles 11, 12, 14 and 15, regardless of the form in which they are archived, must be kept for ten years starting at the end of the financial year to which they relate.

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<sup>316</sup> According to Article 2(1) of the Law of 23 December 1998 establishing a Commission de Surveillance du Secteur Financier, as amended: «The CSSF is the competent authority for the prudential supervision of credit institutions, PFS within the meaning of the Law of 5 April 1993 on the financial sector, alternative investment fund managers authorised under the Law of 12 July 2013 on alternative investment fund managers, undertakings for collective investment, pension funds having the form of a SEPCAV for an ASSEP, authorised securitisation undertakings, fiduciary-representatives acting with respect to securitisation undertakings and SICARs as well as payment institutions and electronic money institutions within the meaning of the Law of 10 November 2009 on payment services.»

(Law of 25 July 2015)

«Copies in digital form made by a dematerialisation or preservation service provider shall have, in the absence of proof to the contrary, the same value in evidence as the original document or the instrument deemed to be the original.

A copy may not be dismissed by the judge solely on the grounds that it is in electronic form or that it has not been made by a dematerialisation service provider. »

**Art. 17.**

Duly and regularly kept business accounting books may be accepted by the judge as evidence of commercial facts and transactions between business persons.

**Art. 18.**

The accounting books which business undertakings are obliged to keep, and with respect to which they have not complied with the above requirements, can neither be used as evidence or prove any matter in courts to the benefit of those who kept them; without prejudice to the provisions of the Book [of the Commercial Code] on Bankruptcy and Fraudulent Insolvency.

**Art. 19.**

In a litigation, the communication of the accounting books may be ordered by the judge, even on his own initiative, in order to withdraw therefrom any information concerning the dispute.

**Art. 20.**

In case the accounting books which are offered, requested or ordered to be presented are located in a place which is distant from the court hearing the dispute, the court may address a formal assistance request to the *Tribunal d'Arrondissement* [District Court] sitting in commercial matters of the relevant location or delegate a *juge de paix*, to review the accounting books, draw up a report on their content and provide such report to the court hearing the case.

**Art. 21.**

If the party to the dispute whose books are proposed [by the other party] to be recognised as [determining] evidence refuses to communicate them, the judge may order that the other party has the right to settle the litigation by its declaration under oath.

(Law of 7 August 2023)

## «Chapter *Ibis*. – Definitions

**Art. 24bis.**

Unless otherwise specified, for the purposes of this law, the following definitions shall apply

1 ° «Member States» : the Member States of the European Union and the States party to the Agreement on the European Economic Area other than the Member States of the

European Union, within the limits defined by that Agreement and the acts relating thereto;

2 ° «regulated market of a Member State» : means a regulated market<sup>317</sup> of a Member State within the meaning of Article 1, point 31, of the amended law of 30 May 2018 on markets in financial instruments. »

(Law of 30 July 2013)

## «Chapter II. – On the preparation of annual accounts»<sup>318, 319</sup>

### Section 1. - General provisions

#### Art. 25.

(Law of 10 December 2010)

«The present Chapter applies to the undertakings referred to in Article 8 of the Commercial Code except for

- 1° individuals who are business persons, (Law of 12 July 2013) «*sociétés en commandite spéciale*» and *sociétés en nom collectif* or *en commandite simple*, referred to in Article 13 of the Commercial Code;
- 2° (Law of 23 July 2016) « insurance and re-insurance companies; »
- 3° *sociétés d'épargne-pension à capital variable* (savings-pension companies with variable capital).

This Chapter applies to *sociétés d'investissement à capital variable* (SICAV, investment companies with variable capital) and to financial holding companies, referred to in Articles 30 and 31 except where this law provides for a derogation therefrom.»

(Law of 23 July 2016)

«Credit establishments are excluded from the scope of the present Chapter with the exception of Articles 68*bis* and 68*ter* regarding the publication of non-financial information and information on diversity. »

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<sup>317</sup> For the definition of this term, see the footnote under Article 1711-4 of the Law of 1915.

<sup>318</sup> Footnotes will indicate the number of the abrogated article of the Law of 1915 which corresponds at least in essence to the relevant provision. There may however be differences between the now abrogated provisions of the Law of 1915 and those of the Law of 2002.

<sup>319</sup> Pursuant to Regulation (EC) n°1606/2002, of the European Parliament and of the Council of 19 July, 2002 on the application of international accounting standards, a Member State may permit or require listed companies to prepare their annual accounts and companies other than listed companies to prepare their consolidated and/or their annual accounts in conformity with «international accounting standards» meaning the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and related interpretations and interpretations and standards adopted in the future by the International Accounting Standards Board (IASB). This option was introduced in Luxembourg by the Law of 10 December 2010 on the introduction of international accounting standards (Mémorial A-225 of 17 December 2010; doc. parl. 5976). See also Article 72*bis* hereafter and Article 1780-1 of the Law of 1915 with respect to consolidated accounts.

**Art. 26.**<sup>320</sup>

(1) The annual accounts referred to in Article 15 of the Commercial Code comprise the balance sheet, the profit and loss account and the notes to the accounts; these documents shall constitute a composite whole.

*(Law of 10 December 2010) «Undertakings may include other statements in the annual accounts in addition to the documents referred to in the first sub-paragraph.»*

(2) The annual accounts shall be drawn up clearly and in accordance with the provisions of this Chapter.

(3) The annual accounts shall give a true and fair view of the undertaking's assets, liabilities, financial position and results.

(4) Where the application of the provisions set out hereafter would not be sufficient to give a true and fair view within the meaning of paragraph (3), additional information must be given.

(5) Where in exceptional cases the application of a provision of this Chapter is incompatible with the obligation laid down in paragraph (3) above, that provision must be derogated from in order to give a true and fair view within the meaning of paragraph (3). Any such derogation must be disclosed in the notes to the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and results.

(6) *(Law of 18 December 2015) «Where a provision of this Title refers to the term «material», this term shall mean the status of information where its omission or misstatement could reasonably be expected to influence decisions that users make on the basis of the annual accounts of the undertaking. The materiality of individual items shall be assessed in the context of other similar items.»*

**Art. 27.**

The Minister of Justice can, in special cases and on the reasoned opinion of the *Commission des normes comptables*, grant derogations from the rules issued under Articles 11, 12 and 15 of the Commercial Code, the provisions of this Chapter (*Law of 30 July 2013*) «and of Chapter IV of Title II of this law as well as the provisions of (*Law of 7 August 2023*) «Title XVII of the above-mentioned Law of 10 August 1915. »<sup>321</sup>»

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<sup>320</sup> Corresponds to abrogated Article 205 of the Law of 1915, except for later amendments.

<sup>321</sup> Pursuant to Regulation (EC) n°1606/2002, of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, a Member State may permit or require listed companies to prepare their annual accounts and companies other than listed companies to prepare their consolidated and/or their annual accounts in conformity with «international accounting standards» meaning the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and related interpretations and interpretations and standards adopted in the future by the International Accounting Standards Board (IASB). This option was introduced in Luxembourg by the Law of 10 December 2010 on the introduction of international accounting standards (Mémorial A – 225 of 17 December 2010; doc. parl. 5976). See also Art. 72bis hereafter and Article 1780-1 of the Law of 1915 with respect to consolidated accounts.



*(Law of 10 December 2010)*

«A Grand Ducal regulation may, after advice has been taken from the *Commission des normes comptables*, authorise the undertakings referred to in Article 25 or certain categories thereof to derogate from the rules adopted under Articles 11, 12 and 15 of the Commercial Code, the provisions of this Chapter and Chapter *(Law of 30 July 2013)* «IV of Title II of this law» and the provisions of *(Law of 7 August 2023)* «Title XVII of the above-mentioned Law of 10 August 1915».»

*Section 2. - General provisions concerning the balance sheet and the profit and loss account*

*[2013/34/EU Art. 9.1]*

**Art. 28.**<sup>322</sup>

*(Law of 30 July 2013)*

«The layout of the balance sheet and of the profit and loss account, particularly as regards the form adopted for their presentation, may not be changed from one financial year to the next». (...) *(The last two sentences were abrogated by the Law of 30 July 2013)*

*[2013/34/EU Art. 9]*

**Art. 29.**

*(Law of 18 December 2015)*

(1) «In the balance sheet and in the profit and loss account, the items must be shown separately in the order indicated in the Grand Ducal regulations enacted pursuant to Articles 34, 35 paragraph (1), 46 and 47 paragraph (1)<sup>323</sup>.»

(...) *(Paragraph abrogated by the Law of 30 July 2013)*

(...) *(Paragraph abrogated by the Law of 30 July 2013)*

(2<sup>324</sup>) In respect of each balance sheet and profit and loss account item, the figure relating to the corresponding item for the preceding financial year must be shown. Where the figures from one year are not comparable to figures of the next year and where the figures of the preceding year have been adjusted, this must be disclosed in the notes to the accounts, with relevant comments.

(...) *(Paragraph abrogated by the Law of 30 July 2013)*

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<sup>322</sup> Corresponds to abrogated Article 206 of the Law of 1915, except for later amendments.

<sup>323</sup> Grand-Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém. A – 258 of 28 December 2015, p. 6239), set out at the end of this Annex.

<sup>324</sup> Paragraph renumbered by the Law of 30 July 2013.

«(3<sup>325</sup>) (*Law of 18 December 2015*) «The presentation of amounts within the profit and loss account and the balance sheet may have regard to the substance of the relevant transaction or arrangement.»

**Art. 30.**<sup>326</sup>

(1) (*Law of 30 July 2013*) «By way of derogation from paragraph (1) of Article 29, investment companies shall draw up their annual accounts in accordance with the rules laid down on the basis of Article 151 (3) and (5) of the amended Law of 17 December 2010 relating to undertakings for collective investment or of Article 52, paragraph (4) of the amended Law of 13 February 2007 relating to specialised investment funds.

[2013/34/EU Art. 2.14]

For the purpose of this Article, investment companies shall be understood as companies, the exclusive object of which is to invest their funds in various transferable securities, real estate or other assets with the sole purpose of spreading the investment risks and giving their shareholders the benefit of the results of the management of their assets.»

(2) (*Law of 30 July 2013*) «By way of derogation from paragraph (1) of Article 29, a Grand Ducal regulation may prescribe a particular layout for the balance sheet and profit and loss account of those companies associated with fixed-capital investment companies if the sole object of those associated companies is to acquire fully paid shares issued by those investment companies.»

**Art. 31.**<sup>327</sup>

(1) (*Law of 30 July 2013*) «By way of derogation from paragraph (1) of Article 29, financial holding companies may draw up their balance sheet and profit and loss account in accordance with a special layout prescribed by Grand Ducal regulation<sup>328</sup>.»

[2013/34/EU Art. 2.15]

(2) The financial holding companies referred to above are those companies the sole object of which is to acquire holdings in other undertakings and manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those undertakings, without prejudice to the rights of the financial holding companies as shareholders or members.

[2013/34/EU Art. 9.6]

**Art. 32.**<sup>329</sup>

A Grand Ducal regulation may amend the layouts of the balance sheet and profit and loss accounts in order to include the appropriation of profit or the treatment of loss.

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<sup>325</sup> Paragraph renumbered by the Law of 30 July 2013.

<sup>326</sup> Corresponds to abrogated Article 208 of the Law of 1915, except for later amendments and is sourced from Article 5 of Directive 78/660/EEC of which paragraph 1. has not been taken over by Directive 2013/34/EU.

<sup>327</sup> Corresponds to abrogated Article 209 of the Law of 1915, except for later amendments and is sourced from Article 5 of Directive 78/660/EEC of which paragraph 1. has not be taken over by Directive 2013/34/EU.

<sup>328</sup> In respect of abrogated Article 209 of the Law of 1915, this is the Grand Ducal regulation of 29 June 1984.

<sup>329</sup> Corresponds to abrogated Article 210 of the Law of 1915.

[2013/34/EU Art. 6.1 point g) and 6.2]

**Art. 33.**<sup>330</sup>

(Law of 18 December 2015)

«Any set-off between asset and liability items or between income and expenditure items shall be prohibited without prejudice to the cases where there is a right of set-off pursuant to the law. In cases where a set-off has been performed between asset and liability items or between income and expenditure items, the amounts set-off shall be specified as gross amounts in the notes to the accounts.»

### Section 3. - Layout of the balance sheet

[2013/34/EU Annex III]

**Art. 34.**<sup>331</sup>

(Law of 18 December 2015)

«A Grand Ducal regulation to be made with the benefit of an opinion of the *Commission des normes comptables* shall determine the form and content of the layouts of the balance sheet<sup>332</sup>.

[2013/34/EU Art. 3.2 and Art. 14.1]

**Art. 35.**<sup>333</sup>

(Law of 18 December 2015)

«(1) Undertakings which on their balance sheet dates do not exceed the limits of at least two of the following three criteria:

- |   |                   |
|---|-------------------|
| - balance sheet total:  | 4.4 million euros |
| - Net turnover:   | 8.8 million euros |
| - average number of full-time staff employed during the financial year: | 50                |

may draw up an abridged balance sheet, the form and content of which shall be determined by a Grand Ducal regulation to be made with the benefit of an opinion of the *Commission des normes comptables*<sup>334</sup>.

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<sup>330</sup> Corresponds to abrogated Article 211 of the Law of 1915, except for later amendments.

<sup>331</sup> Corresponds to abrogated Article 213 of the Law of 1915, except for later amendments.

<sup>332</sup> Grand-Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém. A – 258 of 28 December 2015, p. 6239), set out at the end of this Annex.

<sup>333</sup> Corresponds to abrogated Article 215 of the Law of 1915, except for later amendments.

<sup>334</sup> Grand-Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém. A – 258 of 28 December 2015, p. 6239), set out at the end of this Annex.

This option does however not apply to undertakings whose securities are admitted to trading (Law of 7 August 2023) «on a regulated market of a Member State »<sup>335</sup>»

(2) The amounts stated above may be amended by Grand Ducal regulation.

[2013/34/EU Art. 3]

**Art. 36.**<sup>336</sup>

(1) Where on its balance sheet date an undertaking exceeds or ceases to exceed the limits of two of the three criteria indicated in Article 35, that fact shall affect the application of the derogation provided for in that Article only if it occurs in two consecutive financial years.

(...) (Paragraph abrogated by the Law of 18 December 2015)

[2013/34/EU Art. 12]

**Art. 37.**<sup>337</sup>

(1) Where an asset or liability relates to more than one layout item, its relationship to other items must be disclosed either under the item where it appears or in the notes to the accounts, if such disclosure is necessary for the comprehension of the annual accounts.

(2) Own shares and own corporate units and those in affiliated undertakings<sup>338</sup> may be shown only under the items prescribed for that purpose.

[2013/34/EU Art. 16.1 point d)]

**Art. 38.**<sup>339</sup>

(Law of 18 December 2015)

«The total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any *in rem* security which have been provided must be set out in the notes to the accounts. Any commitments concerning pensions and affiliated or associated undertakings shall be disclosed separately.»

#### *Section 4. - Special provisions relating to certain balance sheet items*

**Art. 39.**<sup>340</sup>

[2013/34/EU Art. 12.3]

(1) Whether particular assets are to be shown as fixed assets or current assets shall depend upon the purpose for which they are intended.

[2013/34/EU Art. 2.4]

(2) Fixed assets shall comprise those assets which are intended for use on a continuing basis for the purposes of the undertaking's activity.

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<sup>335</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24*bis*.

<sup>336</sup> Corresponds to abrogated Article 216 of the Law of 1915.

<sup>337</sup> Corresponds to abrogated Article 217 of the Law of 1915.

<sup>338</sup> For the definition of this term, see Article 1790-2 (1) of the Law of 1915.

<sup>339</sup> Corresponds to abrogated Article 218 of the Law of 1915.

<sup>340</sup> Corresponds to abrogated Article 219 of the Law of 1915, except for later amendments.

[2013/34/EU Art. 17.1. point a)]

- (3) a) (*Law of 30 July 2013*) «Movements in the various fixed asset items shall be shown in the notes to the accounts. To this end there shall be shown separately for each fixed asset item, starting with the purchase price or production cost, on one hand, additions, disposals and transfers during the financial year and, on the other, cumulative value adjustments at the balance sheet date and the rectifications made during the financial year to the value adjustments of previous financial years. Value adjustments shall be shown in the notes to the accounts.»
- b) If, when annual accounts are drawn up in accordance with this Section for the first time, the purchase price or production cost of a fixed asset cannot be determined without undue expense or delay, the residual value at the beginning of the financial year may be treated as the purchase price or production cost. Any application of the present sub-paragraph b) must be disclosed in the notes to the accounts.
- c) Where Article 54 is applied, the movements in the various fixed asset items referred to in sub-paragraph a) of this paragraph shall be shown starting with the purchase price or production cost resulting from revaluation.
- (4) Paragraph (3) points a) and b) shall apply to the presentation of «Formation expenses».

[2013/34/EU Art. 14.1]

- (5) Paragraph (3) a) and paragraph (4) shall not apply to the abridged balance sheet of the undertakings referred to in Article 35.

[2013/34/EU Art. 12.4]

**Art. 40.**<sup>341</sup>

Rights to immovables and other similar rights as defined by civil law must be shown under «Land and Buildings».

[2013/34/EU Art. 2.2]

**Art. 41.**<sup>342</sup>

(*Law of 30 July 2013*)

«For the purposes of this Chapter, participating interest shall mean rights in the capital of other undertakings, whether or not represented by certificates, which, by creating a durable link with those undertakings, are intended to contribute to the undertaking's activities. The holding of part of the capital of another undertaking shall be presumed to constitute a participating interest where it exceeds twenty per cent.»

**Art. 42.**<sup>343</sup>

Expenditure incurred during the financial year but relating to a subsequent financial year must be shown under the asset item «Regularisation accounts/prepayments and accruals».

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<sup>341</sup> Corresponds to abrogated Article 220 of the Law of 1915.

<sup>342</sup> Corresponds to abrogated Article 221 of the Law of 1915, except for later amendments.

<sup>343</sup> Corresponds to abrogated Article 222 of the Law of 1915 and is sourced from Article 18 of Directive 78/660/EEC which has not been taken over by Directive 2013/34/EU.

[2013/34/EU Art. 2.8]

**Art. 43.**<sup>344</sup>

Value adjustments shall comprise all adjustments intended to take account of reductions in the values of individual assets established at the balance sheet date, whether that reduction is final or not.

[2013/34/EU Art. 12.12]

**Art. 44.**<sup>345</sup>

- (1) (*Law of 10 December 2010*) «Provisions are intended to cover losses or debts the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.»
- (2) (*Law of 18 December 2015*) «Provisions may also be created in order to cover charges which have their origin in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred, or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.»
- (3) (*Law of 10 December 2010*) «Provisions may not be used to adjust the values of assets.»

**Art. 45.**<sup>346</sup>

Income received before the balance sheet date, but relating to a subsequent financial year, must be shown under the liabilities item «Regularisation accounts/accruals and deferred income».

*Section 5. - Layout of the profit and loss account*

**Art. 46.**<sup>347</sup>

(*Law of 18 December 2015*)

«A Grand Ducal regulation to be made with the benefit of an opinion of the *Commission des normes comptables* shall determine the form and content of the layouts of the profit and loss account<sup>348</sup>.»

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<sup>344</sup> Corresponds to abrogated Article 223 of the Law of 1915.

<sup>345</sup> Corresponds to abrogated Article 224 of the Law of 1915, except for later amendments.

<sup>346</sup> Corresponds to abrogated Article 225 of the Law of 1915 and is sourced from Article 21 of Directive 78/660/EEC which has not been taken over by Directive 2013/34/EU.

<sup>347</sup> Corresponds to abrogated Article 228 of the Law of 1915, except for later amendments.

<sup>348</sup> Grand-Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém. A – 258 of 28 December 2015, p. 6239), set out at the end of this Annex.

[2013/34/EU Art. 3.3 and 14.2]

**Art. 47.**<sup>349</sup>

(Law of 18 December 2015)

«(1) Undertakings which on their balance sheet date do not exceed the limits of at least two of three of the following criteria:

- balance sheet total: 20 million euros
- net turnover: 40 million euros
- average number of full-time staff employed during the financial year: 250,

may draw up an abridged profit and loss account, the form and content of which shall be determined by a Grand Ducal regulation to be made with the benefit of an opinion of the *Commission des normes comptables*<sup>350</sup>.

This option does however not apply to undertakings whose securities are admitted to trading (Law of 7 August 2023) «on a regulated market<sup>351</sup> of a Member State»<sup>352</sup>.

Article 36 shall apply.»

(2) The above amounts may be amended by Grand Ducal regulation.»

#### *Section 6. - Special provisions relating to certain items in the profit and loss account*

[2013/34/EU Art. 2.5]

**Art. 48.**<sup>353</sup>

(Law of 18 December 2015)

«The net turnover shall comprise the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover.»

[2013/34/EU Art. 16.1 point f)]

**Art. 49.**<sup>354</sup>

(Law of 18 December 2015)

«The amount and nature of items of income or charges with an extraordinary size or impact shall be shown in the notes to the accounts.»

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<sup>349</sup> Corresponds to abrogated Article 231 of the Law of 1915, except for later amendments.

<sup>350</sup> Grand-Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém. A – 258 of 28 December 2015, p. 6239), set out at the end of this Annex.

<sup>351</sup> For the definition of this term, see the footnote under Article 1711-4 of the Law of 1915.

<sup>352</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24*bis*.

<sup>353</sup> Corresponds to abrogated Article 232 of the Law of 1915.

<sup>354</sup> Corresponds to abrogated Article 233 of the Law of 1915.

**Art. 50.**

*(Abrogated by the Law of 18 December 2015)*

*Section 7. - Valuation rules*

**Art. 51.**<sup>355</sup>

*[2013/34/EU Art. 6.1]*

(1) The measurement<sup>356</sup> of the items shown in the annual accounts shall be made in accordance with the following general principles:

- a) the undertaking is presumed to be carrying on its business as a going concern;
- b) *(Law of 18 December 2015)* «accounting policies and measurement bases may not be modified from one financial year to another;
- c) measurement must be made on a prudent basis, and in particular
  - aa) only profits made at the balance sheet date may be included;

*(Law of 10 December 2010)*

«bb) account must be taken of all *(Law of 18 December 2015)* «liabilities» which have arisen in the course of the financial year concerned or in a previous financial year, even if such *(Law of 18 December 2015)* «liabilities» become apparent only between the date of the balance sheet and the date on which it is drawn up;»

- cc) account must be taken of all depreciations, irrespective of whether the result of the financial year is a loss or a profit;
- d) account must be taken of income and charges relating to the financial year in respect of which the accounts are drawn up irrespective of the date of receipt or payment of such income or charges;
- e) the components of asset and liability items must be valued separately;
- f) the opening balance sheet for each financial year must correspond to the closing balance sheet for the preceding financial year,

*(Law of 18 December 2015)*

«g) requirements set out in this Chapter regarding presentation and disclosure in the notes to the accounts need not be complied with when the effect of complying with these requirements is immaterial in light of the principle of materiality<sup>357</sup>».

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<sup>355</sup> Corresponds to abrogated Article 235 of the Law of 1915, except for later amendments.

<sup>356</sup> The English version of Directive 78/660/EEC used the term «valuation» and «method of valuation» which Directive 2013/34/EU has replaced with «measurement» and «measurement bases». This translation uses the terminology of the latter directive.

<sup>357</sup> See recital 17 of Directive 2013/34/EU.



*(Law of 10 December 2010)*

«(1**bis**) In addition to the amounts recorded pursuant to Article 51 paragraph 1, point c) bb), undertakings have the option to take into account all foreseeable (*Law of 18 December 2015*) «liabilities» and potential losses which have arisen in the financial year concerned or in a previous financial year, even if such (*Law of 18 December 2015*) «liabilities» or losses become apparent only between the date of the balance sheet and the date on which it is drawn up.»

*[2013/34/EU Art. 4.4]*

(2) (*Law of 18 December 2015*) «Where in exceptional cases the application of a provision of this Law is incompatible with the obligation laid down in Article 26, paragraph (3), that provision shall be disapplied in order to give a true and fair view of the undertaking's assets, liabilities, financial position and profit or loss. The disapplication of any such provision shall be disclosed in the notes to the accounts together with an explanation of the reasons for it and of its effect on the undertaking's assets, liabilities, financial position and profit or loss.»

*[2013/34/EU Art. 6.1 point i)]*

**Art. 52.**<sup>358</sup>

The items shown in the annual accounts shall be measured in accordance with Articles 53, 55, 56, 59 to 64, which are based on the principle of purchase price or production cost.

*[2013/34/EU Art. 12.11]*

**Art. 53.**<sup>359</sup>

- (1) a) Formation expenses must be written off within a maximum period of five years.
- b) Insofar as formation expenses have not been completely written off, no distribution of profits shall take place unless the amount of the reserves available for distribution and profits brought forward is at least equal to that of the expenses not written off.
- (2) The amounts entered under the «Formation Expenses» item must be commented upon in the notes to the accounts.
- (3) Expenses relating to the creation or extension of an undertaking, of part of an undertaking or of a branch of business, as opposed to expenses resulting from ordinary business, may be entered under «Assets» as formation expenses.

*[2013/34/EU Art. 7]*

**Art. 54.**<sup>360</sup>

*(Law of 18 December 2015)*

«(1) A Grand Ducal regulation may, by way of derogation from Article 52, permit or require in respect of all undertakings or certain classes of undertakings, the alternative measurement basis of fixed assets at a revalued amounts.

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<sup>358</sup> Corresponds to abrogated Article 236 of the Law of 1915.

<sup>359</sup> Corresponds to abrogated Article 237 of the Law of 1915.

<sup>360</sup> Corresponds to abrogated Article 238 of the Law of 1915, except for later amendments.

- (2) The regulation referred to in paragraph (1) shall determine the rules for the application of the alternative measurement basis within the limits set forth in Article 7 of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.»

**Art. 55.**<sup>361</sup>

*[2013/34/EU Art. 6.1. point i), 12.5 and 12.6]*

- (1) a) Fixed assets must be measured at purchase price or production cost, without prejudice to b) and c) below.
- b) The purchase price or production cost of fixed assets with limited useful economic lives must be reduced by value adjustments calculated to write off the value of such assets systematically over their useful economic lives.
- c) aa) Value adjustments may be made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date.
- bb) Value adjustments must be made in respect of fixed assets, whether their useful economic lives are limited or not, so that they are valued at the lower figure to be attributed to them at the balance sheet date if it is expected that the reduction in their value will be permanent.
- cc) The value adjustments referred to in aa) and bb) must be charged to the profit and loss account and disclosed separately in the notes to the accounts if they have not been shown separately in the profit and loss account.
- dd) (*Law of 18 December 2015*) «Measurement at the lower of the values provided for in aa) and bb) may not continue if the reasons for which the value adjustments were made have ceased to apply; this provision shall not apply to value adjustments made in respect of goodwill.»

*[2013/34/EU Art. 2 point b)]*

- d) If fixed assets are the subject of exceptional value adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them shall be indicated in the notes to the accounts.

*[2013/34/EU Art. 2 point 6)]*

- (2) The purchase price shall be calculated by adding to the price paid the expenses incidental thereto.

*[2013/34/EU Art. 2.7]*

- (3) a) The production cost shall be calculated by adding to the purchase price of the raw materials and consumables the costs directly attributable to the product in question.

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<sup>361</sup> Corresponds to abrogated Article 239 of the Law of 1915, except for later amendments.

- b) A reasonable proportion of the costs which are only indirectly attributable to the product in question may be added into the production costs to the extent to which they relate to the period of production.

[2013/34/EU Art. 12.8 and Article 17.1, point a) vi]]

- (4) Interest on capital borrowed to finance the production of fixed assets may be included in the production costs to the extent to which it relates to the period of production.

In that event, the inclusion of such interest under «Assets» must be disclosed in the notes to the accounts.

**Art. 56.**<sup>362</sup>

By way of derogation from Article 55 paragraph (1) point c) sub cc), investment companies, within the meaning of Article 30, may set off value adjustments to transferable securities directly against capital and reserves. The amounts in question must be shown separately under «Liabilities» in the balance sheet.

**Art. 57.**<sup>363</sup>

Investment companies within the meaning of Article 30 must value the investments in which they have invested their funds on the basis of (*Law of 10 December 2010*) «their fair value»<sup>364</sup>. Investment companies with variable capital are exempted from showing separately the amounts of the value adjustments mentioned in Article 56.

[2013/34/EU Art. 9.7 and Art. 27]

**Art. 58.**<sup>365</sup>

- (1) (*Law of 30 July 2013*) «Undertakings may show in the balance sheet participating interests, as defined in Article 41, in the capital of undertakings over the operating and financial policies of which they exercise significant influence, in accordance with paragraphs (2) to (9) below under the items «Shares in affiliated undertakings» and (*Law of 18 December 2015*) «Participating interests», as the case may be. An undertaking shall be presumed to exercise a significant influence over another undertaking where it has 20% or more of the shareholders' or members' voting rights in that undertaking. (*Law of 7 August 2023*) «Article 1711-2 of the above-mentioned Law of 10 August 1915» shall apply.»
- (2) When this Article is first applied to a participating interest covered by paragraph (1), it shall be shown in the balance sheet:
- a) (*Law of 30 July 2013*) «either at its book value calculated in accordance with sections 7 or 7bis of this Chapter. The difference between that value and the amount corresponding to the proportion of capital and reserves represented by the

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<sup>362</sup> Corresponds to abrogated Article 240 of the Law of 1915 and is sourced from Article 18 of Directive 78/660/EEC which has not been taken over by Directive 2013/34/EU.

<sup>363</sup> Corresponds to abrogated Article 241 of the Law of 1915, except for later amendments and is sourced from Article 18 of Directive 78/660/EEC which has not been taken over by Directive 2013/34/EU.

<sup>364</sup> This needs to be read together with Articles 28(4) and 39 of the Law of 17 December 2010 relating to undertakings for collective investment.

<sup>365</sup> Corresponds to abrogated Article 241-1 of the Law of 1915, except for later amendments.

participating interest shall be disclosed separately in the balance sheet or in the notes to the accounts.

That difference shall be calculated as at the date as at which the method is applied for the first time;»

- b) (*Law of 30 July 2013*) «or at the amount corresponding to the proportion of the capital and reserves represented by the participating interest.

The difference between that amount and the book value calculated in accordance with the valuation rules provided for by sections 7 or *7bis* of this Chapter shall be disclosed separately in the balance sheet or in the notes to the accounts.

That difference shall be calculated as at the date as at which the method is applied for the first time.»

- c) The balance sheet or the notes to the accounts must indicate whether a) or b) has been used.
- d) For the application of a) and b), the calculation of the difference may be made as at the date of acquisition of the shares or corporate units or, where the acquisition took place in two or more stages, as at the date at which the shares or corporate units became a participating interest within the meaning of paragraph (1) above.
- (3) Where items of the assets or liabilities of the undertaking in which a participating interest within the meaning of paragraph (1) above is held have been valued by methods other than those used by the (*Law of 30 July 2013*) «the undertaking» drawing up the annual accounts, these items may, for the purpose of calculating the difference referred to in paragraph (2) point a) or point b), be revalued by the methods used by (*Law of 30 July 2013*) «the undertaking» drawing up its annual accounts. Disclosure must be made in the notes to the accounts where such revaluation has not been made.
- (4) The book value referred to in paragraph (2) item a), or the amount corresponding to the proportion of capital and reserves referred to in paragraph (2) item b) shall be increased or reduced by the amount of the variation which has taken place during the financial year in the proportion of capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to the participating interest.
- (5) Insofar as a positive difference covered by paragraph (2) item a) or item b) cannot be related to any category of assets or liabilities, it shall be dealt with in accordance with the rules applicable to the «Goodwill» item.
- (6) a) (*Law of 18 December 2015*) «The proportion of the profit or loss attributable to the participating interests referred to in paragraph (1) shall be shown in the profit and loss account as a separate item under the heading «Share in the results of the undertakings to which the equity method has been applied».»
- b) Where that amount exceeds the amount of dividends already received or the payment of which can be claimed, the amount of the difference must be placed in a reserve which cannot be distributed to shareholders.
- c) It is permitted that the proportion of the profit or loss attributable to the participating interests referred to in paragraph (1) are shown in the profit and loss

account to the extent of the amount corresponding to dividends already received or the payment of which can be claimed.

- (7) The eliminations referred to in (*Law of 7 August 2023*) «Article 1712-11, paragraph (1), item 3°, of the above-mentioned Law of 10 August 1915» are made to the extent that the facts are known or can be ascertained. (*Law of 7 August 2023*) «Article 1712-11, paragraphs (2) and (3) of the above-mentioned Law of 10 August 1915» shall apply.
- (8) Where an undertaking in which a participating interest within the meaning of paragraph (1) is held draws up consolidated accounts, the foregoing paragraphs shall apply to the capital and reserves shown in such consolidated accounts.
- (9) This Article need not be applied where a participating interest as defined in paragraph (1) is (*Law of 18 December 2015*) «immaterial» for the purposes of Article 26, paragraph (3).

[2013/34/EU Art. 12.11]

**Art. 59.**

(*Law of 18 December 2015*)

«(1) Intangible assets shall be written off over the useful economic life of the intangible asset.

(2) In exceptional cases where the useful life of goodwill and development costs cannot be reliably estimated, such assets shall be written off within a maximum period which shall not exceed 10 years. An explanation of the period over which goodwill is written off shall be provided within the notes to the accounts.

(3) Article 53 paragraph (1) point b) shall apply to the «Costs of development» item.»

**Art. 60.**<sup>366</sup>

Tangible fixed assets, raw materials and consumables which are constantly being replaced and the overall value of which is of secondary importance to the undertaking may be shown under «Assets» at a fixed quantity and value, if the quantity, value and composition thereof do not vary materially.

**Art. 61.**<sup>367</sup>

[2013/34/EU Art. 6.1 point i)]

(1) a) Current assets must be measured at purchase price or production cost, without prejudice to items b) and c) below.

[2013/34/EU Art. 12.7]

b) Current assets shall be subject to value adjustments with a view to showing them at the lower market value or, in particular circumstances, another lower value to be attributed to them at the balance sheet date.

(...) (*Item abrogated by the Law of 18 December 2015*)

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<sup>366</sup> Corresponds to abrogated Article 243 of the Law of 1915 and is sourced from Article 38 of Directive 78/660/EEC which has not been taken over by Directive 2013/34/EU.

<sup>367</sup> Corresponds to abrogated Article 244 of the Law of 1915, except for later amendments.

c<sup>368</sup>) Measurement at the lower value provided for in b) and c) may not be continued if the reasons for which the value adjustments were made have ceased to apply.

[2013/34/EU Art. 17.1 point b)]

d<sup>369</sup>) If current assets are the subject of (*Law of 7 August 2023*) «value» adjustments for taxation purposes alone, the amount of the adjustments and the reasons for making them must be disclosed in the notes to the accounts.

[2013/34/EU Art.2 point 6)]

(2) The definitions of purchase price and of production cost given in Article 55 paragraph (2) and (3) shall apply. Article 55 paragraph (4) shall also apply. Distribution costs may not be included in production costs.

[2013/34/EU Art. 12.9]

**Art. 62.**<sup>370</sup>

(*Law of 18 December 2015*) «The purchase price or production cost of stocks of goods of the same category and all fungible items including transferable securities may be calculated either on the basis of weighted average prices or by the «first in, first out» (FIFO) method, the «last in, first out» (LIFO) method, or a method reflecting generally accepted best practice.»

[2013/34/EU Art. 12.10]

**Art. 63.**<sup>371</sup>

(1) (*Law of 30 July 2013*) «Where the amount repayable on account of any debt is greater than the amount received, the difference may be shown as an asset. It must be shown separately in the notes to the accounts.»

(2) The amount of this difference must be written off by reasonable yearly amounts and must be completely written off no later than the time of repayment of the debt.

[2013/34/EU Art. 12.12]

**Art. 64.**

(*Law of 18 December 2015*)

«At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability.»

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<sup>368</sup> Point renamed by the Law of 18 December 2015.

<sup>369</sup> Point renamed by the Law of 18 December 2015.

<sup>370</sup> Corresponds to abrogated Article 245 of the Law of 1915.

<sup>371</sup> Corresponds to abrogated Article 246 of the Law of 1915, except for later amendments.

(Law of 10 December 2010)

«Section 7bis. - Rules applicable to fair value measurement»

(Law of 10 December 2010)

[2013/34/EU Art. 8.2 to .6]

**«Art. 64bis.**

- (1) By way of derogation from Article 52 and subject to the conditions set out in paragraphs (2) to (4) of this Article, undertakings have the option to carry out a measurement at fair value of financial instruments, including derivatives.
  - (2) (Law of 30 July 2013) «Commodity-based contracts that give either contracting party the right to settle in cash or some other financial instrument shall be considered to be derivative financial instruments for the purpose of fair value measurement, except when:
    - a) they were entered into and are maintained in order to meet the (Law of 7 August 2023) «undertaking's» expected purchase, sale or usage requirements for that commodity;
    - b) they were designated for such purpose at their inception; and
    - c) they are supposed to be settled by delivery of the commodity.»
  - (3) Financial instruments which are part of the liabilities may only be measured at fair value:
    - a) if they are held as part of the trading portfolio; or
    - b) if they are derivative financial instruments.
  - (4) The following may not be measured at fair value:
    - a) non-derivative financial instruments held to maturity;
    - b) loans and receivables originated by the undertaking and not held for trading purposes; and
    - c) interests in subsidiaries, associated undertakings and joint ventures, equity instruments issued by the undertaking, contracts for contingent consideration in a business combination as well as other financial instruments with such special characteristics that, according to what is generally accepted, should be accounted for differently from other financial instruments.
  - (5) By way of derogation from Article 52, in respect of any assets and liabilities which qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, measurement at the specific amount required under that system is permitted.
- (5bis) By way of derogation from the provisions of paragraphs (3) and (4) and in accordance with international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of

international accounting standards<sup>372</sup>, the measurement of financial instruments and compliance with the associated disclosure requirements provided for in international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards are permitted.»

*(Law of 10 December 2010)*

*[2013/34/EU Art. 8.7]*

**«Art. 64ter.**

- (1) The fair value referred to in Article 64bis shall be determined by reference to:
  - a) a market value, for those financial instruments for which a reliable market can readily be identified; where a market value is not readily identifiable for an instrument but can be identified for its components or for a similar instrument, the market value may be derived from that of its components or of the similar instrument, or
  - b) a value resulting from generally accepted valuation models and techniques, for those instruments for which a reliable market cannot be readily identified; such valuation models and techniques shall ensure a reasonable approximation of the market value.
- (2) *(Law of 30 July 2013)* «Those financial instruments that cannot be measured reliably by any of the methods described in paragraph (1), shall be measured in accordance with Articles 53, 55, 56 and 59 to 64.»

*(Law of 10 December 2010)*

*[2013/34/EU Art. 8.8]*

**«Art. 64quater.**

- (1) Notwithstanding Article 51, paragraph (1), point c), where a financial instrument is measured on a fair value basis, each change in the value shall be included in the profit and loss account. However, such a change shall be included directly in an equity account, in a fair value reserve, where:
  - a) the instrument accounted for is a hedging instrument under a system of hedge accounting that allows some or all of the change in value not to be shown in the profit and loss account; or
  - b) the change in value relates to an exchange difference arising on a monetary item that forms part of an undertaking's net investment in a foreign entity.
- (2) A change in the value on an available for sale financial asset, other than a derivative financial instrument, may be included directly in the equity account, in the fair value reserve.
- (3) The fair value reserve shall be adjusted when amounts shown therein are no longer necessary for the implementation of paragraphs (1) and (2).»

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<sup>372</sup>At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.



*(Law of 10 December 2010)*  
*[2013/34/EU Art. 16.1 point c)]*

**«Art. 64quinquies.**

Where financial instruments have been measured at fair value, the notes to the accounts shall disclose:

- a) the significant assumptions underlying the valuation models and techniques where fair values have been determined in accordance with Article 64ter, paragraph (1), point b);
- b) per category of financial instruments, the fair value, the changes in value included directly in the profit and loss account as well as changes included in the fair value reserve;
- c) for each class of derivative financial instruments, information about the extent and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows; and
- d) a table showing movements in the fair value reserve during the financial year.»

*(Law of 10 December 2010)*  
*[2013/34/EU Art. 8.1. point b)]*

**«Art. 64sexies.»**

*(Law of 30 July 2013)*

«By way of derogation from Article 52, undertakings may also measure specified categories of assets other than financial instruments at amounts determined by reference to their fair value, provided that their measurement at fair value is authorised under the international accounting standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of the international accounting standards.<sup>373</sup>»

*(Law of 10 December 2010)*  
*[2013/34/EU Art. 8.9]*

**«Art. 64septies.**

Notwithstanding Article 51, paragraph (1), point c), undertakings may, where an asset is measured in accordance with Article 64sexies, include the resulting change in the value in the profit and loss account.»

*(Law of 30 July 2013)*

**«Art. 64octies.**

Where certain categories of assets other than financial instruments have been measured at fair value, the notes to the accounts shall disclose:

- a) the significant assumptions underlying the valuation models and techniques where fair value has not been determined by reference to a market value;

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<sup>373</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

- b) per category of assets other than financial instruments, the fair value at the balance sheet date and the changes in value which occurred during the financial year;
- c) for each class of assets other than financial instruments, information about the significant terms and conditions that may affect the amount and certainty of future cash flows.»

*(Law of 30 July 2013)*

**«Art. 64nonies.**

Where measurement at fair value has been applied in accordance with Section 7bis, the provisions of Article 72ter shall apply.»

*Section 8. - Contents of the notes to the accounts*

*[2013/34/EU Art. 16, 17 and 18]*

**Art. 65.**<sup>374, 375</sup>

(1) *(Law of 18 December 2015)* «In addition to the information required under other provisions of this Chapter, the notes to the accounts shall disclose the following information presented in the order in which the items to which they relate are presented in the balance sheet and in the profit and loss account:»

1° *(Law of 18 December 2015)* «accounting policies and measurement bases»;

2° the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in its own name but on *(Law of 30 July 2013)* «the undertaking»'s behalf, holds at least twenty per cent of the capital, showing the proportion of the capital held, as well as the amount of capital and reserves and the profit or loss for the latest financial year of the undertaking concerned for which the accounts have been approved. This information may be omitted where for the purposes of Article 26 paragraph (3) it is *(Law of 18 December 2015)* «immaterial». The information concerning capital and reserves and the profit or loss may also be omitted where the undertaking concerned does not publish its balance sheet and

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<sup>374</sup> Corresponds to abrogated Article 248 of the Law of 1915, except for later amendments.

<sup>375</sup> Grand-Ducal Regulation of 11 September 2006 (Mém. A-167 of 15 September 2006, p. 3060):

Art. 1

The undertakings referred to in Article 77, second paragraph points 1° to 3° of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings are authorised to derogate from Articles 65 and 68 of such law when drawing up their annual accounts in order to comply with the publication requirements of Article one paragraphs 2) b), 3) and 4) of Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC [these directives have been replaced by Directive 2013/34/UE] as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions.

Art. 2 *[For consolidated accounts see footnote under Article 1712-14 of the Law of 10 August 1915].*

Art. 3

This Grand-Ducal Regulation comes into force on first October 2006. It shall apply to the consolidated accounts of undertakings for their fiscal years ending after that date.

less than fifty per cent. of its capital is held, directly or indirectly, by (*Law of 30 July 2013*) «the undertaking»; the name, registered office and the legal form of each undertaking of which (*Law of 30 July 2013*) «the undertaking» is the member having unlimited liability. This information may be omitted when, for the purposes of Article 26 paragraph (3), it is (*Law of 18 December 2015*) «immaterial»;

- 3° the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed for during the financial year within the limits of an authorised capital;
- 4° where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting par value of each class;
- 5° (*Law of 18 December 2015*) «the existence of any profit units, convertible bonds, warrants, options or similar securities or rights, with an indication of their number and the rights they confer»;
- 6° amounts owed by the undertaking becoming due and payable after more than five years as well as the undertaking's entire debts secured by collateral on assets furnished by (*Law of 30 July 2013*) «the undertaking» with an indication of the nature and form of the collateral. This information must be disclosed separately for each creditor's item, as provided for in the layouts prescribed in Article 34;
- 7° the total amount of any financial commitments that are not included in the balance sheet, insofar as this information is of assistance in assessing the financial position. Any commitments concerning pensions and commitments vis-à-vis affiliated undertakings<sup>376</sup> must be disclosed separately;

(*Law of 10 December 2010*)

«7bis°»the nature and business purpose of the arrangements that are not included in the balance sheet and the financial impact on (*Law of 30 July 2013*) «the undertaking» of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of (*Law of 30 July 2013*) «the undertaking».

(...) (*Paragraph abrogated by the Law of 18 December 2015*)

[2013/34/EU Art. 17.1 point r]

(*Law of 10 December 2010*)

«7ter°»(*Law of 18 December 2015*) «transactions which have been entered into by the undertaking with related parties, including the amount of such transactions, the nature of the related party relationship and all other information about the transactions necessary for an understanding of the financial position of the undertaking. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding

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<sup>376</sup> For the meaning of the term, see Article 1790-2 (1) of the Law of 10 August 1915 on commercial companies.

of the effects of related party transactions on the financial position of the undertaking.

Undertakings have the option to only disclose in the notes to the accounts the transactions entered into with related parties which have not been concluded under normal market conditions.

Transactions which have been entered into between one or more members of a group are exempted provided that the subsidiaries which are party to the transaction are wholly owned by such a member.

Undertakings which do not exceed at least two of the three limits laid down in Article 47 for two consecutive financial years are allowed to limit the disclosure of transactions with related parties to transactions entered into with:

- (i) owners holding a participating interest in the undertaking;
- (ii) undertakings in which the undertaking itself has a participating interest; and
- (iii) members of the administrative, management or supervisory bodies of the undertaking.

This option does however not apply to undertakings whose securities are admitted to trading (*Law of 7 August 2023*) «on a regulated market of a Member State.»<sup>377</sup>

'Related party'<sup>378</sup> has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>379</sup>.»

- 8° the net turnover within the meaning of Article 48, broken down by categories of activity and into geographical markets insofar as, taking account of the manner in which the sale of products and the provision of services falling within the undertaking's ordinary activities are organised, these categories and markets differ substantially from one another;
- 9° the average number of staff employed during the financial year, broken down by categories;
- 10° (...) (*Point abrogated by the Law of 18 December 2015*)
- 11° (*Law of 30 July 2013*)
  - «a) the difference between the tax charged for the financial year and for earlier financial years and the amount of tax already paid or payable in respect of those years, to the extent that this difference is material for purposes of future

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<sup>377</sup>Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24*bis*.

<sup>378</sup> For the definition of «related party», see the footnote following the Grand-Ducal Regulation of 18 December 2015.

<sup>379</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

taxation. This amount may also be disclosed in the balance sheet as a cumulative amount;

- b) Where valuation at fair value has been applied in accordance with section 7bis, undertakings shall show, as the case may be, deferred tax liabilities in the balance sheet as a cumulative amount.»

(Law of 18 December 2015)

«c) where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year.»

12° (Law of 25 August 2006) «the amount of the emoluments granted in respect of the financial year to the members of (Law of 23 March 2007) «the management and supervisory bodies» in that capacity and any commitments arising or entered into in respect of retirement pensions for former members of those bodies. This information must be given as a total for each category;»

13° (Law of 25 August 2006) «the amount of advances and loans granted to the members of (Law of 23 March 2007) «the management and supervisory bodies», with indications of the interest rates, main conditions and the amounts which may have been repaid, as well as the commitments entered into on their behalf by way of guarantees of any kind. This information must be given as a total for each category.»

14° information concerning the income (charges) in respect of the financial year, which is receivable (are payable) after the end of the financial year and are shown under «Debtors» («Creditors»), where such income (charges) is or are material.

15° a) the name and registered office of the undertaking which draws up the consolidated accounts of the largest body of undertakings of which the undertaking forms a part as a subsidiary undertaking;

b) the name and registered office of the undertaking which draws up the consolidated accounts of the smallest body of undertakings included in the body of undertakings referred to in a) of which the undertaking forms part as a subsidiary undertaking;

c) the place where copies of the consolidated accounts referred to in a) and b) may be obtained unless they are unavailable.

(Law of 18 December 2009)

«16° (Law of 18 December 2015) «the total fees for the financial year received<sup>380</sup> by each *réviseur d'entreprises agréé* [approved statutory auditor] or the *cabinet de révision agréé* [approved audit firm] for the statutory audit of the annual accounts and, the total fees received by each *réviseur d'entreprises agréé* [approved statutory auditor] or *cabinet de révision agréé* [approved audit firm] for other assurance services, for

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<sup>380</sup> The English version of the directive uses the term «charged» and the German version uses the term «berechnet» whereas the French version uses «perçus» which has been translated by «received».

tax advisory services and for other non-audit services<sup>381</sup>. This requirement shall not apply where the undertaking is included within the consolidated accounts required to be drawn up under Article 22 of Directive 2013/34/EU<sup>382</sup>, provided that such information is given in the notes to the consolidated accounts<sup>383</sup>.»

*(Law of 10 December 2010)*

«17° where valuation at fair value of financial instruments has not been applied in accordance with Section 7bis:

- a) for each class of derivative financial instruments:
  - i) the fair value of the instruments, if such a value can be determined by any of the methods prescribed in Article 64ter paragraph (1);
  - ii) information about the extent and the nature of the instruments; and
- b) for financial fixed assets covered by Article 64bis, carried at an amount in excess of their fair value and without use being made of the option to make a value adjustment in accordance with Article 35, paragraph (1), point c) aa):
  - i) the book value and the fair value of either the individual assets or appropriate groupings of those individual assets;
  - ii) the reasons for not reducing the book value, including the nature of the evidence that provides the basis for the belief that the book value will be recovered.»

*(Law of 18 December 2015)*

«18° The nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or in the balance sheet.»

*(...) (Paragraph abrogated by the Law of 18 December 2015)*

*[2013/34/EU Art. 1 point d)]*

(2)<sup>384</sup> The information provided for in paragraph (1) 12° may be omitted if it allows to identify *(Law of 7 August 2023)* « the financial position» of a specific member of such bodies.

*[2013/34/EU Art. 16.3]*

**Art. 66.**<sup>385</sup>

*(Law of 18 December 2015)*

«The undertakings referred to in Article 35 shall be authorised to prepare abridged notes to their accounts without the information required in Article 65 paragraph (1), points 2° to 5°,

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<sup>381</sup> The corresponding provision concerning the annex to the consolidated accounts (Article 1712-19 point 15 of the Law of 1915) was amended by the Law of 23 July 2016 on the audit profession which inter alia added a reference to audit firms.

<sup>382</sup> See Article 1711-1 of the Law of 1915.

<sup>383</sup> Some of the terms used are defined in Article 1 of the Law of 23 July 2016 on the audit profession. Please refer to the footnote under Article 1712-19 point 15 of the Law of 1915.

<sup>384</sup> Paragraph renumbered by the Law of 18 December 2015.

<sup>385</sup> Corresponds to abrogated Article 249 of the Law of 1915, except for later amendments.

8°, 10<sup>386</sup> to 12°, 14°, 15° a), 16° to 18°. However, in accordance with Article 26, paragraphs (4) and (5), the information required in Article 65 paragraph (1) point 2° may not be omitted where it is material for the purposes of the true and fair view referred to in Article 26 paragraph (3). In addition, where fair value measurement has been applied in accordance with Section 7bis, undertakings referred to in Article 35 shall not be exempted from the application of the provisions of Article 65, paragraph (1) point 11°b) and c).

These same undertakings are also exempted from the obligation to disclose in the notes to their accounts, the information provided by Article 39, paragraph (3) a) and paragraph (4), [and]<sup>387</sup> Article 53, paragraph (2).

Article 36 shall apply.»

**Art. 67.**<sup>388</sup>

[2013/34/EU Art. 17.1 point g)]

(1) The information prescribed in Article 65 paragraph (1) 2°:

- a) may take the form of a statement deposited in accordance with (*Law of 27 May 2016*) « (*Law of 7 August 2023*) «Article 100-13, paragraph (3), of the above-mentioned Law of 10 August 1915» and the provisions of Chapter Vbis of Title I of this law<sup>389</sup>»; this must be disclosed in the notes to the accounts;
- b) may be omitted when their nature is such that it would be seriously prejudicial to any of the undertakings to which Article 65 paragraph (1) 2° relates.

The omission of such information must be disclosed in the notes to the accounts.

(*Law of 18 December 2009*)

[2013/34/EU Art. 18.2]

«(2) Paragraph (1) b) shall also apply to the information prescribed in Article 65 paragraph (1) 8°.

(*Law of 10 December 2010*)

«The undertakings referred to in Article 47 shall be authorised to omit the information prescribed in Article 53 paragraph (2) and in Article 65 paragraph (1) 8°.»

(*Law of 18 December 2015*) «The undertakings referred to in Article 47 are also authorised to omit disclosure of the information specified in Article 65 paragraph (1) point 16°.»

[2013/34/EU Art. 19]

(3) The information referred to in Article 65 paragraph (1) 2° first sentence concerning the amount of capital and reserves and profits and losses for the last financial year for which the accounts have been drawn up may be omitted:

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<sup>386</sup> Point 10° was abrogated by the Law of 18 December 2015.

<sup>387</sup> Added by the author for ease of reading.

<sup>388</sup> Corresponds to abrogated Article 250 of the Law of 1915, except for later amendments.

<sup>389</sup> See footnote under Article 100-13 of the Law of 1915.

- a) where the undertakings concerned are included in consolidated accounts drawn up by the parent company or in the consolidated accounts of a larger body of undertakings as referred to in (*Law of 7 August 2023*) «Article 1711-5, paragraph (2), of the above-mentioned Law of 10 August 1915»; or
- b) where the holdings in their capital have been dealt with by the parent company in its annual accounts in accordance with Article 58 or in the consolidated accounts drawn up by that parent company in accordance with (*Law of 7 August 2023*) «Article 1712-18 of the above-mentioned Law of 10 August 1915».

### *Section 9. - Contents of the management report*

[2013/34/EU Art. 19]

**Art. 68.**<sup>390, 391</sup>

(*Law of 10 December 2010*)

«(1) a) Companies incorporated under Luxembourg law and referred to in (*Law of 7 August 2023*) «Article 1 of the above-mentioned Directive 2013/34/EU<sup>392</sup>» must draw up a management report, which must at least include a fair review of the development of the company's business, its performance and its position, together with a description of the principal risks and uncertainties that it faces.

The review shall be a balanced and comprehensive analysis of the development and performance of the company's business and of its position, consistent with the size and complexity of the business.

- b) To the extent necessary for an understanding of the company's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial key performance indicators relevant to the particular business, including information relating to environmental and employee matters.
- c) In providing its analysis, the management report shall, where appropriate, include references to and additional explanations of amounts reported in the annual accounts.

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<sup>390</sup> Corresponds to abrogated Article 251 of the Law of 1915, except for later amendments. See footnote under Article 65.

<sup>391</sup> See second footnote under Article 65.

<sup>392</sup> According to Article 1.1 of Directive 2013/34/EU, these are:

(i) *sociétés anonymes, sociétés en commandite par actions* and *sociétés à responsabilité limitée*,  
(ii) *sociétés en nom collectif* and *sociétés en commandite simple* where all their direct or indirect members, having otherwise unlimited liability, but in fact have limited liability by reason of these companies being of the type referred to in (i) above, or are similar types of companies in the other Member States listed in Annex I of Directive 2013/34/EU, or are companies not governed by the laws of a Member State but which have a legal form comparable to those of the companies listed in this annex.



d) The undertakings<sup>393</sup> referred to in Article 47 are exempted from the obligation provided in paragraph (1), point b) insofar as it relates to non-financial information.

This option does however not apply to undertakings whose securities are admitted to trading on a regulated market (*Law of 7 August 2023*) «of a Member State».<sup>394</sup>.

(2) The report shall also give an indication of:

a) (...) (*Point abrogated by the Law of 18 December 2015*);

b) the company's likely future development;

c) activities in the field of research and development;

d) in respect of the acquisitions of own shares, the information prescribed in (*Law of 7 August 2023*) «Article 430-18, paragraph (2), of the above-mentioned Law of 10 August 1915»;

e) the existence of branches of the company.

(*Law of 10 December 2010*)

«f) in relation to the undertaking's<sup>395</sup> use of financial instruments and where material for the assessment of its assets, liabilities, financial position and profit or loss;

- the company's financial risk management objectives and policies, including its policy for hedging each major type of forecasted transaction for which hedge accounting is used, and

- the company's exposure to price risk, credit risk, liquidity risk and cash flow risk.»

(*Law of 10 August 2016*)

«g) transactions carried out under (*Law of 7 August 2023*) «Article 420-26 paragraph (6) of the above-mentioned Law of 10 August 1915» in relation to the allocation of free shares.»

(3) (*Law of 30 July 2013*) «Undertakings<sup>396</sup>» referred to in Article 35 are not obliged to prepare management reports provided they include in their notes to the accounts the information concerning the acquisition of own shares as prescribed in (*Law of 7 August 2023*) «Article 430-18, paragraph (2), of the above-mentioned Law of 10 August 1915».

(*Law of 23 July 2016*)

[2013/34/EU art. 19a]

**«Art. 68bis.**

(1) The present article applies to the undertakings referred to in Article 25 which fulfil all of the following conditions:

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<sup>393</sup> -This Article actually only applies to the *companies* referred to in paragraph (1) a) which meet the criteria set forth in Article 47.

<sup>394</sup>Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24bis.

<sup>395</sup> This Article actually only applies to the *companies* referred to in paragraph (1) a) which meet the criteria set forth in Article 35.

<sup>396</sup> Although the Law of 30 July 2013 replaced «Companies» by «Undertakings», this provision actually only applies to the companies referred to in paragraph (1) a).

- a) being organised in the form of a *société anonyme*, a *société européenne* (SE), a *société en commandite par actions*, a *société à responsabilité limitée* or in one of the company forms referred to in Article 77, paragraph (2) points 2° and 3°; and
  - b) being a public interest entity in the meaning of Article 2, point 1) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings<sup>397</sup>; and
  - c) exceeding, on its balance sheet date and during two consecutive financial years, the numerical thresholds of at least two of the three criteria referred to in Article 47;
  - d) exceeding, on its balance sheet date, the criterion of the average number of 500 employees during the financial year.
- (2) The undertakings referred to in paragraph (1) shall include in the management report a non-financial statement containing information to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, including:
- a) a brief description of the undertaking's business model;
  - b) description of the policies pursued by the undertaking in relation to those matters, including due diligence processes implemented;
  - c) the outcome of those policies;
  - d) the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks;
  - e) non-financial key performance indicators relevant to the particular business.

Where the undertaking does not pursue policies in relation to one or more of those matters, the non-financial statement shall provide a clear and reasoned explanation for not doing so.

The non-financial statement referred to in the first subparagraph of this paragraph shall also, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.

Information relating to impending developments or matters in the course of negotiation may be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to them by law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a

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<sup>397</sup> For the definition of «public interest entities » by Article 2 point 1) of Directive 2013/34/EU, see footnote under Article 1730-1 (1) point 1° of the law of 1915.

fair and balanced understanding of the undertaking's development, performance, position and impact of its activity.

In the disclosure of the information referred to in the first subparagraph, undertakings may rely on national, European Union-based or international frameworks. Undertakings shall specify which frameworks they have relied upon.

- (3) Undertakings fulfilling the obligation set out in paragraph (2) shall be deemed to have fulfilled the obligation relating to the analysis of non-financial information set out in Article 68, paragraph (1), point b).
- (4) An undertaking which is a subsidiary undertaking within the meaning of (*Law of 7 August 2023*) «Article 1711-1, paragraph (2), of the above-mentioned Law of 10 August 1915», shall be exempted from the obligation set out in paragraph (2) if that undertaking and its subsidiary undertakings are included in the consolidated management report or the separate report of another undertaking, drawn up in accordance with Article 29 and Article 29a of Directive 2013/34/EU.
- (5) Where an undertaking prepares a separate report corresponding to the same financial year whether or not relying on national, European Union-based or international frameworks and covering the information required for the non- financial statement as provided for in paragraph (2), that undertaking is exempted from the obligation to prepare the non-financial statement laid down in paragraph (2), provided that such separate report:
  - a) is published together with the management report in accordance with Article 79; or
  - b) is made publicly available within a reasonable period of time, not exceeding six months after the balance sheet date, on the undertaking's website, and is referred to in the management report.

Paragraph (3) shall apply *mutatis mutandis* to undertakings preparing a separate report as referred to in the first subparagraph of this paragraph.

- (6) The *réviseur d'entreprises agréé* [approved statutory auditor] checks whether the consolidated non-financial statement referred to in paragraph (2) or the separate report referred to in paragraph (5) has been provided.

(*Law of 10 December 2010*)

[2013/34/EU Art. 20]

«Art. 68ter.<sup>398</sup>

- (1) A company whose securities are admitted to trading on a regulated market (*Law of 7 August 2023*) «of a Member State»<sup>399</sup> shall include a corporate governance statement in its management report.

That statement shall be included as a specific section of the management report and

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<sup>398</sup> The Law of 23 July 2016 regarding the publication of non-financial information and information on diversity by certain major companies and certain groups has renumbered this Article and modified the presentation of the numbering of its paragraphs.

<sup>399</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24*bis*.

shall contain at least the following information:

a) a reference to:

i) the corporate governance code to which the company is subject,

and/or

ii) the corporate governance code which the company may have voluntarily decided to apply,

and/or

iii) all relevant information about the corporate governance practices applied beyond the requirements under law.

Where points i) and ii) apply, the company shall also indicate where the relevant texts are publicly available. Where point iii) applies, the company shall make its corporate governance practices publicly available;

b) to the extent to which a company, in accordance with national law, departs from one of the corporate governance codes referred to under points a), i) or ii), an explanation by the company as to which parts of the corporate governance code it departs from and the reasons for doing so. Where the company has decided not to apply any provisions of a corporate governance code referred to under points a), i) or ii), it shall explain its reasons for doing so;

c) a description of the main features of the company's internal control and risk management systems in relation to the financial reporting process;

d) the information required by Article 10, paragraph 1, points c), d), f), h) and i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, where the company is subject to that Directive<sup>400, 401</sup>;

e) unless the information is already fully provided for in national laws or regulations, the operation of the shareholder meeting and its key powers, and a description of shareholders' rights and how they can be exercised;

f) (*Law of 30 July 2013*) «the composition and operation of the administrative, management and supervisory bodies and their committees.»

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<sup>400</sup> A Luxembourg company will be subject to this directive if its shares are admitted to trading on a regulated market of a Member State.;

<sup>401</sup> This information consists in the following:

c) significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;

d) the holders of any securities with special control rights and a description of those rights;

f) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities;

h) the rules governing the appointment and replacement of board members and the amendment of the articles of association;

i) the powers of board members, and in particular the power to issue or buy back shares;

(Law of 23 July 2016)

«g) a description of the diversity policy applied in relation to the undertaking's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case.»

(2) (Law of 23 July 2016) «The information required by this Article may be set out in:

a) a separate report published together with the management report in the manner set out in Article 79;

or

b) a document referred to in the management report and made publicly available on the company's website.

This separate report or the document referred to in point a) and b) respectively, may contain a reference to the management report where the information required in paragraph (1), point d) is made available in the management report. »

(3) (Law of 23 July 2016) «The *réviseur d'entreprises agréé* [approved statutory auditor] shall express an opinion in accordance with Article 69, paragraph (1), point b) regarding information prepared under points c) and d) of paragraph (1) of this Article and shall check that the information referred to in points a), b), e), f) and g) of paragraph (1) of this Article has been provided. »

(4<sup>402</sup>)(Law of 23 July 2016) «Undertakings referred to in paragraph (1) which have only issued securities other than shares admitted to trading on a regulated market (Law of 7 August 2023) «of a Member State»<sup>403</sup> are exempted from the application of the provisions of paragraph (1), points a), b), e) f) and g) of this Article, unless such companies have issued shares which are traded in a multilateral trading facility (Law of 7 August 2023) «of a Member State»<sup>404</sup>, within the meaning of (Law of 7 August 2023) «Article 1, item 32, of the amended Law of 30 May 2018 on markets in financial instruments»<sup>405</sup>.»

«(5) Paragraph (1) point g) does not apply to public interest entities which do not exceed, at their balance sheet date and during two consecutive financial years, the numerical thresholds of at least two of the three criteria referred to in Article 47 of this Law. »

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<sup>402</sup> Renumbered by the Law of 23 July 2016 regarding the publication of non-financial information and information on diversity by certain major companies and certain groups.

<sup>403</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24*bis*.

<sup>404</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of « Member State», see Article 24*bis*.

<sup>405</sup> The directive defines «multilateral trading facilities (MTF)» as «a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments [Note: meaning those instruments specified in Section C of Annex I of that directive] - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title II» of the directive.

## Section 10. – Auditing

[2013/34/EU Art. 34.1]

**Art. 69.**<sup>406</sup>

(1) a) (Law of 18 December 2009) «Companies incorporated under Luxembourg law referred to in (Law of 7 August 2023) «Article 1 of the above-mentioned Directive 2013/34/EU»<sup>407</sup> must have their annual accounts audited by one or more *réviseurs d'entreprises agréés* [approved statutory auditors] appointed by the general meeting<sup>408</sup>.»

(Law of 23 July 2015) «In the companies referred to in Article L. 426-1 of the Labour Code, those persons shall be designated by the general meeting upon the proposal of

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<sup>406</sup> Corresponds to abrogated Article 256 of the Law of 1915, except for later amendments.

<sup>407</sup> See the footnote under Article 68(1).

<sup>408</sup> The Law of 23 July 2016 on the audit profession contains provisions regarding the appointment, dismissal and resignation of *réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] and *cabinets d'audit* [audit firms]:

[Directive 2006/43/EC, Article 37]

**«Art. 31. Appointment of *réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] or audit firms**

- (1) *Réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] or *cabinets d'audit* [audit firms] are appointed by the general meeting of shareholders or members of the audited entity, without prejudice to the provisions contained in other laws.
- (2) Any contractual clause restricting the choice by the general meeting of shareholders or members of the audited entity pursuant to the first paragraph to certain categories or lists of *réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] or *cabinets d'audit* [audit firms] regarding the appointment of a *réviseur d'entreprises agréé* [approved statutory auditor], a *cabinet de révision agréé* [approved audit firm] or a *cabinet d'audit* [audit firm], in particular to carry out the statutory audit of the accounts of that entity shall be prohibited. Any such existing clause shall be null and void.

[Directive 2006/43/EC, Article 38]

**Art. 32. Dismissal and resignation of *réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* and *cabinets d'audit* [audit firms]**

- (1) *Réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] or *cabinets d'audit* [audit firms] may only be dismissed on proper grounds. Divergence of opinions on accounting treatments or audit procedures shall not be proper grounds for dismissal.
- (2) The audited entity and the *réviseur d'entreprises agréé* [approved statutory auditor], the *cabinet de révision agréé* [approved audit firm] or the *cabinets d'audit* [audit firm] shall inform the CSSF of the dismissal or resignation of the *réviseur d'entreprises agréé* [approved statutory auditor], the *cabinet de révision agréé* [approved audit firm] or the *cabinets d'audit* [audit firm] during the term of the appointment and give an adequate explanation of the reasons therefor.
- (3) In the case of the statutory audit of accounts of a public-interest entity:
  - shareholders representing at least 5 per cent of the voting rights or of the corporate capital;
  - the other legal bodies of the audited entities;
  - the CSSF;

may, if there are valid reasons to do so, apply to the *Tribunal d'Arrondissement* [District Court] sitting in commercial matters for the removal of the *réviseur d'entreprises agréé* [approved statutory auditor], the *cabinet de révision agréé* [approved audit firm] or the *cabinets d'audit* [audit firm].»

These provisions use certain terms defined in the Law of 23 July 2016. Please refer to the footnote under Article 1712-19 point 15 of the Law of 1915. The definition of the term “public-interest entity” can be found in the footnote under Article 443-1 of the Law of 1915.

the employer following the procedure provided for in Section 4 of Chapter IV of Title One of Book IV of the Labour Code<sup>409</sup>.»

(*Law of 18 December 2009*) «The persons referred to in the two foregoing paragraphs shall be appointed for a period laid down in a contract for the provision of services, which may be terminated only on serious grounds or by mutual agreement.»<sup>410, 411</sup>

(*Law of 18 December 2015*)

«b) In addition, the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] shall

aa) express an opinion on:

- i) whether the management report is consistent with the annual accounts for the same financial year, and
- ii) whether the management report has been prepared in accordance with the applicable statutory requirements;

bb) state whether, in the light of the knowledge and understanding of the undertaking and its environment obtained in the course of the audit, he, she or it has identified material misstatements in the management report, and shall give an indication of the nature of any such misstatements.»

(*Law of 23 July 2016*)

«cc) Points aa) and bb) of the present point do not apply to the non-financial statement referred to in Article 68*bis* paragraph (2), nor to the separate report referred to in Article 68*bis* paragraph (5), nor to the information referred to in paragraph (1), points a), b), e), f) and g) of Article 68*ter*. »

(2) The companies referred to in Article 35 shall be exempted from the obligation laid down in paragraph (1).

(*Law of 10 December 2010*)

«This exemption does however not apply to undertakings whose securities are admitted to trading on a regulated market (*Law of 7 August 2023*) «of a Member State»<sup>412</sup>.»

Article 36 shall apply.

(3) (*Law of 12 July 2013*) «The institution of the *commissaires aux comptes* [supervisory

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<sup>409</sup> See Articles L.414-10° to L.414-13° of the Labour Code.

<sup>410</sup> In addition, in accordance with Article 38 of the Law of 13 July 2007 relating to markets in financial instruments, the *réviseur d'entreprises agréé* [approved statutory auditor] of a Luxembourg company whose shares or units are admitted to dealing on a regulated market authorised in Luxembourg, must justify its professional qualification and an adequate professional experience to the CSSF and any replacement of the *réviseur d'entreprises agréé* [approved statutory auditor] is subject to prior authorisation of the CSSF.

<sup>411</sup> For Luxembourg companies whose transferable securities are admitted to trading on a regulated market of any Member State, the proposal of the administrative or supervisory body for the appointment of a *réviseur d'entreprises agréé* [approved statutory auditor] or *cabinet de révision agréé* [approved audit firm] shall be based on a recommendation made by the audit committee. See footnote under Article 443-1 of the Law of 1915.

<sup>412</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24*bis*.

auditors] provided for in (*Law of 7 August 2023*) «Articles 443-1 and 710-27 of the above-mentioned Law of 10 August 1915» shall not apply to those companies which have their annual accounts audited by a *réviseur d'entreprises agréé* [approved statutory auditor] pursuant to paragraph (1).»

(*Law of 12 July 2013*)

«(3bis) A *société en commandite par actions*, which causes, or is obliged to have, its annual accounts audited by a *réviseur d'entreprises agréé* [approved statutory auditor], may decide not to establish a supervisory board.»

(4) In the case referred to in paragraph (2) and where the annual accounts or the annual report are not drawn up in accordance with the present law, any interested party may request the president of the *Tribunal d'Arrondissement* [District Court] dealing with commercial matters and sitting as in urgency matters to designate at the expense of the company, for a period of up to five years, a person fulfilling the requirements of paragraph (1) and for the purposes of that paragraph.



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<sup>413</sup> This Article must be read together with Article 35 of the Law of 23 July 2016 on the audit profession.

**Art. 35. Audit reporting.**

(1) The *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)], *cabinet(s) de révisions agréé(s)* [approved audit firm(s)] or *cabinet(s) d'audit* [audit firm(s)] shall present the results of the statutory audit in an audit report. The report shall be prepared in accordance with the requirements of auditing standards adopted by the European Commission or the CSSF, as referred to in Article 33 [of the Law of 23 July 2016].

(2) The audit report shall be in writing and shall:

- a) identify the entity whose annual financial statements are the subject of the statutory audit; specify the annual financial statements and the date and period they cover; and identify the financial reporting framework that has been applied in their preparation;
- b) include a description of the scope of the statutory audit which shall, as a minimum, identify the auditing standards in accordance with which the statutory audit was conducted;
- c) include an audit opinion, which shall be either unqualified, qualified or an adverse audit opinion and shall state clearly the opinion of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)], *cabinet(s) de révision agréé(s)* [approved audit firm(s)] or *cabinet(s) d'audit* [audit firm(s)] as to:
  - i. whether the annual financial statements give a true and fair view in accordance with the relevant financial reporting framework; and,
  - ii. where appropriate, whether the annual financial statements comply with statutory requirements.If the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)], *cabinet(s) de révision agréé(s)* [approved audit firm(s)] or *cabinet(s) d'audit* [audit firm(s)] are unable to express an audit opinion, the report shall contain a disclaimer of opinion;
- d) refer to any other matters to which the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)], *cabinet(s) de révision agréé(s)* [approved audit firm(s)] or *cabinet(s) d'audit* [audit firm(s)] draw(s) attention by way of emphasis without qualifying the audit opinion;
- e) include an audit opinion and statement, both of which shall be based on the work undertaken in the course of the audit, referred to in the second subparagraph of Article 34(1) of Directive 2013/34/EU;
- f) provide a statement on any material uncertainty relating to events or conditions that may cast significant doubt about the entity's ability to continue as a going concern;
- g) identify the place of establishment of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)], *cabinet(s) de révision agréé(s)* [approved audit firm(s)] or *cabinet(s) d'audit* [audit firm(s)];
- h) a CSSF regulation may lay down additional requirements in relation to the presentation of the audit report and other rules in the framework of international audit standards.

(3) Where the statutory audit was carried out by more than one *réviseur d'entreprises agréé* [approved statutory auditor], *cabinet de révision agréé* [approved audit firm] or *cabinet d'audit* [audit firm], the *réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] or *cabinets d'audit* [audit firms] shall agree on the results of the statutory audit and submit a joint audit report and opinion. In the case of disagreement, each *réviseur d'entreprises agréé* [approved statutory auditor], *cabinet de révision agréé* [approved audit firm] or *cabinet d'audit* [audit firm] shall submit his, her or its audit opinion in a separate paragraph of the audit report and shall state the reason for the disagreement.

(4) The audit report shall be signed and dated by the *réviseur d'entreprises agréé* [approved statutory auditor]. Where a *cabinet de révision agréé* [approved audit firm] or *cabinet d'audit* [audit firm] is in charge of the statutory audit, the audit report may be signed and dated only by *réviseurs d'entreprises agréés* [approved statutory auditors] of that firm, including at least the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] who carried out the statutory audit on behalf of the firm. Where more than one *réviseur d'entreprises agréé* [approved statutory auditor], *cabinet de révision agréé* [approved audit firm] or *cabinet d'audit* [audit firm] have been simultaneously engaged, the audit report shall be signed by all *réviseurs d'entreprises agréés* [approved statutory auditors] or at least by the *réviseurs d'entreprises agréés* [approved statutory auditors] carrying out the statutory audit on behalf of every firm.

(Law of 18 December 2015)

«(1) The *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or *cabinet(s) de révision agréé(s)* [approved audit firm(s)] shall present the outcome of the statutory audit of the accounts in an audit report. This report shall be drawn up in accordance with such international auditing standards as adopted for Luxembourg by the *Commission de surveillance du secteur financier*<sup>414</sup>.

(2) The audit report shall be in writing and<sup>415</sup>

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(5) The requirements set out in paragraphs 1 to 4 shall also apply to the report on the consolidated financial statements. In reporting on the consistency of the management report and the financial statements, the *réviseur d'entreprises agréé* [approved statutory auditor], *cabinet de révision agréé* [approved audit firm] or *cabinet d'audit* [audit firm] shall review the consolidated financial statements and the consolidated management report. Where the annual financial statements of the parent undertaking are appended to the consolidated financial statements, the reports of the *réviseurs d'entreprises agréés* [approved statutory auditors], *cabinets de révision agréés* [approved audit firms] or *cabinets d'audit* [audit firms] required by this Article may be combined.

<sup>414</sup> See CSSF Regulation No 22-01.

<sup>415</sup> For public-interest entities (for the definition of this term, see footnote under Article 443-1 of the Law of 1915), Articles 10 and 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council shall also apply:

«**Article 10 Audit report**

1. The statutory auditor(s) or the audit firm(s) shall present the results of the statutory audit of the public-interest entity in an audit report.
  2. The audit report shall be prepared in accordance with the provisions of Article 28 of Directive 2006/43/EC and in addition shall at least:
    - a) state by whom or by which body the statutory auditor(s) or the audit firm(s) was (were) appointed;
    - b) indicate the date of the appointment and the period of total uninterrupted engagement including previous renewals and reappointments of the statutory auditors or the audit firms;
    - c) provide, in support of the audit opinion, the following:
      - i) a description of the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud;
      - ii) a summary of the auditor's response to those risks; and
      - iii) where relevant, key observations arising with respect to those risks. Where relevant to the above information provided in the audit report concerning each significant assessed risk of material misstatement, the audit report shall include a clear reference to the relevant disclosures in the financial statements.
    - d) explain to what extent the statutory audit was considered capable of detecting irregularities, including fraud;
    - e) confirm that the audit opinion is consistent with the additional report to the audit committee referred to in Article 11;
    - f) declare that the prohibited non-audit services referred to in Article 5(1) were not provided and that the statutory auditor(s) or the audit firm(s) remained independent of the audited entity in conducting the audit;
    - g) indicate any services, in addition to the statutory audit, which were provided by the statutory auditor or the audit firm to the audited entity and its controlled undertaking(s), and which have not been disclosed in the management report or financial statements.
- EN Member States may lay down additional requirements in relation to the content of the audit report.
3. Except as required by point (e) of paragraph 2 the audit report shall not contain any cross-references to the additional report to the audit committee referred to in Article 11. The audit report shall be in clear and unambiguous language.
  4. The statutory auditor or the audit firm shall not use the name of any competent authority in a way that would indicate or suggest endorsement or approval by that authority of the audit report.

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**Article 11 Additional report to the audit committee**

1. Statutory auditors or audit firms carrying out statutory audits of public-interest entities shall submit an additional report to the audit committee of the audited entity not later than the date of submission of the audit report referred to in Article 10. Member States may additionally require that this additional report be submitted to the administrative or supervisory body of the audited entity.

If the audited entity does not have an audit committee, the additional report shall be submitted to the body performing equivalent functions within the audited entity. Member States may allow the audit committee to disclose that additional report to such third parties as are provided for in their national law.

2. The additional report to the audit committee shall be in writing. It shall explain the results of the statutory audit carried out and shall at least:

- a) include the declaration of independence referred to in point (a) of Article 6(2);
- b) where the statutory audit was carried out by an audit firm, the report shall identify each key audit partner involved in the audit;
- c) where the statutory auditor or the audit firm has made arrangements for any of his, her or its activities to be conducted by another statutory auditor or audit firm that is not a member of the same network, or has used the work of external experts, the report shall indicate that fact and shall confirm that the statutory auditor or the audit firm received a confirmation from the other statutory auditor or audit firm and/or the external expert regarding their independence;
- d) describe the nature, frequency and extent of communication with the audit committee or the body performing equivalent functions within the audited entity, the management body and the administrative or supervisory body of the audited entity, including the dates of meetings with those bodies;
- e) include a description of the scope and timing of the audit;
- f) where more than one statutory auditor or audit firm have been appointed, describe the distribution of tasks among the statutory auditors and/or the audit firms;
- g) describe the methodology used, including which categories of the balance sheet have been directly verified and which categories have been verified based on system and compliance testing, including an explanation of any substantial variation in the weighting of system and compliance testing when compared to the previous year, even if the previous year's statutory audit was carried out by other statutory auditor(s) or audit firm(s);
- h) disclose the quantitative level of materiality applied to perform the statutory audit for the financial statements as a whole and where applicable the materiality level or levels for particular classes of transactions, account balances or disclosures, and disclose the qualitative factors which were considered when setting the level of materiality;
- i) report and explain judgements about events or conditions identified in the course of the audit that may cast significant doubt on the entity's ability to continue as a going concern and whether they constitute a material uncertainty, and provide a summary of all guarantees, comfort letters, undertakings of public intervention and other support measures that have been taken into account when making a going concern assessment;
- j) report on any significant deficiencies in the audited entity's or, in the case of consolidated financial statements, the parent undertaking's internal financial control system, and/or in the accounting system. For each such significant deficiency, the additional report shall state whether or not the deficiency in question has been resolved by the management;
- k) report any significant matters involving actual or suspected non-compliance with laws and regulations or articles of association which were identified in the course of the audit, in so far as they are considered to be relevant in order to enable the audit committee to fulfil its tasks;
- l) report and assess the valuation methods applied to the various items in the annual or consolidated financial statements including any impact of changes of such methods;
- m) in the case of a statutory audit of consolidated financial statements, explain the scope of consolidation and the exclusion criteria applied by the audited entity to the non-consolidated entities, if any, and whether those criteria applied are in accordance with the financial reporting framework;
- n) where applicable, identify any audit work performed by third-country auditor(s), statutory auditor(s), third-country audit entity(ies) or audit firm(s) in relation to a statutory audit of consolidated financial statements

- a) identify the undertaking, the annual accounts of which are the subject of the statutory audit; specify the relevant annual accounts, the balance sheet date and the period covered; and identify the financial reporting framework that has been applied for their preparation;
- b) contain a description of the scope of the statutory audit of the accounts, which shall, as a minimum, identify the auditing standards in accordance with which the statutory audit was conducted;
- c) contain an audit opinion, which shall be either unqualified, qualified or an adverse opinion and shall clearly state the opinion of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or the *cabinet(s) de révision agréé(s)* [approved audit firm(s)] as to:
  - i) whether the annual accounts give a true and fair view in accordance with the relevant financial reporting framework, and
  - ii) where appropriate, whether the annual accounts comply with statutory requirements.

If the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or the *cabinet(s) de révision agréé* [approved audit firm(s)] are unable to express an audit opinion, the report shall contain a disclaimer of opinion;
- d) refer to any other matters to which the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or the *cabinet(s) de révision agréé(s)* [approved audit firm(s)] draw attention by way of emphasis without qualifying the audit opinion;

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other than by members of the same network as to which the auditor of the consolidated financial statements belongs;

- o) indicate whether all requested explanations and documents were provided by the audited entity;
- p) report:
  - (i) any significant difficulties encountered in the course of the statutory audit;
  - (ii) any significant matters arising from the statutory audit that were discussed or were the subject of correspondence with management; and
  - (iii) any other matters arising from the statutory audit that in the auditor's professional judgement, are significant to the oversight of the financial reporting process.

Member States may lay down additional requirements in relation to the content of the additional report to the audit committee.

Upon request by a statutory auditor, an audit firm or the audit committee, the statutory auditor(s) or the audit firm(s) shall discuss key matters arising from the statutory audit, referred to in the additional report to the audit committee, and in particular in point (j) of the first sub-paragraph, with the audit committee, administrative body or, where applicable, supervisory body of the audited entity.

- 3. Where more than one statutory auditor or audit firm have been engaged simultaneously, and any disagreement has arisen between them on auditing procedures, accounting rules or any other issue regarding the conduct of the statutory audit, the reasons for such disagreement shall be explained in the additional report to the audit committee.
- 4. The additional report to the audit committee shall be signed and dated. Where an audit firm carries out the statutory audit, the additional report to the audit committee shall be signed by the statutory auditors carrying out the statutory audit on behalf of the audit firm.
- 5. Upon request, and in accordance with national law, the statutory auditors or the audit firms shall make available without delay the additional report to the competent authorities within the meaning of Article 20(1).»

- e) include the opinion and statement, both based on the work performed during the audit, referred to in Article 69, paragraph (1), point b) of this Law;
  - f) include a statement on potential material uncertainties related to events or to conditions that may cast significant doubt upon the undertaking's ability to continue as a going concern;
  - g) specify the place of establishment of the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] or the *cabinet(s) de révision agréé(s)* [approved audit firm(s)].
- (3) Where the statutory audit of the accounts has been carried out by several *réviseurs d'entreprises agréés* [approved statutory auditors] or *cabinets de révision agréés* [approved audit firms], they shall together agree on the outcome of the statutory audit of the accounts and present a joint report and opinion. In case of disagreement, each *réviseur d'entreprises agréé* [approved statutory auditor] or *cabinet de révision agréé* [approved audit firm] shall express its opinion in a paragraph that is separate from the audit report and shall set out the reasons for the disagreement.
- (4) The audit report shall be signed and dated by the *réviseur d'entreprises agréé* [approved statutory auditor]. Where a *cabinet de révision agréé* [approved audit firm] carries out the statutory audit of the accounts, the audit report shall bear the signature of at least the *réviseur(s) d'entreprises agréé(s)* [approved statutory auditor(s)] carrying out the statutory audit of the accounts on behalf of the audit firm. Where several *réviseurs d'entreprises agréés* [approved statutory auditors] or *cabinets de révision agréés* [approved audit firms] have worked at the same time, the audit report shall be signed by all *réviseurs d'entreprises agréés* [approved statutory auditors] or at least by the *réviseurs d'entreprises agréés* [approved statutory auditors] carrying out the statutory audit of the accounts on behalf of each *cabinet de révision agréé* [approved audit firm].»

(Law of 10 December 2010)

«Section 10bis - Duty and liability for drawing up and publishing the annual accounts and the management report»

(Law of 10 December 2010)

[2013/34/EU Art. 33.1 point a)]

«Art. 69ter.»

(Law of 23 July 2016)

«The members of the administrative, management and supervisory bodies of an undertakings acting within the competences assigned to them by law the company have collectively the duty to ensure that the annual accounts, the management report and, when published separately, the corporate governance statement and the report referred to in Article 68bis, paragraph (5) to Article 69bis are drawn up and published in accordance with

the requirements of this law and, where applicable, in accordance with the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002.<sup>416»</sup>

*Section 11. - Special conditions applicable to parent companies and subsidiaries*

[2013/34/EU Art. 37]

**Art. 70.**<sup>417</sup>

- (1) Subsidiaries need not apply the provisions of this Chapter or of Chapter IV regarding the content, the audit and the publication of annual accounts, if the following conditions are fulfilled:
- a) (*Law of 7 August 2023*) «the parent undertaking must be subject to the laws of a Member State»<sup>418</sup>;
  - b) all shareholders or members of the subsidiary have declared their agreement to the exemption from such obligation; this declaration must be made in respect of every financial year;
  - c) the parent undertaking must have declared that it guarantees the commitments entered into by the subsidiary;
  - d) (*Law of 30 July 2013*) «the declarations referred to in b) and c) are published by the subsidiary in the form provided for by (*Law of 27 May 2016*) « (*Law of 7 August 2023*) «Article 100-13, paragraph (3), of the above-mentioned Law of 10 August 1915» and the provisions of Chapter Vbis of Title I of this law<sup>419</sup>»;»
  - e) (*Law of 30 July 2013*) «the subsidiary is included in the consolidated accounts drawn up by the parent undertaking in accordance with the (*Law of 7 August 2023*) « above-mentioned Directive 2013/34/EU» or in accordance with the international accounting standards adopted in accordance with the procedure laid out in Article 6 paragraph 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>420</sup>»;»
  - f) the exemption referred to above is disclosed in the notes to the consolidated accounts drawn up by the parent undertaking;
  - g) (*Law of 30 July 2013*) «the consolidated accounts referred to in e), the consolidated management report and the report by the person(s) responsible for auditing those accounts must be published by the subsidiary in the form provided for by (*Law of 27*

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<sup>416</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>417</sup> Corresponds to abrogated Article 256-1 of the Law of 1915, except for later amendments.

<sup>418</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of Member State, see Article 24bis.

<sup>419</sup> See footnote under Article 100-13 of the Law of 1915.

<sup>420</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

*May 2016)* « (*Law of 7 August 2023)* «Article 100-13, paragraph (3), of the above-mentioned Law of 10 August 1915» and the provisions of Chapter *Vbis* of Title I of this law<sup>421</sup>».»

[2013/34/EU Art. 39]

**Art. 71.**<sup>422</sup>

A parent company need not apply the provisions of this Chapter and of Chapter IV concerning the audit and publication of the profit and loss account where the following conditions are fulfilled:

- a) (*Law of 30 July 2013)* «the parent company draws up consolidated accounts in accordance with (*Law of 7 August 2023)* « above-mentioned Directive 2013/34/EU» or in accordance with the international accounting standards adopted in accordance with the procedure laid out in Article 6 paragraph 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>423</sup> and is included in the consolidation;»
- b) the above exemption is disclosed in the notes to the annual accounts of the parent company;
- c) the above exemption is disclosed in the notes to the consolidated accounts drawn up by the parent company;
- d) the profit or loss of the parent company determined in accordance with this Chapter is shown in the balance sheet of the parent company.

[2013/34/EU Art. 38]

**Art. 72.**<sup>424</sup>

(*Law of 30 July 2013)*

«This Title is not applicable to those companies incorporated under Luxembourg law referred to in (*Law of 7 August 2023)* «Article 1, paragraph 1, letter b) of the above-mentioned Directive 2013/34/EU» where:

- (1) the companies governed by Luxembourg law referred to in (*Law of 7 August 2023)* «Article 1, paragraph 1, letter a) of the above-mentioned Directive 2013/34/EU» which are members having unlimited liability in any of the companies incorporated under Luxembourg law referred to in (*Law of 7 August 2023)* «Article 1, paragraph 1, letter b) of the above-mentioned Directive 2013/34/EU» , draw up, have audited and publish, with their own accounts and in conformity with the provisions of this Title, the accounts of those companies.
- (2) a) the accounts of these companies are drawn up, audited and published in conformity with the provisions of (*Law of 7 August 2023)* «the above-mentioned

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<sup>421</sup> See footnote under Article 100-13 of the Law of 1915.

<sup>422</sup> Corresponds to abrogated Article 256-2 of the Law of 1915, except for later amendments.

<sup>423</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>424</sup> Corresponds to abrogated Article 256-3 of the Law of 1915, except for later amendments.

Directive 2013/34/EU» or in accordance with the international accounting standards adopted in accordance with the procedure laid out in Article 6 paragraph 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>425</sup>, by a company referred to in (*Law of 7 August 2023*) «Article 1, paragraph 1, letter a) » of that Directive<sup>426</sup> which is a member having unlimited liability and is governed by the law of another (*Law of 7 August 2023*) «Member State»<sup>427</sup>;

- b) these companies are included in consolidated accounts drawn up, audited and published in accordance with the (*Law of 7 August 2023*) «above-mentioned Directive 2013/34/EU» or in accordance with the international accounting standards adopted in accordance with the procedure laid out in Article 6 paragraph 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>428</sup> by a member having unlimited liability, or where they are included in the consolidated accounts of a larger body of undertakings drawn up, audited and published in conformity with the (*Law of 7 August 2023*) «above-mentioned Directive 2013/34/EU» or in accordance with the international accounting standards adopted in accordance with the procedure laid out in Article 6 paragraph 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards by a parent undertaking governed by the law of a Member State<sup>429</sup>. This exemption must be disclosed in the notes to the consolidated accounts.
- (3) In these cases, these companies must reveal to whomsoever so requests the name of the company publishing the accounts.»

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<sup>425</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>426</sup> These are *sociétés anonymes*, *sociétés en commandite par actions* and *sociétés à responsabilité limitée*.

<sup>427</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of Member State, see Article 24*bis*.

<sup>428</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>429</sup> For the definition of Member State, see Article 24*bis*.



(Law of 30 July 2013)

**«Chapter IIbis – On the preparation of annual accounts in accordance with international accounting standards»**

(Law of 10 December 2010)

**«Art. 72bis.**

The undertakings referred to in Article 25 have the option to draw up their annual accounts in accordance with the international accounting standards adopted pursuant to the procedure provided in Article 6, paragraph (2) of Regulation (EC) N° 1606/2002 of the Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>430</sup> and are permitted, to the extent necessary therefor, to derogate from the provisions of (Law of 30 July 2013) «Chapter II of Title II of this law.»

In that case, the undertakings concerned remain however subject to the provisions of Article 65, paragraph (1) points 2°, 9°, 12°, 13°, 15° and 16° and Articles 68, 68bis, 69, 69bis, 69ter, 70 and 71.»

(Law of 30 July 2013)

**«Art. 72ter.**

(1) (Law of 7 August 2023) «Companies» referred to in Article 77, paragraph 2, point 1°, other than investment companies as defined in Article 30, having exercised the option set forth in Article 72bis, may not distribute or use for any other purposes:

- a) unrealised income and gains, net of tax related thereto, shown in the profit and loss account;
- b) unrealised income and gains, net of tax related thereto, shown in the capital and reserves which did not flow through the profit and loss account;
- c) positive variations of capital and reserves, net of tax related thereto, recorded in the opening balance sheet of the first annual accounts drawn up in application of Chapter IIbis or where a standard was first applied to a category of assets or to an asset or a liability or to a specific instrument of capital and reserves.

(2) The items referred to in paragraph (1) above shall be allocated to an undistributable reserve, either immediately upon their being recorded in the accounts, or subsequently upon the allocation of the results for the financial year. Such undistributable reserve may not be used for the following or similar purposes:

- a) an increase of capital by incorporation of reserves;
- b) an allocation to the legal reserve;
- c) the creation of the undistributable reserve related to the acquisition of own shares;

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<sup>430</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

- d) the creation of the undistributable reserve related to the granting of financial assistance in view of the acquisition of the shares of the (*Law of 7 August 2023*) «company» by a third party;
  - e) (*Law of 7 August 2023*) «the creation of the undistributable reserve related to the redemption of redeemable shares»;
  - f) the determination of the loss of half or three-quarters of the share capital;
  - g) the special reserve established in accordance with paragraph (8a) of the amended Law of 16 October 1934 on net wealth tax.
- (3) By derogation from paragraphs (1) and (2) above, the following items shall not be considered as undistributable and may therefore be distributed or used for another purpose:
- a) unrealised income referred to in paragraph (1) point a) related to financial instruments held as part of the trading portfolio and currency exchange-rate variations and variations in the context of a fair value hedge accounting system;
  - b) variations of capital and reserves referred to in paragraph (1) point c) related to reversals of provisions and value adjustments, which may not be maintained on the balance sheet as a result of the exercise of the option referred to in Article 72*bis* other than those calculated in order to systematically depreciate the value of assets over their period of use.
- (4) If the results for the financial year are lower than the amount of the unrealised income and gains, net of tax related thereto, referred to in paragraph (1) point a), the undistributable reserve referred to in paragraph (2) is set up, with respect to such balance, by using the distributable reserves or, in the absence thereof, by deducting them from the results carried forward.
- (5) The undistributable reserve referred to in paragraph (2) shall be adjusted for a corresponding amount in line with the realisation of the income, gains and variations referred to in paragraph (1), including through systematic amortisation, or where revaluations are cancelled due to a value adjustment.
- (6) For those cases not covered by this Article, reference is made to the general principle of Article 51 paragraph (1) point c) which lays down the principle of prudence and the principle of realisation of the profits.»

(Law of 18 December 2015)

## «Chapter IIter. – On the report on payments to governments

[2013/34/EU Art. 41]

### **Art. 72<sup>quater</sup>.**

For the purpose of this Chapter, the following definitions shall apply:

- 1) «undertaking active in the extractive industry» means an undertaking, all or part of the activities of which consist in the exploration, prospection, discovery, development, and extraction of deposits of minerals, oil, natural gas or other materials, within the economic activities listed in Section B, Divisions 05 to 08 of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2<sup>431</sup>;
- 2) «undertaking active in the logging of primary forests» means an undertaking with activities in primary forests as referred to in Section A, Division 02, Group 02.2 of Annex I to Regulation (EC) No 1893/2006<sup>432</sup>;
- 3) «government» means any national, regional or local authority of a Member State<sup>433</sup> or of a third country. It includes a department, agency or undertaking controlled by that authority within the meaning of (Law of 7 August 2023) «Articles 1711-1 to 1711-3 of the above-mentioned Law of 10 August 1915»;
- 4) «project» means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities to a government. None the less, if multiple such agreements are interconnected in a substantive manner, they shall be considered as one project;
- 5) «payment» means an amount paid, in cash or in kind, for activities, as described in points 1) and 2), of the following types:
  - a) production based payment claims<sup>434</sup>entitlements;
  - b) taxes levied on the income, production or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes;
  - c) royalties;
  - d) dividends;
  - e) signature, discovery and production bonuses;
  - f) licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and

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<sup>431</sup> 05: Mining of coal and lignite; 06: Extraction of crude petroleum and natural gas, 07: Mining of metal ores, 08: Other mining and quarrying (inter alia stone, sand, clay, gypsum, chemical minerals, peat, salt).

<sup>432</sup> Logging.

<sup>433</sup> For the definition of Member State, see Article 24<sup>bis</sup>.

<sup>434</sup> Translation based on German version of the directive: *Produktionszahlungsansprüche*.

- g) payments for infrastructure improvements.
- 6) «large undertaking» means an undertaking organised as a *société anonyme, société européenne, société en commandite par actions, société à responsabilité limitée* or as one of types of companies referred to in Article 77, paragraph 2, points 2° and 3° of this Law and which, on its balance sheet date, exceeds the limits of at least two of the three criteria referred to in Article 47 of this Law;
- 7) «public-interest entities» means undertakings within the meaning of Article 2, point 1) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings<sup>435</sup>;
- 8) «subsidiary undertaking» means an undertaking as defined in (*Law of 7 August 2023*) «Article 1711-1 paragraph (2), of the above-mentioned Law of 10 August 1915 » ;
- 9) «parent undertaking» means an undertaking as defined in (*Law of 7 August 2023*) «Article 1711-1 paragraph (2), of the above-mentioned Law of 10 August 1915».

[2013/34/EU Art. 42]

**Art. 72quinquies.**

- (1) Any large undertaking or any public-interest entity active in the extractive industry or the logging of primary forests must draw up and make public a report on payments to governments on an annual basis.
- (2) That obligation shall not apply to any undertaking which is a subsidiary or parent undertaking, where both of the following conditions are fulfilled:
- (a) the parent undertaking is subject to the laws of a Member State<sup>436</sup>; and
- (b) payments to governments made by the undertaking are included in the consolidated report on payments to governments drawn up by that parent undertaking (*Law of 7 August 2023*) «in accordance with the law of the Member State<sup>437</sup> to which it is subject to».

[2013/34/EU Art. 43]

**Art. 72sexies.**

- (1) Any payment, whether made as a single payment or as a series of related payments, need not be taken into account in the report if it is below 100,000 euros within a financial year.
- (2) The report shall disclose the following information in relation to activities as described in points (1) and (2) of Article 72quater in respect of the relevant financial year:
- a) the total amount of payments made to each government;
- b) the total amount per type of payment as specified in points (5), a) to g) of Article 72quater made to each government;

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<sup>435</sup> The Law of 23 July 2016 on the audit profession contains a definition of «public-interest entities». See note under Article 443-1 of the Law of 1915.

<sup>436</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of Member State, see Article 24bis.

<sup>437</sup> For the definition of Member State, see Article 24bis.

- c) where those payments have been attributed to a specific project, the total amount per type of payment as specified in points (5), a) to g) of Article 72<sup>quater</sup>, made for each such project and the total amount of payments for each such project.

Payments made by the undertaking in respect of obligations imposed at entity level may be disclosed at the entity level rather than at project level.

- (3) Where payments in kind are made to a government, they shall be reported in value and, where applicable, in volume. Supporting notes shall be provided to explain how their value has been determined.
- (4) The disclosure of the payments referred to in this Article shall reflect the substance, rather than the form, of the payment or activity concerned. Payments and activities may not be artificially split or aggregated to avoid the application of this Chapter.

[2013/34/EU Art. 45.1]

**Art. 72<sup>septies</sup>.**

The report on payments to governments referred to in this Chapter shall be published on the «*Recueil électronique des sociétés et associations*»<sup>438</sup>. This publication shall be made by way of a reference to the filing at the register of commerce and companies deposited within twelve months of the end of the financial year covered to by the report<sup>439</sup>.

[2013/34/EU Art. 45.2]

**Art. 72<sup>octies</sup>.**

The members of the responsible bodies of an undertaking, acting within the competences assigned to them by law, have responsibility for ensuring that, to the best of their knowledge and ability, the report on payments to governments is drawn up and published in accordance with the requirements of this Chapter.

[2013/34/EU Art. 46]

**Art. 72<sup>nonies</sup>.**

Undertakings referred to in Article 72<sup>quinquies</sup> that prepare and make public a report complying with third-country reporting requirements assessed, in accordance with Article 47 of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on

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<sup>438</sup> Amended by Article 20, the “catch all” provision of the Law of 27 May 2016.

<sup>439</sup> Law of 22 May 2020 on the extension of deadlines for the filing and publication of annual accounts, consolidated accounts and related reports during the state of crisis.

Art. 1. By derogation from the provisions of the amended Law of 19 December 2002 on the Trade and Companies Register and the accounting and annual accounts of undertakings, the following are extended by three months: (...)

3° the deadline for publication of the report on payments to governments on the *Recueil électronique des sociétés et associations* referred to in Article 72<sup>septies</sup> of the aforementioned Law of 19 December 2002 mentioned above. (...)

Art. 5. This law only applies to annual accounts, consolidated accounts as well as related reports and annual general meetings in relation to the financial year closed as at the date of the end of the state of crisis as extended of 24 March 2020 extending the state of crisis declared by Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19 and for which the deadlines for filing and publication or holding had not expired by 18 March 2020.

This Law shall enter into force on the day of its publication in the Official Journal of the Grand Duchy of Luxembourg. [This Law entered into force on 29 May 2020.]

the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, as equivalent to the requirements of this Chapter<sup>440</sup> are exempt from the requirements of this Chapter except for the obligation to publish this report in accordance with Article 72septies.»

(Law of 15 August 2023)

**«Chapter IIquater. - Report on income tax information»<sup>441,442</sup>**

(Law of 15 August 2023)

[2013/34/EU Art. 1]

**«Art. 72decies.**

- (1) The undertakings established in one of the following legal forms shall be subject to the provisions of this Chapter:
  - 1° *société anonyme*;
  - 2° *société en commandite par actions*;
  - 3° *société à responsabilité limitée*;
  - 4° *société en nom collectif* and *société en commandite simple* where all of the direct or indirect members of the undertaking having otherwise unlimited liability, in fact have limited liability by reason of those members being undertakings which are:
    - a) of the types listed in Annex I to the above-mentioned Directive 2013/34/EU ; or
    - b) not governed by the law of a Member State<sup>443</sup> but which have a legal form comparable to those listed in Annex I to the above-mentioned Directive 2013/34/EU.
- (2) The provisions of this Chapter shall also apply to branches opened in the Grand Duchy of Luxembourg by an undertaking which is not governed by the law of a Member State<sup>444</sup> but which is of a legal form comparable with the types of undertakings listed in Annex I to the above-mentioned Directive 2013/34/EU.»

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<sup>440</sup> The equivalence of third-country requirements of non-Member States must be acknowledged by an implementing act of the European Commission. The Commission has issued an equivalence decision for Canada. (Commission implementing decision (EU) 2016/1910 of 28 October 2016 on the equivalence of the reporting requirements of certain third countries on payments to governments to the requirements of Chapter 10 of Directive 2013/34/EU of the European Parliament and of the Council.)

<sup>441</sup> The provisions of Chapter IIquater of the Law of 19 December 2002 shall apply from the commencement date of the first financial year starting on or after 22 June 2024.

<sup>442</sup> The French version of the directive refers to *corporate* income tax information. This translation follows the English and German versions of the directive which do not include the word «corporate».

<sup>443</sup> For the definition of Member State, see Article 24bis.

<sup>444</sup> For the definition of Member State, see Article 24bis.

(Law of 15 August 2023)

[2013/34/EU Art. 48a]

**«Art. 72undecies.**

(1) For the purposes of this Chapter, the following definitions apply:

- 1° «ultimate parent undertaking» means an undertaking which draws up the consolidated accounts of the largest body of undertakings;
- 2° «consolidated accounts» means the accounts prepared by a parent undertaking of a group, in which the assets, liabilities, equity, income and expenses are presented as those of a single economic entity;
- 3° «tax jurisdiction» means a State or non-State jurisdiction which has fiscal autonomy in respect of corporate income tax;
- 4° «standalone undertaking» means an undertaking which is not part of a group as defined in point 7°;
- 5° «parent undertaking» means an undertaking which controls one or more subsidiary undertakings;
- 6° «subsidiary undertaking» means an undertaking controlled by a parent undertaking, including any subsidiary undertaking of an ultimate parent undertaking;
- 7° «group» means a parent undertaking and all its subsidiary undertakings;
- 8° «affiliated undertakings» means any two or more undertakings which are part of a group;
- 9° «medium-sized subsidiary undertaking» means any subsidiary undertaking which, on its balance sheet date, exceeds two of the three criteria set out in Article 35 of this Law for two consecutive financial years without, however, exceeding more than one of the three criteria set out in Article 47 of this Law for two consecutive financial years;
- 10° «large subsidiary undertaking» means any subsidiary undertaking which, on its balance sheet date, exceeds two of the three criteria set out in Article 47 of this Law for two consecutive financial years;
- 11° «related parties<sup>445</sup>» has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>446</sup>.

(2) For the purposes of Article 72duodecies, «revenue» has the same meaning as:

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<sup>445</sup> For the definition of «related party», see the note that follows the Grand Ducal Regulation of 18 December 2015 in Annex I below.

<sup>446</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

- 1° «net turnover», for undertakings governed by the law of a Member State<sup>447</sup> that do not apply international accounting standards adopted on the basis of Regulation (EC) No 1606/2002<sup>448</sup>; or
- 2° «revenue» as defined by or within the meaning of the financial reporting framework on the basis of which the accounts are prepared, for other undertakings.»

(Law of 15 August 2023)

[2013/34/EU Art. 48b]

**«Art. 72duodecies.**

- (1) Ultimate parent undertakings established in the Grand Duchy of Luxembourg are required, where the consolidated revenue on their balance sheet date exceeds for each of the last two consecutive financial years a total of 750,000,000 euros, as reflected in their consolidated accounts, to draw up, publish and make accessible a report on income tax information as regards the latter of those two consecutive financial years.

An ultimate parent undertaking shall no longer be subject to the reporting obligations set out in the first subparagraph where the total consolidated revenue on its balance sheet date falls below 750,000,000 euros for each of the last two consecutive financial years as reflected in its consolidated accounts.

Standalone undertakings established in the Grand Duchy of Luxembourg are required, where the revenue on their balance sheet date exceeds for each of the last two consecutive financial years a total of 750,000,000 euros, as reflected in their annual accounts, to draw up, publish and make accessible a report on income tax information as regards the latter of those two consecutive financial years.

A standalone undertaking shall no longer be subject to the reporting obligations set out in the third subparagraph where the total revenue on its balance sheet date falls below 750,000,000 euros for each of the last two consecutive financial years as reflected in its annual accounts.

- (2) Paragraph 1 does not apply to standalone undertakings or ultimate parent undertakings and their affiliated undertakings where such undertakings, including their branches, are established, or have their fixed places of business or permanent business activity, within Luxembourg and no other tax jurisdiction.
- (3) Paragraph 1 does not apply to standalone undertakings and ultimate parent undertakings where such undertakings or their affiliated undertakings disclose a report, in accordance with Article 38-3 of the amended Law of 5 April 1993 on the financial sector<sup>449</sup>, that encompasses information on all of their activities and, in the case of ultimate parent undertakings, on all the activities of all the affiliated undertakings included in the consolidated accounts.

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<sup>447</sup> For the definition of Member State, see Article 24*bis*.

<sup>448</sup> At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>449</sup> Country by country reporting by CRR institutions.



- (4) Medium-sized and large subsidiary undertakings established in Luxembourg that are controlled by an ultimate parent undertaking that is not governed by the law of a Member State<sup>450</sup>, where the consolidated revenue on its balance sheet date exceeded for each of the last two consecutive financial years a total of 750,000,000 euros, as reflected in its consolidated accounts, are required to publish and make accessible a report on income tax information concerning that ultimate parent undertaking as regards the latter of those two consecutive financial years.

Where that information or report is not available, the subsidiary undertaking shall request its ultimate parent undertaking to provide it with all information required to enable it to meet its obligations under the first subparagraph. If the ultimate parent undertaking does not provide all the required information, the subsidiary undertaking shall draw up, publish and make accessible a report on income tax information containing all information in its possession, obtained or acquired, and a statement indicating that its ultimate parent undertaking did not make the necessary information available.

Medium-sized and large subsidiary undertakings shall no longer be subject to the reporting obligations set out in this paragraph where the total consolidated revenue of the ultimate parent undertaking on its balance sheet date falls below 750,000,000 euros for each of the last two consecutive financial years as reflected in its consolidated accounts.

- (5) Branches opened in the Grand Duchy of Luxembourg by undertakings that are not governed by the law of a Member State<sup>451</sup> as referred to in Article 72*decies*, paragraph 2, are required to publish and make accessible a report on income tax information concerning the ultimate parent undertaking or the standalone undertaking referred to in the sixth subparagraph, point 1°, as regards the latter of the last two consecutive financial years.

Where that information or report is not available, the person or persons designated to carry out the disclosure formalities referred to in Article 72*quindecies* shall request the ultimate parent undertaking or the standalone undertaking referred to in the sixth subparagraph, point 1°, to provide them with all information necessary to enable them to meet their obligations.

In the event that not all the required information is provided, the branch shall draw up, publish and make accessible a report on income tax information, containing all information in its possession, obtained or acquired, and a statement indicating that the ultimate parent undertaking or the standalone undertaking did not make the necessary information available.

The reporting obligations set out in this paragraph shall apply only to branches which have a net turnover that exceeded the threshold of 8,800,000 euros as transposed pursuant to Article 35 for each of the last two consecutive financial years.

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<sup>450</sup> For the definition of Member State, see Article 24*bis*.

<sup>451</sup> For the definition of Member State, see Article 24*bis*.

A branch subject to the reporting obligations under this paragraph shall no longer be subject to those obligations where its net turnover falls below the threshold of 8,800,000 euros as transposed in Article 35 for each of the last two consecutive financial years.

This paragraph shall apply to a branch only where the following criteria are met:

- 1° the undertaking that opened the branch is either an affiliated undertaking of a group whose ultimate parent undertaking is not governed by the law of a Member State<sup>452</sup> and the consolidated revenue of which on its balance sheet date exceeded for each of the last two consecutive financial years a total of 750,000,000 euros, as reflected in its consolidated accounts, or a standalone undertaking the revenue of which on its balance sheet date exceeded for each of the last two consecutive financial years a total of 750,000,000 euros as reflected in its annual accounts;
- 2° the ultimate parent undertaking referred to in point 1° does not have a medium-sized or large subsidiary undertaking as referred to in paragraph 4.

A branch shall no longer be subject to the reporting obligations set out in this paragraph where the criterion provided for in the sixth sub-paragraph, point 1° ceases to be met for two consecutive financial years.

- (6) Paragraphs 4 and 5 shall not apply where a report on income tax information is drawn up by an ultimate parent undertaking or standalone undertaking that is not governed by the law of a Member State<sup>453</sup>, in a manner that is consistent with Article 72*terdecies*, and meets the following criteria:

- 1° it is made accessible to the public, free of charge and in an electronic reporting format which is machine-readable:
  - a) on the website of that ultimate parent undertaking or of that standalone undertaking;
  - b) in at least one of the official languages of the European Union<sup>454</sup>;
  - c) no later than 12 months after the balance sheet date of the financial year for which the report is drawn up;
- 2° it identifies the name and the registered office of a single subsidiary undertaking, or the name and the address of a single branch governed by the law of Luxembourg, which has published a report in accordance with Article 72*quaterdecies*, paragraph 1.

- (7) Subsidiary undertakings or branches not subject to the provisions of paragraphs 4 and 5 are required to publish and make accessible a report on income tax information where such subsidiary undertakings or branches serve no other objective than to circumvent the reporting requirements set out in this Chapter.»

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<sup>452</sup> For the definition of Member State, see Article 24*bis*.

<sup>453</sup> For the definition of Member State, see Article 24*bis*.

<sup>454</sup> Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, transposed by the Law of 15 August 2023, is characterised as being of EEA relevance and is being analysed for incorporation into the EEA Agreement.

(Law of 15 August 2023)

[2013/34/EU Art. 48c]

**«Art. 72terdecies.**

- (1) The report on income tax information required under Article 72*duodecies* shall include information relating to all the activities of the standalone undertaking or ultimate parent undertaking, including those of all affiliated undertakings consolidated in the accounts in respect of the relevant financial year.
- (2) The information referred to in paragraph 1 shall consist of:
  - 1° the name of the ultimate parent undertaking or the standalone undertaking, the financial year concerned, the currency used for the presentation of the report and, where applicable, a list of all subsidiary undertakings consolidated in the accounts of the ultimate parent undertaking, in respect of the relevant financial year, established in the European Union<sup>455</sup> or in tax jurisdictions included in Annexes I and II to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;
  - 2° a brief description of the nature of their activities;
  - 3° the number of employees on a full-time equivalent basis;
  - 4° revenues, which are to be calculated as:
    - a) the sum of net turnover, other operating income, income from participating interests, excluding dividends received from affiliated undertakings, income from other investments<sup>456</sup> and loans<sup>457</sup> forming part of the fixed assets, and other interest receivable and similar income as listed in Annexes V and VI to the above-mentioned Directive 2013/34/EU ; or
    - b) income as defined by the financial reporting framework on the basis of which the accounts are prepared, excluding value adjustments and dividends received from affiliated undertakings;
  - 5° the amount of profit or loss before income tax;
  - 6° the amount of income tax accrued during the relevant financial year, which is to be calculated as the current tax expense recognised on taxable profits or losses of the financial year by undertakings and branches in the relevant tax jurisdiction;
  - 7° the amount of income tax paid on a cash basis, which is to be calculated as the amount of income tax paid during the relevant financial year by undertakings and branches in the relevant tax jurisdiction;
  - 8° the amount of accumulated earnings at the end of the relevant financial year.

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<sup>455</sup> Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, transposed by the Law of 15 August 2023, is characterised as being of EEA relevance and is being analysed for incorporation into the EEA Agreement.

<sup>456</sup> Term used in the English version of the directive. The equivalent to the French term used by the law «autres valeurs mobilières» would be «other transferable securities». The German version of the directive corresponds to the French term : «sonstigen Wertpapieren».

<sup>457</sup> The French version refers to «créances» meaning «claims» or «receivables» and the German version refers to «Forderungen ».

For the purposes of point 4°, revenues shall include transactions with related parties<sup>458</sup>.

For the purposes of point 6°, the current tax expense shall relate only to the activities of an undertaking in the relevant financial year and shall not include deferred taxes or provisions for uncertain tax liabilities.

For the purposes of point 7°, taxes paid shall include withholding taxes paid by other undertakings with respect to payments to undertakings and branches within a group.

For the purposes of point 8°, «accumulated earnings» shall mean the sum of the profits from past financial years and the relevant financial year, the distribution of which has not yet been decided upon. With regard to branches, accumulated earnings shall be those of the undertaking which opened the branch.

- (3) The information listed in paragraph 2 may be reported on the basis of the reporting instructions referred to in Section III, Parts B and C, of the annex to the amended Law of 23 December 2016 on country-by-country reporting.
- (4) The information referred to in paragraphs 2 and 3 shall be presented using a common template and electronic reporting formats which are machine-readable as laid down by the European Commission, by means of implementing acts adopted in accordance with the examination procedure referred to in Article 50(2) of the above-mentioned Directive 2013/34/EU.
- (5) The report on income tax information shall present the information referred to in paragraph 2 or 3 separately for each Member State of the European Union<sup>459</sup>. Where a Member State of the European Union comprises several tax jurisdictions, the information shall be aggregated at Member State level.

The report on income tax information shall also present the information referred to in paragraph 2 or 3 separately for each tax jurisdiction which, on 1 March of the financial year for which the report is to be drawn up, is listed in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, and shall provide such information separately for each tax jurisdiction which, on 1 March of the financial year for which the report is to be drawn up and on 1 March of the preceding financial year, was mentioned in Annex II to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.

The report on income tax information shall present the information referred to in paragraph 2 or 3 on an aggregated basis for other tax jurisdictions.

The information shall be attributed to each relevant tax jurisdiction on the basis of an establishment, the existence of a fixed place of business or of a permanent business activity which, given the activities of the group or standalone undertaking, can be subject to income tax in that tax jurisdiction.

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<sup>458</sup> For the definition of «related party», see Article 72*undecies* paragraph (1) item 11°.

<sup>459</sup> For the definition of Member State, see Article 24*bis*. As regards the reference to «European Union», it should be noted that Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, transposed by the Law of 15 August 2023, is characterised as being of EEA relevance and is being analysed for incorporation into the EEA Agreement.

Where the activities of several affiliated undertakings can be subject to income tax within a single tax jurisdiction, the information attributed to that tax jurisdiction shall represent the sum of the information relating to such activities of each affiliated undertaking and their branches in that tax jurisdiction.

Information on any particular activity shall not be attributed simultaneously to more than one tax jurisdiction.

- (6) One or more specific items of information otherwise required to be disclosed in accordance with paragraph 2 or 3 may be temporarily omitted from the report where their disclosure would be seriously prejudicial to the commercial position of the undertakings to which the report relates. Any omission shall be clearly indicated in the report together with a duly reasoned explanation regarding the reasons therefor.

All information omitted pursuant to the first subparagraph must be made public in a later report on income tax information, within no more than five years of the date of its original omission.

Information pertaining to tax jurisdictions included in Annexes I and II to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, as referred to in paragraph 5, may never be omitted.

- (7) The report on income tax information may include, where applicable at group level, an overall narrative providing explanations for any material discrepancies between the amounts disclosed pursuant to paragraph 2, points 6° and 7°, taking into account, if appropriate, corresponding amounts concerning previous financial years.
- (8) The currency used in the report on income tax information shall be the currency in which the consolidated accounts of the ultimate parent undertaking or the annual accounts of the standalone undertaking are presented.

However, in the case mentioned in the second subparagraph of Article 72*duodecies* paragraph 4, sub-paragraph two, the currency used in the report on income tax information shall be the currency in which the subsidiary undertaking publishes its annual accounts.

- (9) The thresholds referred to in Article 72*duodecies* paragraphs 4 and 5 shall be converted to an equivalent amount in the national currency of any relevant third countries by applying the exchange rate as at 21 December 2021, rounded off to the nearest thousand.
- (10) The report on income tax information shall specify whether it was prepared in accordance with paragraph 2 or 3.»

(Law of 15 August 2023)

[2013/34/EU Art. 48d]

«Art. 72*quaterdecies*.

- (1) The report on income tax information and the statement mentioned in Article 72*duodecies* shall be filed and published by means of a reference to the filing thereof

in accordance with the provisions of Title I, Chapter *Vbis*<sup>460</sup>, within 12 months of the balance sheet date of the financial year for which the report is drawn up.

- (2) The report on income tax information and the statement published by the undertakings in accordance with paragraph 1 are made accessible to the public in at least one of the official languages of the European Union, free of charge, no later than 12 months after the balance sheet date of the financial year for which the report is drawn up, on the website of:
- 1° the undertaking, where Article 72*duodecies* paragraph 1 applies;
  - 2° the subsidiary undertaking or an affiliated undertaking, where Article 72*duodecies* paragraph 4 applies; or
  - 3° the branch or the undertaking which opened the branch, or an affiliated undertaking, where Article 72*duodecies* paragraph 5 applies.
- (3) Undertakings shall be exempted from applying the rules set out in paragraph 2 where the report on income tax information published in accordance with paragraph 1 is simultaneously made accessible to the public in an electronic reporting format which is machine-readable, on the website of the register of commerce and companies, and free of charge to any third party located within the European Union<sup>461</sup>. The website of the undertakings and branches, referred to in paragraph 2, shall contain information on that exemption and a reference to the website of the register of commerce and companies.
- (4) The report referred to in Article 72*duodecies* paragraphs 1, 4, 5, 6 and 7 and, where applicable, the statement referred to in paragraphs 4 and 5 of that Article, shall remain accessible on the relevant website for a minimum of five consecutive years.»

(Law of 15 August 2023)

[2013/34/EU Art. 48e]

**«Art. 72*quindecies*.**

- (1) The members of the administrative, management and supervisory bodies of the ultimate parent undertakings or the standalone undertakings referred to in Article 72*duodecies* paragraph 1, acting within the competences assigned to them by law, have the collective duty to ensure that the report on income tax information is drawn up, published and made accessible in accordance with Articles 72*duodecies*, 72*terdecies* and 72*quaterdecies*.
- (2) The members of the administrative, management and supervisory bodies of the subsidiary undertakings referred to in Article 72*duodecies* paragraph 4 and the permanent representative(s) of the company for the activities of the branch referred to in Article 72*duodecies* paragraph 5, acting within the competences assigned to them by law, have collective responsibility for ensuring, to the best of their knowledge and

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<sup>460</sup> See footnote under Article 100-13 of the Law of 1915.

<sup>461</sup> As regards the reference to «European Union», it should be noted that Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, transposed by the Law of 15 August 2023, is characterised as being of EEA relevance and is being analysed for incorporation into the EEA Agreement.

ability, that the report on income tax information is drawn up in a manner that is consistent with or in accordance with, as relevant, Articles 72*duodecies* and Article 72*terdecies* and that it is published and made accessible in accordance with Article 72*quaterdecies*.»

(Law of 15 August 2023)

[2013/34/EU Art. 48f]

«Art. 72*sexdecies*.

Where the accounts of an undertaking governed by Luxembourg law are required to be audited by one or more *réviseurs d'entreprises agréés* [approved statutory auditors] or *cabinets de révision agréés* [approved audit firms], the audit report shall state whether, for the financial year preceding the financial year for which the accounts under audit were prepared, the undertaking was required under Article 72*duodecies* to publish a report on income tax information and, if so, whether the report was published in accordance with Article 72*quaterdecies*.»

#### Chapter IV. – Deposit and disclosure of annual accounts

**Art. 75.**

(Law of 30 July 2013)

«Undertakings referred to in Article 25 shall deposit with the register of commerce and companies their annual accounts, duly approved in the case of legal entities, and the balance of the accounts featured in the standard of accounts defined in Article 12 paragraph 2 of the Commercial Code, within a month of their approval and at the latest seven months after the end of the calendar year, in the case of individual business persons or the financial year end, in case of legal entities.»<sup>462</sup>

(Law of 30 July 2013)

«By derogation to the preceding paragraph, undertakings referred to in paragraph 5 of Article 13 of the Commercial Code as well as undertakings having exercised the option provided by Article 72*bis* and those undertakings who have obtained a derogation from the obligation to comply with the standard chart of accounts pursuant to Article 27, are

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<sup>462</sup> Law of 22 May 2020 on the extension of deadlines for the filing and publication of annual accounts, consolidated accounts and related reports during the state of crisis.

Art. 1. By derogation from the provisions of the amended Law of 19 December 2002 on the Trade and Companies Register and the accounting and annual accounts of undertakings, the following are extended by three months: 1° the deadline for filing annual accounts and the balance of the accounts featured in the standards of accounts with the Trade and Companies Register referred to in Article 75(1) of the Law of 19 December 2002 mentioned above; (...)

Art. 5. This law only applies to annual accounts, consolidated accounts as well as related reports and annual general meetings in relation to the financial year closed as at the date of the end of the state of crisis as extended of 24 March 2020 extending the state of crisis declared by Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19 and for which the deadlines for filing and publication or holding had not expired by 18 March 2020.

This Law shall enter into force on the day of its publication in the Official Journal of the Grand Duchy of Luxembourg. [This Law entered into force on 29 May 2020.]

exempted from the obligation to deposit the balance of the accounts featured in the standard chart of accounts at the register of commerce and companies.»

(*Law of 30 July 2013*)

«Annual accounts and the balance of the accounts featured in the standard chart of accounts are drawn up in only one language. For this purpose, undertakings are free to use the German or the English language instead of the French language. Documents which must be deposited at the same time as the annual accounts are in that case drawn up in the same language as the annual accounts.»

A Grand Ducal regulation taken on the opinion of the Council of State and the *Commission des normes comptables* will determine the procedure for the deposit, the form in which the documents are filed in application of the preceding paragraph and the conditions upon which they can be submitted to arithmetic and logical controls<sup>463</sup>.

**Art. 76.**

(*Law of 18 December 2015*)

- «(1) The documents to be deposited in accordance with Article 75 are transmitted by the register of commerce and companies to the *Institut national de la statistique et des études économiques* (STATEC, the National Institute on statistics and economic studies), manager of the *Centrale des Biens* (Central balance sheet office), which shall ensure that they are archived, that they can be utilised and that they are stored in electronic format.
- (2) *Sociétés en commandite spéciale* shall file a financial report with the register of commerce and companies for statistical purposes. The filing process, form and content of such report shall be determined by a Grand Ducal regulation. Such financial report is transmitted by the register of commerce and companies to the STATEC.

**Art. 77.**

(*Law of 30 July 2013*)

«A Grand Ducal regulation shall determine the conditions of access of the public and of public administrations to the information kept at the *Institut national de la statistique et des études économiques* (the National Institute on statistics and economic studies), manager of the *Centrale des Biens* (Central balance sheet office), in accordance with Article 76 of this Chapter and the applicable tariff.»

The access of the public is limited to the annual accounts of the following companies:

- 1° (*Law of 30 July 2013*) «sociétés anonymes, sociétés européennes (SE), sociétés en commandite par actions, sociétés à responsabilité limitée and sociétés coopératives but excluding savings pension companies with variable capital;»
- 2° *sociétés en nom collectif* and *sociétés en commandite simple* where all their members which have unlimited liability are companies of the type set out in (*Law of 7 August 2023*) «Article 1, paragraph (1), letter a), of the above-mentioned Directive

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<sup>463</sup> Grand-Ducal regulation of 14 December 2011 inter alia determining the procedure for the deposit of the standard accounting package with the operator of the Register of Commerce and Companies and the conditions of the arithmetic and logical controls of annual accounts (Mémorial A N°262 of 21 December 2011, p. 4328).



2013/34/EU»<sup>464</sup> or companies which are not governed by the laws of a (*Law of 7 August 2023*) «Member State»<sup>465</sup> but which have a legal form comparable to those referred to in (*Law of 7 August 2023*) «Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law»<sup>466</sup>;

3° (*Law of 30 July 2013*) «the types of company referred to under point 2° where all their members having unlimited liability are themselves organised as one of the types of companies referred to under point 1° or under point 2° or in (*Law of 7 August 2023*) «Article 1, paragraph (1), letters a) or b), of the above-mentioned Directive 2013/34/EU »<sup>467</sup>.»

A copy of the annual accounts of the companies referred to in the preceding paragraph is filed in the file of the company held at the register of commerce and companies.

#### **Art. 78.**

Without prejudice to the investigation powers attributed to the authorities trusted with the prudential supervision of the financial sector and of the insurance sector, any undertaking having deposited at the register of commerce and companies the documents referred to in Article 75 of this Chapter will, from the day of deposit, have complied with its obligations of communication of the above mentioned documents vis-à-vis the administrations of the State and of the public institutions which within the exercise of their legal duties have the right to require the presentation of those documents and which have therefore full right of access to the information contained in those documents.

[2013/34/EU Art. 30.1]

#### **«Art. 79.»<sup>468</sup>**

(1) (*Law of 30 July 2013*) «For the undertakings referred to in Article 25 and which are organised as one of the types of companies referred to in points 1° to 3° of the second paragraph of Article 77, the annual accounts duly approved and the management report, together with the opinion drawn up by the person or persons responsible for auditing the accounts, must be published on the «*Recueil électronique des sociétés et associations*»<sup>469</sup>, by way of a reference to the filing at the register of commerce and companies within one month of approval and no later than seven months after the

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<sup>464</sup> For Luxembourg, these are *sociétés anonymes*, *sociétés en commandite par actions* and *sociétés à responsabilité limitée*.

<sup>465</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of Member State, see Article 24bis.

<sup>466</sup> For Luxembourg, these are *sociétés anonymes*, *sociétés en commandite par actions* and *sociétés à responsabilité limitée*.

<sup>467</sup> For Luxembourg, these are:

- (i) *sociétés anonymes*, *sociétés en commandite par actions* and *sociétés à responsabilité limitée*,
- (ii) *sociétés en nom collectif* and *sociétés en commandite simple* where all their members which have unlimited liability are companies of the type referred to in (i) above or are similar types of companies in the other Member States listed in Annex I of Directive 2013/34/EU or are companies of a third country which have a legal form comparable to those of the companies referred to in Directive 68/151/EEC of 9 March 1968 [read 2017/1132/EU] (for Luxembourg, these are the companies referred to sub (i) above).

<sup>468</sup> Corresponds to abrogated Article 252 of the Law of 1915, except for later amendments.

<sup>469</sup> Amended by Article 20, the “catch all” provision of the Law of 27 May 2016.

financial year end, in accordance with (*Law of 27 May 2016*) «(*Law of 7 August 2023*) «Article 100-13, paragraph 3, of the above-mentioned Law of 10 August 1915» and the provisions of Chapter *Vbis* of Title I of this law<sup>470</sup>».<sup>471</sup>

However, the management report need not be published as prescribed in the foregoing paragraph.

In such case, the report shall be made available to the public at the registered office of the company. It must be possible to obtain a copy of all or part of such report free of charge upon request.

[2013/34/EU Art. 30.2]

(1bis) (*Law of 30 July 2013*) «By way of derogation from paragraph (1), the undertakings referred to in Article 25 and which are organised as one of the types of companies referred to in points 2° and 3° of the second paragraph of Article 77 are exempted from publishing their annual accounts in accordance with (*Law of 27 May 2016*) «(*Law of 7 August 2023*) «Article 100-13, paragraph 3, of the above-mentioned Law of 10 August 1915» and the provisions of Chapter *Vbis* of Title I of this law<sup>472</sup>» provided that those accounts are available to the public at the registered office, where:

- a) all their members having unlimited liability are companies referred to in (*Law of 7 August 2023*) «Article 1, paragraph (1), letter a) of the above-mentioned Directive 2013/34/EU» governed by the laws of other (*Law of 7 August 2023*) «Member States»<sup>473</sup> and none of those companies publishes the accounts of the company concerned with its own accounts; or where
- b) all their members having unlimited liability are companies which are not governed by the laws of a Member State<sup>474</sup> but which have a legal form comparable to those referred to in (*Law of 7 August 2023*) «above-mentioned Directive (EU) 2017/1132»<sup>475</sup>».

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<sup>470</sup> See footnote under Article 100-13 of the Law of 1915.

<sup>471</sup> Law of 22 May 2020 on the extension of deadlines for the filing and publication of annual accounts, consolidated accounts and related reports during the state of crisis.

Art. 1. By derogation from the provisions of the amended Law of 19 December 2002 on the Trade and Companies Register and the accounting and annual accounts of undertakings, the following are extended by three months: (...)

2° the deadline for publication of annual accounts and the related reports on the Recueil électronique des sociétés et associations referred to in Article 79 paragraph 1 of the Law of 19 December 2002 mentioned above;

Art. 5. This law only applies to annual accounts, consolidated accounts as well as related reports and annual general meetings in relation to the financial year closed as at the date of the end of the state of crisis as extended of 24 March 2020 extending the state of crisis declared by Grand Ducal Regulation of 18 March 2020 introducing a series of measures in the context of the fight against COVID-19 and for which the deadlines for filing and publication or holding had not expired by 18 March 2020.

This Law shall enter into force on the day of its publication in the Official Journal of the Grand Duchy of Luxembourg. [*This Law entered into force on 29 May 2020.*]

<sup>472</sup> See footnote under Article 100-13 of the Law of 1915.

<sup>473</sup> Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of Member State, see Article 24bis.

<sup>474</sup> For the definition of Member State, see Article 24bis.

<sup>475</sup> For Luxembourg (but also Germany, Belgium and France), the comparison would be with *société anonyme*, the *société en commandite par action* and the *société à responsabilité limitée*.

Copies of the accounts must be obtainable upon request. The price of such a copy may not exceed its administrative cost.

(...) (*Sub-paragraph abrogated by the Law of 7 August 2023*)

[2013/34/EU Art. 31.1]

(2) (*Law of 30 July 2013*) «By way of derogation from paragraph (1), the undertakings referred to in Article 25 and which are organised as one of the types of companies referred to in point 1° of the second paragraph of Article 77, which do not exceed the limits of Article 35 and draw up their annual accounts in accordance with the provisions of Chapter II of Title II of this law, may publish:

a) (*Law of 7 August 2023*) « abridged balance sheets showing only those items mentioned in the Grand Ducal regulation adopted in accordance with Article 35, paragraph (1) »<sup>476</sup> ;

b) abridged notes to the accounts in accordance with Article 66.

Article 36 shall apply.

In addition, such undertakings need not publish their profit and loss account as well as, as the case may be, their management report and the opinion of the person responsible for auditing the accounts.»

(3) (*Law of 30 July 2013*) «By way of derogation from paragraph (1), the undertakings referred to in Article 25, which are organised as one of the types of companies referred to in point 1° of the second paragraph of Article 77, which do not exceed the limits of Article 47 and which draw up their annual accounts in accordance with the provisions of Chapter II of Title II of this law may publish:

a) an abridged balance sheet drawn up in accordance with Article 34,

b) an abridged profit and loss account drawn up in accordance with Article 47,

c) abridged notes to the accounts in accordance with Article 67, paragraph (2), sub paragraphs 2 and 3 and without the information required in Article 65 paragraphs (1) 5°, 6°, 10°<sup>477</sup> and 11°.

However, the notes to the accounts must give the information specified in Article 65 paragraph (1) 6°, in total for all the items concerned.

This paragraph shall be without prejudice to paragraph (1) insofar as it relates to the management report and the opinion of the person responsible for auditing the accounts.

Article 36 shall apply.»

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<sup>476</sup> See Annex IV of the Grand-Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (Mém. A – 258 of 28 December 2015, p. 6239), set out at the end of this Annex.

<sup>477</sup> Point 10° was abrogated by the Law of 18 December 2015.

(Law of 10 December 2010)

[2013/34/EU Art. 40]

«(3bis)» (Law of 30 July 2013) «The derogations provided by paragraphs (1), sub paragraphs 2 and 3, (1bis), (2) and (3) do not apply to undertakings whose securities are admitted to trading on a regulated market (Law of 7 August 2023) «of a Member State»<sup>478</sup>.»

(Law of 30 July 2013)

«(3ter) Without prejudice to the provisions related to the management report as well as to the report of the person or persons responsible for the statutory audit of the accounts, the undertakings referred to in Article 25 which are organised as one of the types of companies referred to in item 1° of Article 77, sub paragraph 2 and which draw up their annual accounts in accordance with the provisions of Chapter IIbis of Title II of this law, must publish their full annual accounts as drawn up in accordance with the international accounting standards adopted in accordance with the procedure laid out in Article 6 paragraph 2 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>479</sup>.»

(4) (...) (Paragraph abrogated by the Law of 10 December 2010)

[2013/34/EU Art. 32.1]

**Art. 80.**<sup>480</sup>

Whenever the annual accounts and the management report are published in full, they must be reproduced in the form and text on the basis of which the person responsible for auditing the accounts has drawn up his opinion. They must be accompanied by the full text of his report. (...) (Paragraph abrogated by the Law of 30 July 2013.)

[2013/34/EU Art. 32.2]

**Art. 81.**<sup>481</sup>

If the annual accounts are not published in full, it must be indicated that the version published is abridged and reference must be made to the deposit made in accordance with Article 79 paragraph (1). Where such filing has not yet been made, the fact must be disclosed.

(Law of 10 December 2010)

«The report shall not accompany this publication, but it shall be disclosed whether an unqualified, qualified or adverse audit opinion was expressed, or whether *the réviseur d'entreprises d'agrée* [approved statutory auditor] was unable to express an audit opinion. It shall also be disclosed whether the report included a reference to any matters to which the

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<sup>478</sup>Until 31 December 2020, the United Kingdom will be considered as part of the EU in accordance with the EU-UK Withdrawal Agreement. For the definition of «regulated market of a Member State», see Article 24bis.

<sup>479</sup>At the moment, Commission Regulation (EU) 2023/1803 dated 13 September 2023 realises such adoption. This regulation abrogates Regulation (EC) N° 1126/2008 of 23 November 2008 and provides that all references to the abrogated regulation are deemed to be references to the new Regulation.

<sup>480</sup> Corresponds to abrogated Article 253 of the Law of 1915, except for later amendments.

<sup>481</sup> Corresponds to abrogated Article 254 of the Law of 1915, except for later amendments.

*réviseur d'entreprises d'agrée* [approved statutory auditor] drew attention by way of emphasis without qualifying the audit opinion.»

[2013/34/EU Art. 17.1 point o)]

**Art. 82.**<sup>482</sup>

The following must be published together with the annual accounts, and in the same manner:

- the proposed appropriation of the profit or treatment of the loss
- the appropriation of the profit or treatment of the loss,

in case these items do not appear in the annual accounts.

**Art. 83.**

*(abrogated by the Law of 30 July 2013)*

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<sup>482</sup> Corresponds to abrogated Article 255 of the Law of 1915.

**Grand Ducal Regulation of 18 December 2015 determining the form and content of the layouts of the balance sheet and of the profit and loss account and implementing Articles 34, 35, 46 and 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings**

**Art. 1.**

For the presentation of the balance sheet referred to in Article 34 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, the undertakings concerned shall draw up their balance sheet in accordance with the layout provided in Annex I to this regulation.

**Art. 2.**

By way of derogation from Article 1, the undertakings referred to in Article 35 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings may draw up their balance sheet in the form of an abridged balance sheet in accordance with the layout provided in Annex II to this regulation.

**Art. 3.**

For the presentation of the profit and loss account referred to in Article 46 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, the undertakings concerned shall draw up their profit and loss account in accordance with the layout provided in Annex III to this regulation.

**Art. 4.**

By way of derogation from Article 3, the undertakings referred to in Article 47 of the amended Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings may draw up their profit and loss account in the form of an abridged profit and loss account in accordance with the layout provided in Annex IV to this regulation.

**Art. 5.**

The layouts for the presentation of the balance sheets and profit and loss accounts referred to in Articles 1 to 4 shall apply to financial information for accounting periods starting on 1 January 2016 and after that date.

**Art. 6.**

Our Minister for Justice shall be responsible for the implementation of this regulation which shall be published in the *Mémorial*.

## Annex I

### BALANCE SHEET

ASSETS			
	Ref.	Current financial year	Previous financial year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital non called			
II. Subscribed capital called but unpaid			
<b>B. Formation expenses</b>			
<b>C. Fixed assets</b>			
I. Intangible fixed assets			
1. Development costs			
2. Concessions, patents, licences, trademarks and similar rights and assets, if they were			
a) acquired for valuable consideration and need not be shown under C.I.3			
b) created by the undertaking itself			
3. Goodwill, to the extent that it was acquired for valuable consideration			
4. Payments on account and intangible fixed assets under development			
II. Tangible fixed assets			
1. Land and buildings			
2. Plant and machinery			
3. Other fixtures and fittings, tools and equipment			
4. Payments on account and intangible fixed assets under development			
III. Financial fixed assets			
1. Shares in affiliated undertakings <sup>483</sup>			
2. Loans to affiliated undertakings			
3. Participating interests <sup>484</sup>			
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests			
5. Investments held as fixed assets			
6. Other loans			

<sup>483</sup> For the meaning of this term, see Article 1790-2(1) of the Law of 10 August 1915 on commercial companies

<sup>484</sup> For the meaning of «participating interest», see Article 41 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

	Ref.	Current financial year	Previous financial year
<b>D. Current assets</b>			
I. Stocks			
1. Raw materials and consumables			
2. Work in progress			
3. Finished goods and merchandise			
4. Payments on account			
II. Debtors			
1. Receivables resulting from sales and from the provision of services			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
2. Amounts owed by affiliated undertakings <sup>485</sup>			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests <sup>486</sup>			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
4. Other receivables			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
III. Investments			
1. Shares in affiliated undertakings			
2. Own shares or corporate units			
3. Other investments			
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand			
<b>E. Deferred charges</b>			
<b>BALANCE SHEET TOTAL (ASSETS)</b>			

<sup>485</sup> For the meaning of this term, see Article 1790-2(1) of the Law of 10 August 1915 on commercial companies.

<sup>486</sup> For the meaning of «participating interest», see Article 41 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.



**CAPITAL, RESERVES AND LIABILITIES**

	Ref.	Current financial year	Previous financial year
<b>A. Capital and reserves</b>			
I. Subscribed capital			
II. Share premium			
III. Revaluation reserve			
IV. Reserves			
1. Legal reserve			
2. Reserve for own shares or corporate units			
3. Reserves provided for by the articles of association			
4. Other reserves, including the fair value reserve			
a) other available reserves			
b) other non available reserves			
V. Results brought forward			
VI. Results for the financial year			
VII. Interim dividends			
VIII. Capital investments subsidies			
<b>B. Provisions</b>			
1. Provisions for pensions and similar obligations			
2. Provisions for taxation			
3. Other provisions			

	Ref.	Current financial year	Previous financial year
<b>C. Creditors</b>			
1. Bonds			
a) Convertible bonds			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
b) Non-convertible bonds			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
2. Amounts owed to credit institutions			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
3. Payments received on account of orders insofar as they are not shown separately as deductions from stocks			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
4. Amounts due to trade creditors			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
5. Bills of exchange payable			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
6. Amounts owed to affiliated undertakings			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests <sup>487</sup>			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			
8. Other creditors			
a) Tax debts			
b) Social security debts			
c) Other debts			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
<b>D. Deferred charges</b>			
<b>BALANCE SHEET TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>			

<sup>487</sup> For the meaning of «participating interest», see Article 41 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

## Annex II

### ABRIDGED BALANCE SHEET

#### ASSETS

	Ref.	Current financial year	Previous financial year
<b>A. Subscribed capital unpaid</b>	_____	_____	_____
I. Subscribed capital not called	_____	_____	_____
II. Subscribed capital called but unpaid	_____	_____	_____
<b>B. Formation expenses</b>	_____	_____	_____
<b>C. Fixed assets</b>	_____	_____	_____
I. Intangible fixed assets	_____	_____	_____
II. Tangible fixed assets	_____	_____	_____
III. Financial fixed assets	_____	_____	_____
<b>D. Current assets</b>	_____	_____	_____
I. Stocks	_____	_____	_____
II. Receivables	_____	_____	_____
a) becoming due and payable within one year	_____	_____	_____
b) becoming due and payable after more than one year	_____	_____	_____
III. Investments	_____	_____	_____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	_____	_____	_____
<b>E. Deferred charges</b>	_____	_____	_____
<b>BALANCE SHEET TOTAL (ASSETS)</b>			

**CAPITAL, RESERVES AND LIABILITIES**

	<b>Ref.</b>	<b>Current financial year</b>	<b>Previous financial year</b>
<b>A. Capital and reserves</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
I. Subscribed capital	_____	_____	_____
II. Share premium	_____	_____	_____
III. Revaluation reserve	_____	_____	_____
IV. Reserves	_____	_____	_____
V. Results brought forward	_____	_____	_____
VI. Resultas for the financial year	_____	_____	_____
VII. Interim dividends	_____	_____	_____
VIII. Capital investment subsidies	_____	_____	_____
<b>B. Provisions</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>C. Debts</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
a) becoming due and payable within one year	_____	_____	_____
b) becoming due and payable after more than one year	_____	_____	_____
<b>D. Deferred charges</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>BALANCE SHEET TOTAL (CAPITAL RESERVES AND LIABILITIES)</b>			

## Annex III

### PROFIT AND LOSS ACCOUNT

	Ref.	Current financial year	Previous financial year
1. Net turnover	_____	_____	_____
2. Variation in stocks of finished goods and in work in progress	_____	_____	_____
3. Work performed by the undertaking for its own purposes and capitalised	_____	_____	_____
4. Other operating income	_____	_____	_____
5. a) Raw materials and consumables	_____	_____	_____
b) Other external charges	_____	_____	_____
6. Staff costs	_____	_____	_____
a) Wages and salaries	_____	_____	_____
b) Social security costs	_____	_____	_____
i) relating to pensions	_____	_____	_____
ii) other social security costs	_____	_____	_____
c) Other staff costs	_____	_____	_____
7. Value adjustments	_____	_____	_____
a) in respect of formation expenses and of tangible and intangible fixed assets	_____	_____	_____
b) in respect of current assets	_____	_____	_____
8. Other operating expenses	_____	_____	_____
	<b>Subtotal</b>		

	Ref.	Current financial year	Previous financial year
	<b>Report</b>		
<b>9. Income from participating interests</b>	_____	_____	_____
a) from affiliated undertakings <sup>488</sup>	_____	_____	_____
b) from other participating interests <sup>489</sup>	_____	_____	_____
<b>10. Income from other investments, other securities and loans forming part of the fixed assets</b>	_____	_____	_____
a) from affiliated undertakings	_____	_____	_____
b) other income not shown under a)	_____	_____	_____
<b>11. Other interest receivables and other financial income</b>	_____	_____	_____
a) from affiliated undertakings	_____	_____	_____
b) other interest and financial income	_____	_____	_____
<b>12. Share in the results of the undertakings to which the equity method has been applied</b>	_____	_____	_____
<b>13. Value adjustments in respect of financial assets and investments held as current assets</b>	_____	_____	_____
<b>14. Interest payable and other financial expenses</b>	_____	_____	_____
a) relating to affiliated undertakings	_____	_____	_____
b) other interests and financial expenses	_____	_____	_____
<b>15. Tax on results</b>	_____	_____	_____
<b>16. Results after taxation</b>	_____	_____	_____
<b>17. Other taxes not shown under items 1. to 16.</b>	_____	_____	_____
<b>18. Results for the financial year</b>	_____	_____	_____

<sup>488</sup> For the meaning of this term, see Article 1790-2 (1) of the Law of 10 August 1915 on commercial companies.

<sup>489</sup> For the meaning of «participating interest», see Article 41 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.

## Annex IV

### ABRIGED PROFIT AND LOSS ACCOUNT

	Ref.	Current financial year	Previous financial year
<b>1. to 5</b> Gross results	_____	_____	_____
<b>6.</b> Staff costs	_____	_____	_____
a) Wages and salaries	_____	_____	_____
b) Social security costs	_____	_____	_____
i) relating to pensions	_____	_____	_____
ii) other social security costs	_____	_____	_____
c) Other staff costs	_____	_____	_____
<b>7.</b> Value adjustments	_____	_____	_____
a) in respect of formation expenses and of tangible and intangible fixed assets	_____	_____	_____
b) in respect of current assets	_____	_____	_____
<b>8.</b> Other operating expenses	_____	_____	_____
	<b>Subtotal</b>		

	Ref.	Current financial year	Previous financial year
	<b>Carryover</b>		
<b>9. Income from participating interests</b>	_____	_____	_____
a) from affiliated undertakings <sup>490</sup>	_____	_____	_____
b) from other participating interests <sup>491</sup>	_____	_____	_____
<b>10. Income from other investments, other securities and loans forming part of the fixed assets</b>	_____	_____	_____
a) from affiliated undertakings	_____	_____	_____
b) other income not shown under a)	_____	_____	_____
<b>11. Other interest receivable and other financial income</b>	_____	_____	_____
a) from affiliated undertakings	_____	_____	_____
b) other interest and financial income	_____	_____	_____
<b>12. Share in the results of the undertakings to which the equity method has been applied</b>	_____	_____	_____
<b>13. Value adjustments in respect of financial fixed assets and investments held as current assets</b>	_____	_____	_____
<b>14. Interest payable and other financial expenses</b>	_____	_____	_____
a) relating to affiliated undertakings	_____	_____	_____
b) other interests and financial expenses	_____	_____	_____
<b>15. Tax on results</b>	_____	_____	_____
<b>16. Results after taxation</b>	_____	_____	_____
<b>17. Other taxes not shown under items 1. to 16.</b>	_____	_____	_____
<b>18. Results for the financial year</b>	_____	_____	_____

<sup>490</sup> For the meaning of this term, see Article 1790-2 (1) of the Law of 10 August 1915 on commercial companies

<sup>491</sup> For the meaning of «participating interest», see Article 41 of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings.



Note:

*Definition of «related party» in accordance with IAS 24<sup>492</sup> as referred to by Article 1790-2 (2) of the Law of 10 August 1915 and Article 65(1) item 7ter° of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings:*

«9. The following terms are used in this Standard with the meanings specified:

*A related party* is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the «reporting entity»).

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

*A related party transaction* is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

*Close members of the family of a person* are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

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<sup>492</sup> As adopted by Commission Regulation (EU) 2023/1803 of 13 September 2023 adopting certain international accounting standards.

- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

*Compensation* includes (...)

*Key management personnel* are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

*Government* refers to government, government agencies and similar bodies whether local, national or international.

*A government-related entity* is an entity that is controlled, jointly controlled or significantly influenced by a government.

The terms «control» and «investment entity», «joint control» and «significant influence» are defined in IFRS 10, IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures* respectively and are used in this Standard with the meanings specified in those IFRSs.

10. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.
11. In the context of this Standard, the following are not related parties:
  - (a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
  - (b) two joint venturers simply because they share joint control of a joint venture.
  - (c) (i) providers of finance,
    - (ii) trade unions,
    - (iii) public utilities, and
    - (iv) departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
  - (d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.
12. In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other. »

CONTROL<sup>493</sup>

**5 An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.**

**6 An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.**

**7 Thus, an investor controls an investee if and only if the investor has all the following:**

- (a) power over the investee (see paragraphs 10–14);**
- (b) exposure, or rights, to variable returns from its involvement with the investee (see paragraphs 15 and 16); and**
- (c) the ability to use its power over the investee to affect the amount of the investor's returns (see paragraphs 17 and 18).**

8 An investor shall consider all facts and circumstances when assessing whether it controls an investee. The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed in paragraph 7 (see paragraphs B80–B85).

9 Two or more investors collectively control an investee when they must act together to direct the relevant activities. In such cases, because no investor can direct the activities without the co-operation of the others, no investor individually controls the investee. Each investor would account for its interest in the investee in accordance with the relevant IFRSs, such as IFRS 11 *Joint Arrangements*, IAS 28 *Investments in Associates and Joint Ventures* or IFRS 9 *Financial Instruments*.

**Power**

10 An investor has power over an investee when the investor has existing rights that give it the current ability to direct the *relevant activities*, ie the activities that significantly affect the investee's returns.

11 Power arises from rights. Sometimes assessing power is straightforward, such as when power over an investee is obtained directly and solely from the voting rights granted by equity instruments such as shares, and can be assessed by considering the voting rights from those shareholdings. In other cases, the assessment will be more complex and require more than one factor to be considered, for example when power results from one or more contractual arrangements.

12 An investor with the current ability to direct the relevant activities has power even if its rights to direct have yet to be exercised. Evidence that the investor has been directing relevant activities can help determine whether the investor has power, but such evidence is not, in itself, conclusive in determining whether the investor has power over an investee.

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<sup>493</sup> The paragraphs in bold below appear in that format in IFRS 10.

13 If two or more investors each have existing rights that give them the unilateral ability to direct different relevant activities, the investor that has the current ability to direct the activities that most significantly affect the returns of the investee has power over the investee.

14 An investor can have power over an investee even if other entities have existing rights that give them the current ability to participate in the direction of the relevant activities, for example when another entity has *significant influence*. However, an investor that holds only protective rights does not have power over an investee (see paragraphs B26–B28), and consequently does not control the investee.

### **Returns**

15 An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. The investor's returns can be only positive, only negative or both positive and negative.

16 Although only one investor can control an investee, more than one party can share in the returns of an investee. For example, holders of non-controlling interests can share in the profits or distributions of an investee.

### **Link between power and returns**

17 An investor controls an investee if the investor not only has power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's returns from its involvement with the investee.

18 Thus, an investor with decision-making rights shall determine whether it is a principal or an agent. An investor that is an agent in accordance with paragraphs B58–B72 does not control an investee when it exercises decision-making rights delegated to it.

(...)

## *Appendix A*

### **Defined terms**

*Control of an investee* : An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

*Investment entity* : An entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

« Extract Standard IFRS 11 »

*Joint control* : The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

« Extract Standard IAS 28 »

*Joint control* is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

*Significant influence* is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

## Annex II

### Law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies and implementing Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies.<sup>494</sup>

(Law of 1<sup>st</sup> August 2019)

#### « Chapter 1<sup>st</sup> – General Provisions »

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 1.1]<sup>495</sup>

#### «Art. 1. Subject-matter, scope and definitions »

(1) This law establishes requirements in relation to the exercise of certain rights<sup>496</sup> attaching to voting shares, profit units and non-voting shares<sup>497</sup> [hereafter the "shares"] in relation to general meetings of a company under Luxembourg law<sup>498</sup> whose shares are admitted to trading on a regulated market.

It also establishes specific requirements to encourage shareholder engagement, in particular in the long term. Those specific requirements apply in relation to identification of shareholders, transmission of information, facilitation of exercise of shareholders rights, transparency of institutional investors, asset managers and proxy advisors, remuneration of directors and related party transactions.

(Law of 7 August 2023) «Companies whose securities are traded on a regulated market in a third country may opt to make all or part of Chapters 1 and 2 applicable by express reference in their articles of association. » »

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 1.3]

«(2) This law shall not apply to :

- Collective investment undertakings within the meaning of Article 2, paragraph 2 of the amended Law of 17 December 2010 on undertakings for collective investment;
- Collective investment undertakings within the meaning of Article 1, paragraph (39) of the amended Law of 12 July 2013 on alternative investment fund managers;
- Sociétés cooperatives (cooperative societies).

By derogation to the first sub-paragraph, the companies referred to therein will be subject to the provisions laid down in Chapter 1<sup>ter</sup>.

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<sup>494</sup> As amended by the law of 18 December 2015 (implementing Directive 2014/59/EU), the law of 1<sup>st</sup> August 2019 (implementing Directive (EU) 2017/828) and the Law of 7 August 2023, known as the remedy law.

<sup>495</sup> References to Directive 2007/36/EC are to the Directive as amended.

<sup>496</sup> The Directive speaks of "shareholder rights".

<sup>497</sup> The Directive only refers to voting shares.

<sup>498</sup> In the Directive, the territorial scope is linked to the location of the registered office of the relevant company.

The companies referred to in paragraph (1) will remain subject to the amended Law of 10 August 1915 on commercial companies, except to the extent this law derogates therefrom.»

(Law of 18 December 2015)

[2007/36/EC art. 1.4] [EU Regulation 2021/23 Title V]

«(3) This law does not apply in case of use of resolution tools, powers and mechanisms provided for in Part I, Title II, Chapters III to XI of the Law of 18 December 2015 on the failure of credit institutions and of certain investment firms (*Law of 20 July 2022*) «and in Title V of Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 (hereafter «Regulation (EU) 2021/23»)».»

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 1.5, 1.6,2 and 3e]

«(4) Chapter *1bis* applies to intermediaries in so far as they provide services to shareholders or to other intermediaries in relation to shares of companies which have their registered office in a Member State and whose shares are admitted to trading on a regulated market established or operating in a Member State.

(*Law of 7 August 2023*) « Chapter *1bis*» also applies to intermediaries which have neither their registered office nor their head office in the European Union<sup>499</sup> when they provide services referred to in the first sub-paragraph.

(5) Chapter *1ter* applies:

- 1° to institutional investors, in so far as they invest directly or through an asset manager in shares traded on a regulated market
- 2° to asset managers, in so far as they invest in such shares on behalf of investors;
- 3° to proxy advisors, in so far as they provide services to shareholders regarding the shares of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market established or operating within a Member State.

(6) For the purposes of this Law, the following definitions shall apply<sup>500</sup>:

- 1° «shareholder»: means each natural or legal person who owns the shares. The person registered as such in the register of shareholders is presumed to be the owner;
- 2° «proxy advisor»: means a legal person that analyses, on a professional and commercial basis, the communication of firms and, where relevant, other

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<sup>499</sup> As a result of the definition of «Member State» added by the Law of 7 August 2023, which includes the EEA Member States, this should presumably read : in a Member State.

<sup>500</sup> In this translation, definitions are set out in their alphabetical order in English and not in the French alphabetical order of the law. The original numbering is nevertheless retained.

information of listed companies with a view to informing investors for their voting decisions by carrying out research, providing advice or making voting recommendations that relate to the exercise of voting rights;

- 3° «director» means any member of an administrative, management, or supervisory body of a company as well as the chief executive officer and, if such a function exists within a company, the deputy chief executive officer;

*(Law of 7 August 2023)*

- « 3bis°«Member States» means the Member States of the European Union and the States party to the Agreement on the European Economic Area other than the Member States of the European Union, within the limits defined by that Agreement and the related acts»;

- 4° «asset manager»: means an investment firm within the meaning of Article 1, paragraph 1, point 16 of the Law of 30 May 2018 on markets in financial instruments which provides portfolio management services to investors, an alternative investment fund manager within the meaning of Article 1, point 46, of the amended Law of 12 July 2013 on alternative investment fund managers which do not meet the conditions for exemption provided in Article 3 of the above-mentioned Law of 12 July 2013, or a management company within the meaning of Article 1, paragraph 1, point 31), of the amended Law of 5 April 1993 on the financial sector<sup>501</sup>, or an investment company which is authorised in accordance with the amended Law of 17 December 2010 on collective investment undertakings, provided that it has not entrusted its management to a management company authorised under that law;

- 5° «information concerning the identity of shareholders»: means information enabling the identity of a shareholder to be established, including at least, the following information:

- a) the name of shareholders and their contact details (including full address and, where applicable, email address) and, in the case of legal persons, their register number or, in the absence of such a number, their unique identifier, such as the legal entity identifier;
- b) the number of shares held;
- c) only to the extent required by the company, one or more of the following information: the categories or classes of shares held or the date from which the shares have been held;

- 6° «intermediary»: means a person, such as an investment firm within the meaning of Article 1, point 16, of the Law of 30 May 2018 on markets in financial instruments, a credit institution within the meaning of Article 1, point 12, of the amended Law of 5 April 1993 on the financial sector, and a central securities depository within the meaning of Article 2, paragraph 1, point 1) , of Regulation

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<sup>501</sup> Point (31) refers to UCITS management companies i.e. those who are subject to Chapter 15 of the law of 10 December 2010 on undertakings for collective investment.



(EU) No. 909/2014 of the European Parliament and of the Council, which provides services of safekeeping of shares, administration of shares or maintenance of securities accounts on behalf of shareholders or other persons;

- 7° «institutional investor» means:
- a) an undertaking carrying out activities of life assurance within the meaning of Article 35 of the amended Law of 7 December 2015 on the insurance and reinsurance sectors within the meaning of Article 43, point 28, a) and b), of the above-mentioned Law of 7 December 2015 provided that those activities cover life-insurance obligations, and which is not excluded pursuant to the above-mentioned Law of 7 December 2015;
  - b) an institution for occupational retirement provision within the meaning of Article 1 of the amended law of 13 July 2005 on the activities and supervision of occupational retirement institutions;
- 8° «regulated market»: means a regulated market within the meaning of Article 1, point 31, of the above-mentioned Law of 30 May 2018 on markets in financial instruments<sup>502</sup>, established or operating in a Member State of the European Union<sup>503</sup>;
- 9° «related party»: has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards<sup>504</sup>;
- 10°<sup>505</sup> «proxy»: means the empowerment given by a shareholder to a natural or legal person to exercise on behalf of that shareholder all or part of his/her/its rights at the general meeting. »

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<sup>502</sup> Art 1. 31) of the MiFID II Law (Law of 30 May 2018) : «regulated market» means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments [as defined in Article 1.26) of the MiFID II Law] in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of Directive 2014/65/EU [i.e. the MiFID II Directive]». In Luxembourg, these are the systems recorded in the official list of regulated markets drawn up by the CSSF pursuant to Article 19 [of the MiFID II Law]. In other Member States, these are the systems recorded on a list established by the European Commission pursuant to Article 56 of directive 2014/65/EU [ MiFID II]. [In fact Article 56 of MiFID II provides for ESMA to publish and keep up to date a list on its internet site]. »

<sup>503</sup> It should probably read «a Member State» as defined in point 3bis. The fact that regulated markets located in the EEA are also covered is implicitly confirmed by the introduction of the definition of Member State and by the Report of the Legal Committee of Parliament in its comments on Article 83 of Bill of law 8007, in addition to the fact that both Directive 2007/36/EC (SRD 1) and Directive (EU) 2017/828 (SRD 2) have been incorporated into the EEA Agreement.

<sup>504</sup> For the definition of «related party», see the note following the Grand-Ducal Regulation of 18 December 2015 set out above in Annex I.

<sup>505</sup> Renumbered by the Law of 7 August 2023.

(Law of 1<sup>st</sup> August 2019)

**«Chapter 1bis – Identification of shareholders, transmission of information  
and facilitation of exercise of shareholders rights»**

(Law of 1<sup>st</sup> August 2019 )

[2007/36/EC Art. 3a]

**«Art. 1bis. Identification of shareholders**

- (1) Companies have the right to identify their shareholders. Upon the request of the company, or of a third party nominated by the company, intermediaries shall, without delay, communicate to the company information concerning the identity of shareholders.
- (2) Where there are several intermediaries in the chain of intermediaries, the request of the company or of the third party nominated by the company must be transmitted without delay between the intermediaries and information relating to the identity of the shareholders must be transmitted directly to the company or to the third party nominated by the company, without delay, by the intermediary holding the requested information.

The company may request information concerning the identity of shareholders from any intermediary in the chain of intermediaries holding such information.

The company may also request the central securities depository, or another intermediary or service provider, to gather information concerning the identity of shareholders, including from intermediaries in the chain of intermediaries, and transmit that information to the company.

- (3) Furthermore, upon the request of the company or of a third party that it has nominated, the intermediary shall promptly provide the company with the contact details of the next intermediary in the chain of intermediaries. The personal data of shareholders shall be processed pursuant to this Article to enable the company to identify its existing shareholders in order to communicate with them directly, with a view to facilitating the exercise of shareholder rights and shareholder engagement with the company, without companies and intermediaries being able to store such personal data for more than 12 months after becoming aware that the person concerned has ceased to be a shareholder.
- (4) An intermediary that discloses information concerning the identity of shareholders in accordance with the rules set out in this Article shall not be considered to be in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.
- (5) Any person<sup>506</sup> has the right to rectify incomplete or inaccurate information regarding his/her/its shareholder identity. »

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<sup>506</sup> The Directive limits this right to legal persons. The Luxembourg legislator intentionally extended this right to natural persons.

*(Law of 1<sup>st</sup> August 2019)*

*[2007/36/EC Art. 3b]*

**«Art. 1ter. Transmission of information**

- (1) Intermediaries are required to transmit, without delay, the following information from the company to the shareholder or to a third party nominated by the shareholder:
  1. the information which the company is required to provide to the shareholder, to enable the shareholder to exercise the rights flowing from its shares, and which is directed to all holders of shares of that class; or
  2. where the information referred to in point 1. is available to shareholders on the company's website, a notice indicating where on the website the information can be found.
- (2) Companies shall provide intermediaries with the information referred to in paragraph 1 point 1., or the notice referred to in paragraph 1, point 2., in a standardised and timely manner in accordance with Commission Implementing Regulation (EU) 2018/1212 of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights.
- (3) The information referred to in point 1. of paragraph (1) or the notice referred to in point 2. of paragraph (1) do not need to be transmitted or provided in accordance with paragraphs (1) and (2) where companies send this information or notice directly to all their shareholders or to a third party nominated by the shareholder.
- (4) Intermediaries shall promptly transmit to the company, in accordance with the instructions they receive from shareholders, the information given by them regarding the exercise of the rights arising from their shares.
- (5) Where there are several intermediaries in the chain of intermediaries, the information referred to in paragraphs (1) and (4) shall be transmitted between the intermediaries, unless such information can be transmitted directly by the intermediary to the company or to the shareholder or to a third party nominated by the shareholder. »

*(Law of 1<sup>st</sup> August 2019)*

*[2007/36/EC Art. 3c]*

**«Art. 1quater. Facilitation of the exercise of shareholders rights**

- (1) Intermediaries shall facilitate the exercise of his/her/its rights by the shareholder, in particular the right to participate and vote in general meetings, by at least one of the following measures:
  1. the intermediary makes the necessary arrangements for the shareholder or a third party nominated by the shareholder to be able to exercise the rights themselves;
  2. the intermediary exercises the rights flowing from the shares upon the explicit authorisation and instruction of the shareholder and for the shareholder's benefit.

- (2) When votes are cast electronically, an electronic confirmation of receipt of the votes must be sent to the person that has cast the vote:

After the general meeting, the shareholder or a third party nominated by the shareholder can obtain, upon request and within a period not exceeding two months from the date of the vote, confirmation that their vote has been registered and counted by the company, unless this information is already available to them.

Where the intermediary receives the confirmation referred to in the first or second subparagraph, it shall transmit it without delay to the shareholder or a third party nominated by the shareholder. Where there is more than one intermediary in the chain of intermediaries the confirmation shall be transmitted between intermediaries without delay, unless the confirmation can be directly transmitted to the shareholder or a third party nominated by the shareholder. »

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 3d]

**«Art. 1quinquies. Non-discrimination, proportionality and transparency of costs**

- (1) Intermediaries must (...) <sup>507</sup> publicly disclose any applicable charges for services provided for under this Chapter, separately for each service.
- (2) Charges possibly levied by an intermediary on shareholders, companies and other intermediaries shall be non-discriminatory and proportionate in relation to the actual costs incurred for delivering the services.

Any differences between the charges levied between domestic and cross-border exercise of rights shall be permitted only where duly justified and where they reflect the variation in actual costs incurred for delivering the services. »

(Law of 1<sup>st</sup> August 2019)

**«Chapter 1ter – Transparency of institutional investors, asset managers and proxy advisors. »**

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 3g]

**«Art. 1sexies. Engagement policy**

- (1) Institutional investors and asset managers must comply with the requirements set out in points 1 and 2 or publicly disclose a clear and reasoned explanation why they have chosen not to comply with one or more of those requirements.
1. Institutional investors and asset managers shall develop and publicly disclose an engagement policy <sup>508</sup> that describes how they integrate shareholder engagement in their investment strategy. The policy shall describe how they monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and

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<sup>507</sup> Terms deleted by the Law of 7 August 2023.

<sup>508</sup> “Mitwirkungspolitik” in the German version of the Directive.

environmental impact and corporate governance, conduct dialogues with investee companies, exercise voting rights and other rights attached to shares, cooperate with other shareholders, communicate with relevant stakeholders of the investee companies and manage actual and potential conflicts of interests in relation to their engagement<sup>509</sup>.

2. Institutional investors and asset managers shall, on an annual basis, publicly disclose how their engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors. They shall publicly disclose how they have cast votes in the general meetings of companies in which they hold shares. Such disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.
- (2) The information referred to in paragraph 1 shall be available free of charge on the institutional investor's or assets manager's website.

Where an asset manager implements the engagement policy, including voting, on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.

- (3) Conflicts of interest rules applicable to institutional investors and asset managers, including Article 13 of the amended Law of 12 July 2013 on alternative investment fund managers, Article 109, paragraph 1 point b) and Article 111 point d) of the<sup>510</sup> amended Law of 17 December 2010 on collective investment undertakings and the relevant implementing rules , as well as Article 37-2 of the amended Law of 5 April 1993 on the financial sector, shall also apply with regard to engagement activities. »

(Law of 1<sup>st</sup> August 2019)  
[2007/36/EC Art. 3h]

**«Art. 1septies. Investment strategy of institutional investors and arrangements with asset managers**

- (1) Institutional investors must publicly disclose how the main elements of their equity investment strategy are consistent with the profile and duration of their liabilities, in particular long-term liabilities, and how they contribute to the medium to long-term performance of their assets.
- (2) Where an asset manager invests on behalf of an institutional investor, whether on a discretionary client-by-client basis or through a collective investment undertaking, the institutional investor publicly discloses the following information regarding its arrangement with the asset manager:
  1. how the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, in particular long-term liabilities;

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<sup>509</sup> "Engagement" in the German version of the Directive.

<sup>510</sup> Law of 7 August 2023.

2. how that arrangement incentivises the asset manager to make investment decisions based on assessments about medium to long-term financial and non-financial performance of the investee company and to engage with investee companies in order to improve their performance in the medium to long-term;
3. how the method and time horizon of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the profile and duration of the liabilities of the institutional investor, in particular long-term liabilities, and take absolute long-term performance into account;
4. how the institutional investor monitors portfolio turnover costs incurred by the asset manager and how it defines and monitors a targeted portfolio turnover or turnover range;
5. the duration of the arrangement with the asset manager.

Where the arrangement with the asset manager does not contain one or more of such elements, the institutional investor shall give a clear and reasoned explanation<sup>511</sup>.

- (3) The information referred to in paragraphs 1 and 2 shall be available, free of charge, on the institutional investor's website and shall be updated annually unless there is no material change.

Regulated institutional investors within the meaning of Article 1, paragraph 6, point 7, letter a), are allowed to include this information in their report on solvency and financial condition referred to in Article 82 of the amended Law of 7 December 2015 on the insurance sector. »

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 3i]

**«Art. 1octies. Transparency of asset managers**

- (1) Asset managers must on an annual basis disclose to the institutional investor with which they have entered into the arrangements referred to in Article 1<sup>st</sup>septies how their investment strategy and implementation thereof complies with these arrangements and contributes to the medium to long-term performance of the assets of the institutional investor or of the fund. Such disclosure must include reporting on the key material medium to long-term risks associated with the investments, on portfolio composition, turnover and turnover costs, on the use of proxy advisors for the purpose of engagement activities and, if applicable, their policy on securities lending and how it is applied to fulfil its engagement activities if applicable, particularly at the time of the general meeting of the investee companies. Such disclosure must also include information on whether and, if so, how, they make investment decisions based on evaluation of medium to long-term performance of the investee company, including non-financial performance, and on whether and, if so, which conflicts of interest have arisen in connection with engagements activities and how the asset managers have dealt with them.

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<sup>511</sup> This corresponds to the French version of the Directive. The English and German versions add: "...*explanation why this is the case.*" and "... *Erklärung, warum dies der Fall ist.*"

- (2) Where the information disclosed pursuant to paragraph 1 is already publicly available, the asset manager shall not be required to provide the information to the institutional investor directly. »

*(Law of 1<sup>st</sup> August 2019)*

*[2007/36/EC Art. 3j]*

**«Art. 1nonies. Transparency of proxy advisors**

- (1) Proxy advisors must publicly disclose reference to a code of conduct which they apply and report on the application of that code of conduct.

Where proxy advisors do not apply a code of conduct, they must provide a clear and reasoned explanation why this is the case. Where proxy advisors apply a code of conduct but depart from any of its recommendations, they must declare from which parts they depart, provide explanations for doing so and indicate, where appropriate, any alternative measures adopted.

Information referred to in this paragraph shall be made publicly available, free of charge, on the websites of proxy advisors and shall be updated on an annual basis.

- (2) In order to adequately inform their clients about the accuracy and reliability of their activities, proxy advisors must publicly disclose on an annual basis at least all of the following information in relation to the preparation of their research, advice and voting recommendations:

1. the essential features of the methodologies and models they apply;
2. the main information sources they use;
3. the procedures put in place to ensure quality of the research, advice and voting recommendations and qualifications of the staff involved;
4. whether and, if so, how they take national market, legal, regulatory and company-specific conditions into account;
5. the essential features of the voting policies they apply for each market;
6. whether they have dialogues with the companies which are the object of their research, advice or voting recommendations and with the stakeholders of the company, and, if so, the extent and nature thereof;
7. the policy regarding the prevention and management of potential conflicts of interest.

The information referred to in this paragraph shall be made publicly available on the websites of proxy advisors and shall remain available free of charge for at least three years from the date of publication. The information does not need to be disclosed separately where it is available as part of the disclosure under paragraph 1.

- (3) Proxy advisors must identify and disclose without delay to their clients any actual or potential conflicts of interest or business relationships that may influence the preparation of their research, advice or voting recommendations and the actions they have undertaken to eliminate, mitigate or manage the actual or potential conflicts of interests.

- (4) This Article also applies to proxy advisors that have neither their registered office nor their head office in the European Union which carry out their activities through an establishment located in the European Union. »

(Law of 1<sup>st</sup> August 2019)

## «Chapter 2 – General meeting of shareholders»

[(Law of 1<sup>st</sup> August 2019)]

[2007/36/EC Art. 4]

### **Art. 2. Equal treatment of shareholders**

The company shall ensure equal treatment for all shareholders who are in the same position with regard to participation in, and the exercise of voting rights in, the general meeting.

[2007/36/EC Art. 5.]

### **Art. 3. Information prior to the general meeting**

- (1) Without prejudice to Articles 10 paragraph 4, and 12, paragraph 4, of the Law of 19 May 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids<sup>512</sup>, convening notices for all general meetings shall be published at least thirty days before the meeting:

- on the Recueil électronique des sociétés et associations and in one Luxembourg newspaper; and
- in media which may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area, and which are accessible rapidly and on a non-discriminatory basis.

If a new convening notice is necessary because of lack of the required quorum at the first convened meeting and provided that the first convening notice complied with the requirements of this sub-section and no new item has been added to the agenda, the

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<sup>512</sup> Article 10 of the takeover law provides for the «passivity» rule of the management body of the target company if that company has resolved to adhere to this rule («opt in» principle). The management body shall in this case need the prior authorization of the general meeting before any defensive action. Article 12 provides for the neutralisation of certain statutory limitations («break through» rule) for the target companies which decided to be subject to Article 12 («opt in» principle).

Article 10 (4) takeover law: «For the purpose of obtaining the prior authorisation, approval or confirmation of the holders of securities referred to in paragraphs (2) and (3), a general meeting of shareholders may be called by placing a single announcement at least two weeks before the meeting in the *Mémorial* [Official Gazette] and in one Luxembourg newspaper. The same shall apply in the event of the postponement of the general meeting.»

Article 12 (4) takeover law: «Where, following a bid, the offeror holds 75 % or more of the capital carrying voting rights, no restrictions on the transfer of securities or on voting rights referred to in paragraphs (2) and (3) nor any extraordinary rights of shareholders concerning the appointment or removal of members of the administration or management bodies provided for in the articles of association of the target company shall apply; multiple-vote securities shall carry only one vote each at the first general meeting of shareholders following closure of the bid, called by the offeror in order to amend the articles of association or to remove or appoint members of the administration or management bodies.

To that end, the offeror shall have the right to convene a general meeting of shareholders on the same terms as provided for in Article 10 paragraph (4).»



period referred to in the first paragraph above is reduced to at least seventeen days before the meeting.

- (2) The convening notices are communicated in compliance with the notice periods referred to in the first or second paragraphs of paragraph 1, to registered shareholders as well as to directors, members of the management board and members of the supervisory board, as applicable, and réviseurs d'entreprises agréés (approved statutory auditors). This communication is done by letter unless the addressees have individually, expressly and in writing, accepted to receive the convening notice through other means of communication, but no proof need be given that this formality has been complied with.

Where all the shares are in registered form, the company may communicate the convening notices by registered mail only, unless the addressees individually, expressly and in writing, have accepted to receive convening notices through other means of communication.

In either case the company may not charge any specific cost for issuing the convening notice in the prescribed manners.

- (3) The convening notice referred to in paragraph 1, shall at least contain the following particulars:
- a) indicate precisely the date<sup>513</sup> and location of the general meeting, and its proposed agenda;
  - b) contain a clear and precise description of the procedures that shareholders must comply with in order to be able to participate in, and to cast their vote in, the general meeting. This includes information concerning:
    - i) the rights available to shareholders under Article 4, and where applicable, the deadline by which those rights may be exercised and the electronic address to which shareholders may address their requests. The convening notice may confine itself to stating only the deadlines by which those rights may be exercised and such electronic address, provided it contains a statement that detailed information concerning those rights is available on the Internet site of the company;
    - ii) the procedure for voting by proxy, notably the forms to be used to vote by proxy and the means by which the company is prepared to accept electronic notifications of the appointment of proxy holders; and
    - iii) where applicable, the procedures for participating in the meeting from a remote location, in accordance with Article 6 and to cast votes by correspondence or by electronic means in accordance with Article 10;
  - c) where applicable, statement of the record date as defined in Article 5, and the manner in which shareholders have to register, and a statement that only those who are shareholders on that date shall have the right to participate and vote in the general meeting;

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<sup>513</sup> The English version of the Directive uses «when and where the general meeting is to take place» which implies that the start time of the meeting also needs to be given.

- d) indication of the postal and electronic addresses where, and how, the full, unabridged text of the documents and draft resolutions referred to in letters c) and d) of paragraph 4 may be obtained;
  - e) indication of the address of the Internet site on which the information referred to in paragraph 4 are available.
- (4) For a continuous period beginning on the day of publication of the convening notice of the general meeting and including the day of the general meeting, the company shall make available to its shareholders on its Internet site at least the following information:
- a) the convening notice referred to in paragraph 1;
  - b) the total number of shares and voting rights at the date of the notice including separate totals for each class of shares where the company's capital is divided into two or more classes of shares;
  - c) the documents to be submitted to the general meeting;
  - d) a draft resolution or, where no resolution is proposed to be adopted, a comment from the board of directors or the management board, as appropriate, for each item on the proposed agenda of the general meeting. Moreover, draft resolutions tabled by shareholders shall be added to the Internet site as soon as practicable after the company has received them;
  - e) where applicable, the forms to be used to vote by proxy and to vote by correspondence, unless those forms are sent directly to each shareholder.

Where the forms referred to in letter e) cannot be made available on the Internet site for technical reasons, the company shall indicate on its Internet site how the forms can be obtained on paper. In this case the company shall be required to send the forms by postal services and free of charge to every shareholder who so requests.

Where, pursuant to Articles 10 paragraph 4, or 12 ,paragraph 4, of the Law of 19 May, 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids<sup>514</sup>, the convening notice of the general meeting is issued later than on the thirtieth day before the meeting, the period specified in this paragraph shall be shortened accordingly.

[2007/36/EC Art. 6]

**Art. 4. Right to put items on the agenda of the general meeting and to table draft resolutions**

- (1) One or more shareholders holding together at least 5% of the share capital of a company:
- a) have the right to put items on the agenda of the general meeting; and
  - b) have the right to table draft resolutions for items included or to be included on the agenda of a general meeting.
- (2) The requests referred to in paragraph 1 must be in writing and sent to the company by postal services or electronic means to the address provided in the convening notice published pursuant to Article 3. They are accompanied by a justification or a draft

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<sup>514</sup> See footnote under Article 3.

resolution to be adopted in the general meeting. They indicate the postal or electronic address at which the company may acknowledge receipt of these requests.

- (3) The requests referred to in paragraph 1 must be received by the company not later than on the twenty-second day prior to the date of the general meeting. The company shall acknowledge receipt of requests referred to in paragraph (1) within forty-eight hours from receipt.
- (4) The company publishes, in accordance with Article 3, a revised agenda not later than on the fifteenth day prior to the date of the general meeting.

*[2007/36/EC Art. 7.1, 7.2 and 7.4]*

**Art. 5. Requirements for participation and voting in the general meeting**

- (1) The rights of a shareholder to participate in a general meeting and to vote in respect of any of his shares are not subject to any requirement that his shares be deposited with, or transferred to, or registered in the name of, another natural or legal person before the general meeting.

The rights of a shareholder to sell or otherwise transfer his shares during the period between the record date, as defined in paragraph 2, and the general meeting to which it applies are not subject to any restriction to which they are not subject at other times.

- (2) The rights of a shareholder to participate in a general meeting and to vote in respect of his shares shall be determined with respect to the shares held by that shareholder on the fourteenth day prior to the general meeting at midnight (Luxembourg time) (defined as the «record date»).
- (3) Not later than on the record date, the shareholder indicates to the company his intention to participate in the general meeting. The company determines the manner in which this declaration is made.

For each shareholder who indicates his intention to participate in the general meeting, the company records his name or corporate denomination and address or registered office, the number of shares held by him on the record date and a description of the documents establishing the holding of shares on that date.

- (4) Proof of the qualification as shareholder may be subject only to such requirements as are necessary to ensure the identification of shareholders and only to the extent that they are proportionate to achieving that objective.

*[2007/36/EC Art. 8]*

**Art. 6. Participation in the general meeting by electronic means**

- (1) The articles of incorporation may provide that any shareholder may participate in the general meeting in any form of participation by electronic means offered by the company which among other allow any or all of the following forms of participation:

- a) real-time transmission of the general meeting;
- b) real-time two-way communication enabling shareholders to address the general meeting from a remote location;
- c) a mechanism for casting votes, whether before or during the general meeting, without the need to appoint a proxy holder who is physically present at the meeting.

Shareholders who participate in this manner at the general meeting shall be deemed present at the location of the general meeting for the purpose of quorum and majority requirements.

- (2) The use of electronic means for the purpose of enabling shareholders to participate in the general meeting may be made subject only to such requirements and constraints as are necessary to ensure the identification of shareholders and the security of electronic communications, and only to the extent that they are proportionate to achieving those objectives.

[2007/36/EC Art. 9]

**Art. 7. Right to ask questions**

- (1) Every shareholder shall have the right to ask questions related to items on the agenda of the general meeting. The company shall answer the questions put to it by shareholders subject to the measures which it may take to ensure the identification of shareholders, the good order of general meetings and their preparation, and the protection of confidentiality and its business interests.

The company may provide one overall answer to questions having the same content. Where the relevant information is available on its Internet site in a question and answer format, the company shall be deemed to have answered to the questions asked by referring to its site.

- (2) Without prejudice to the application of paragraph 1<sup>st</sup> during the general meeting, the articles of incorporation may provide that shareholders have the possibility, as from the publication of the convening notice, to ask questions in writing concerning items on the agenda, which will be answered during the general meeting. These questions may be addressed to the company by electronic means at the address provided in the notice of the general meeting. The articles of incorporation determine the deadline by which questions must be received by the company.

Shareholders who intend to make use of the possibility offered by the articles of incorporation in accordance with the preceding paragraph, establish their shareholder qualification as shareholder in accordance with Article 5.

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 9a]

**«Art. 7bis. Right to vote on the remuneration policy**

- (1) Companies must establish a remuneration policy as regards directors and must submit it to the vote of shareholders at the general meeting.
- (2) The vote by the shareholders at the general meeting on the remuneration policy is advisory. Companies shall pay remuneration to their directors only in accordance with a remuneration policy that has been submitted to a vote at the general meeting. Where the general meeting rejects the proposed remuneration policy, the company shall submit a revised policy to a vote at the following general meeting.
- (3) However, the articles of association may provide that the vote on the remuneration policy expressed at the general meeting is binding. In that case, companies pay remuneration to

their directors only in accordance with a remuneration policy approved by the general meeting.

Where no remuneration policy has been approved and the general meeting does not approve the proposed policy, the company may continue to pay remuneration to its directors in accordance with its existing practices and shall submit a revised policy for approval at the following general meeting.

Where an approved remuneration policy exists and the general meeting does not approve the proposed new policy, the company shall continue to pay remuneration to its directors in accordance with the existing approved policy and shall submit a revised policy for approval at the following general meeting.

- (4) In exceptional circumstances, companies may temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which such derogation is possible.

The exceptional circumstances referred to in the first subparagraph shall only cover situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the company as a whole or to assure its viability.

- (5) Companies must submit the remuneration policy to a vote by the general meeting at every material change and in any case at least every four years.
- (6) The remuneration policy shall contribute to the company's business strategy and long-term interests and sustainability and shall explain how it does so. It shall be clear and understandable and describe the different components of fixed and variable remuneration, including all bonuses and other benefits in whatever form, which can be awarded to directors, and shall indicate their relative proportion.

The remuneration policy shall explain how the pay and employment conditions of employees of the company were taken into account when establishing the remuneration policy.

Where a company awards variable remuneration, the remuneration policy shall set clear, comprehensive and varied criteria for the award of the variable remuneration. It shall indicate the financial and non-financial performance criteria, including, where appropriate, criteria relating to corporate social responsibility, and explain how these criteria contribute to the objectives set out in the subparagraph 1, and the methods to be applied to determine to which extent the performance criteria have been fulfilled. It shall specify information on any deferral periods and on the possibility for the company to reclaim variable remuneration.

Where the company awards share-based remuneration, the policy shall specify vesting periods and where applicable retention periods for shares after vesting and explain how the share based remuneration contributes to the objectives set out in the first subparagraph.

The remuneration policy shall indicate the duration of the contracts or arrangements with directors and the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of the termination and payments linked to termination.

The remuneration policy shall explain the decision-making process followed for its determination, review and implementation, including measures to avoid or manage conflicts of interests and, where applicable, the role of the remuneration committee or other committees concerned. Where the policy is revised, it shall describe and explain all significant changes and how it takes into account the votes and views of shareholders on the policy and reports since the most recent vote on the remuneration policy by the general meeting of shareholders.

- (7) After the vote on the remuneration policy at the general meeting, the remuneration policy together with the date and the results of the vote is made public without delay on the website of the company and remains publicly available, free of charge, at least as long as it is applicable.»

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 9]

**«Art. 7ter. Information to be provided in and right to vote on the remuneration report**

- (1) The company shall draw up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the most recent financial year to each member of the board of directors<sup>515</sup>, including to newly recruited and to former directors, in accordance with the remuneration policy referred to in Article 7bis.

Where applicable, the remuneration report shall contain the following information regarding each individual director's remuneration:

1. the total remuneration split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the company, and information on how the performance criteria were applied;
2. the annual change of remuneration, of the performance of the company, and of the average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years, presented together and in a manner which permits comparison;
3. any remuneration paid by any undertaking belonging to the same group within the meaning of Article 1711-1 of the amended Law of 19 August 1915 on commercial companies;
4. the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change of such condition;
5. information on the use of the possibility to reclaim variable remuneration;
6. information on any deviations from the procedure for the implementation of the remuneration policy referred to in Article 7bis, paragraph 6, and on any derogations

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<sup>515</sup> This corresponds to the law and the French version of the Directive. The English and German versions use the defined term "director" and "Mitglied der Unternehmensleitung".

applied in accordance with Article 7bis, paragraph 4, including the explanation of the nature of the exceptional circumstances and the indication of the specific elements derogated from.

- (2) Companies may not include in the remuneration report special categories of personal data of individual directors within the meaning of Article 9 paragraph (1) of Regulation (EU) 2016/679 of the European Parliament and of the Council or personal data which refer to the family situation of individual directors.
- (3) Companies shall process the personal data of directors included in the remuneration report pursuant to this Article for the purpose of increasing corporate transparency as regards directors' remuneration with a view to enhancing directors' accountability and shareholder oversight over directors' remuneration.

Companies shall no longer make publicly available pursuant to paragraph 5, the personal data of directors included in the remuneration report in accordance with this Article after 10 years from the publication of the remuneration report.

- (4) The annual general meeting shall have the right to hold an advisory vote on the remuneration report of the most recent financial years<sup>516</sup>. The company shall explain, in the following remuneration report, how the vote by the general meeting has been taken into account.

However, small and medium-sized enterprises, as defined, respectively, in Articles 35 and 47 of the amended Law of 19 December 2002 on the register of trade and companies as well as the accounting and annual accounts of companies, may provide, as an alternative to a vote, submit the remuneration report of the most recent financial years<sup>517</sup> to be submitted for discussion in the annual general meeting as a separate item of the agenda. The company shall explain in the following remuneration report how the discussion in the general meeting has been taken into account.

- (5) Without prejudice to Article 3, paragraph 4, after the general meeting the companies shall make the remuneration report publicly available on their website, free of charge, for a period of 10 years, and may choose to keep it available for a longer period provided it no longer contains the personal data of directors. The *réviseur d'entreprises agréé* [approved statutory auditor] shall check that the information required by this Article has been provided.
- (6) The directors of the company, acting within their field of competence assigned to them by law, have collective responsibility for ensuring that the remuneration report is drawn up and published in accordance with the requirements of this Law. »

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<sup>516</sup> This corresponds to the law and the French version of the Directive. The English and German versions refer to the most recent financial year.

<sup>517</sup> This corresponds to the law and the French version of the Directive. The English and German versions refer to the most recent financial year.

(Law of 1<sup>st</sup> August 2019)

[2007/36/EC Art. 9c]

**«Art. 7<sup>quater</sup>. Transparency and approval of related party transactions»<sup>518</sup>**

- (1) Any material transaction between the company and a related party shall be subject to the prior approval of the management body.
- (2) For the purpose of this Article, "material transactions" shall mean any transaction between the company and a related party whose publication and disclosure would be likely to have a significant impact on the economic decisions of shareholders of the company and which could create a risk for the company and its shareholders who are not related parties, including minority shareholders. The nature of the transaction and the position of the related party shall be taken into consideration.
- (3) Companies shall publicly announce material transactions with related parties at the latest at the time of the conclusion of the transaction. The announcement shall contain at least information on the nature of the related party relationship, the name of the related party, the date and the value of the transaction and other information necessary to assess whether or not the transaction is fair and reasonable from the perspective of the company and of the shareholders who are not a related party, including minority shareholders.
- (4) Where the transaction with the related parties involves a director or a shareholder, that director or shareholder shall not participate in either the approval or the vote, whichever is applicable.
- (5) Paragraphs 1 to 3 shall not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. For such transactions the management body of the company shall establish an internal procedure to periodically assess whether these conditions are fulfilled. Related parties shall not take part in that assessment.
- (6) Companies shall not be subject to the requirements of paragraphs 1 to 3 for the following transactions:
  1. transactions entered into between the company and its subsidiaries provided that they are wholly owned or that no other related party of the company has an interest in the subsidiary undertaking;
  2. transactions regarding remuneration of directors, or certain elements of remuneration of directors, awarded or due in accordance with Article 7<sup>bis</sup>;
  3. transactions entered into by credit institutions on the basis of measures, aiming at safeguarding their stability, adopted by the *Comission de surveillance du secteur financier* [Commission for the Supervision of the Financial Sector];
  4. transactions offered to all shareholders on the same terms where equal treatment of all shareholders and protection of the interests of the company is ensured.
- (7) Companies shall publicly announce material transactions concluded between the related parties of the company and that company's subsidiary. The exemptions provided for in paragraphs 5 and 6 shall also apply to the transactions specified in this paragraph.

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<sup>518</sup> For a definition of «related party», see the note following the Grand-Ducal Regulation of 18 December 2015 set out in Annex I above..



- (8) Transactions with the same related party that have been concluded in any 12-month period or in the same financial year and have not been subject to the obligations listed in paragraph 1 to 3 are aggregated for the purposes of those paragraphs. »

[2007/36/EC Art. 10]

**Art. 8. Proxy voting**

- (1) Every shareholder shall have the right to appoint any other natural or legal person as a proxy holder to attend and vote at a general meeting in his name. The proxy holder shall enjoy the same rights to speak and ask questions in the general meeting as those to which the shareholder thus represented would be entitled.

Any provision in the articles of incorporation restricting the eligibility of persons to be appointed as proxy holders shall be ineffective.

- (2) A shareholder may only appoint one person to act for him as a proxy holder in relation to any one general meeting.

By way of derogation to the preceding paragraph:

- a) if a shareholder has shares of a company held in more than one securities account, he may appoint a separate proxy holder as regards shares held in each securities account in relation to any one general meeting;
  - b) the person qualifying as a shareholder but who acts in the course of a business on behalf of other natural or legal persons, may give a proxy to each of these other natural or legal persons or to a third person designated by them.
- (3) In case of potential conflicts of interest between the appointing shareholder and his proxy holder:
- a) the proxy holder shall disclose certain specified facts which may be relevant for the shareholder in assessing any risk that the proxy holder might pursue any interest other than the interest of the shareholder;
  - b) the proxy holder is only permitted to exercise voting rights on behalf of the shareholder on the condition that he has received specific voting instructions for each resolution on which the proxy holder has cast a vote on behalf of the shareholder;
  - c) the transfer of the proxy to another person is not permitted without prejudice to the possibility for the proxy holder which is a legal person to exercise the powers conferred upon it through any member of its administrative or management body or any of its employees.

A conflict of interest within the meaning of this paragraph may in particular arise where the proxy holder:

- i) is a controlling shareholder of the company, or is another entity controlled by such shareholder;
- ii) is a member of the administrative, management or supervisory body of the company, or of a controlling shareholder or controlled entity referred to in point i);

- iii) is an employee or an auditor of the company, or of a controlling shareholder or controlled entity referred to in i);
  - iv) has a family relationship with a natural person referred to in points (i) to (iii).
- (4) The proxy holder shall cast votes in accordance with the instructions issued by the appointing shareholder.
- He shall keep a record of the voting instructions for a minimum period of one year from the date where the last carried out voting instructions, and shall on request confirm that the voting instructions have been carried out.
- (5) A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds proxies from several shareholders, he may cast votes for a certain shareholder differently from votes cast for another shareholder.

[2007/36/EC Art. 11]

**Art. 9. Formalities for proxy holder appointment and notification**

The appointment of a proxy holder by a shareholder shall be made in writing. The notification to the company of the appointment by a shareholder shall also be made in writing by postal services or by electronic means to the postal or electronic address referred to in the convening notice published in accordance with Article 3.

Beyond this requirement of a document in writing, the appointment of a proxy holder, the notification of the appointment to the company and the issuance of voting instructions, if any, to the proxy holder may be made subject only to such formal requirements as are necessary to ensure the identification of the shareholder and of the proxy holder, or to ensure the possibility of verifying the content of voting instructions, respectively, and only to the extent that they are proportionate to achieving those objectives.

The provisions of this Article shall apply *mutadis mutandis* for the revocation of the appointment of a proxy holder.

[2007/36/EC Art. 12]

**Art. 10. Voting from a remote location**

- (1) The articles of incorporation may permit every shareholder to vote from a remote location in advance of the general meeting, by correspondence or by electronic means, using a form made available by the company.

Where the company permits voting from a remote location, it must be able to verify the qualification and the identity of the shareholder. The means by which the qualification as shareholder and the identity of the person intending to vote from a remote location are verified and ensured, are provided in the articles of incorporation.

- (2) The form for voting from a remote location shall include at least the following information:
- i) the name or corporate denomination of the shareholder, his address or registered office;
  - ii) the number of votes the shareholder intends to cast in the general meeting as well as the direction of his votes or his abstention;
  - iii) the form of the shares held;

- iv) the agenda of the meeting, including the draft resolutions;
  - v) the period within which the form for voting from a remote location must be received by the company;
  - vi) the shareholder's signature, where applicable, under the form of an electronic signature which meets the conditions laid down in Articles 1322-1 and 1322-2 of the Civil code<sup>519</sup>.
- (3) Forms in which no vote is expressed or which do not indicate an abstention are void. In case of modification, during the meeting, of a draft resolution on which a vote was cast from a remote location such vote will be considered void.
- (4) Article 5 applies in case the company permits voting from a remote location. For the calculation of the quorum, account shall be taken only of those forms received by the company prior the general meeting within the deadlines provided in the articles of incorporation.

*[2007/36/EC Art 14.1 and 14.2]*

**Art. 11. Voting results**

- (1) The company shall establish for each resolution at least the number of shares for which votes have been validly cast, the proportion of the share capital represented by those votes, the total number of votes validly cast as well as the number of votes cast in favour of and against each resolution and, where applicable, the number of abstentions.

The articles of incorporation may provide that where no shareholder requests a full account of the voting, it shall be sufficient to establish the voting results only to the extent needed to ensure that the required majority is reached for each resolution.

- (2) Within fifteen days following the general meeting, the company shall publish on its Internet site the voting results established in accordance with paragraph 1<sup>st</sup>.

*(Law of 18 December 2015)*

*[2007/36/EC Art. 5.5] [EU Regulation 2021/23 Art. 18 and 22]*

**«Art. 11bis. Specific provision**

The general meeting may, by a majority of two-thirds of the votes validly cast, in order to decide on a capital increase, either resolve to amend the articles of incorporation so as to provide that a general meeting is, by way of derogation from Article 12, paragraph 1, convened at shorter notice, or directly convene a general meeting at shorter notice provided that in both cases there is a period of 10 days between the convening notice and the date of the general meeting, the conditions of Article 59-43 or of Article 59-45 of the amended Law of 5 April 1993 on the financial sector (*Law of 20 July 2022*) « or of Article 18 of Regulation (EU) 2021/23 » are met, and that the capital increase is necessary to avoid the initiation of a resolution proceeding in the

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<sup>519</sup> Article 1322-1: «The signature required to perfect a deed delivered under private seal identifies the person who executes such signature and represents his approval to the content of the deed.

It may be by hand or in an electronic form.

An electronic signature consists in a number of data inseparably linked to the deed, ensuring its integrity and meeting the conditions laid down in the first paragraph of this Article. »

Article 1322-2: The electronic deed under private seal constitutes an original when it contains reliable safeguards to maintain its integrity from the moment it was created for the first time in its final form.

conditions laid down in Articles 33 and 34 of the Law of 18 December 2015 on the failure of credit institutions and of certain investment firms (*Law of 20 July 2022*) «or in Article 22 of Regulation (EU) 2021/23 ».

For the purposes of paragraph 1, Article 4, paragraphs 3 and 4 and Article 5, paragraph 2, shall not apply.»

(*Law of 1<sup>st</sup> August 2019*)

### «Chapter 3 – Penalties»

(*Law of 1<sup>st</sup> August 2019*)

[2007/36/EC Art. 14b]

#### «Art. 11ter.»

The directors are jointly and severally liable for any damages resulting from the violation of their obligations under this law.»

#### **Art. 12. (*Law of 1<sup>st</sup> August 2019*) « Transitional provisions»**

This law shall enter into force the 1st day of the 2nd month following its publication on the *Mémorial*<sup>520</sup>.

This law is not applicable to general meetings convened prior to its entry into force. In case of more than one convening notice, or in case one notice was published on different dates, it is only the date of the first notice or the first date of publication which will be taken into account.

This law does not apply to general meetings which have been postponed in application of (*Law of 1<sup>st</sup> August 2019*) «Article 450-1, paragraph 5» of the amended Law of 10 August 1915 on commercial companies, or which have been reconvened for lack of quorum, where the relevant general meetings have been convened prior to its entry into force.

(*Law of 1<sup>st</sup> August 2019*)

### «Chapter 4 – Abbreviated title»

#### **Art. 13. (*Law of 1<sup>st</sup> August 2019*) «Abbreviated title»**

This law may be referred to in abbreviated form as «Law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies».

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<sup>520</sup> The Law of 24 May 2011 was published on 27 May 2011 and the Law of 1<sup>st</sup> August 2019 was published on 20 August 2019.

## ANNEX III

### Luxembourg Law of 13 January 2019 creating a Register of beneficial owners

#### Chapter 1 – Definitions

##### Art. 1.

For the purposes of this law, the following definitions shall apply:

- 1° «Register of beneficial owners» means the data file in which the information on beneficial owners is kept;
- 2° «administrator» means the economic interest grouping Luxembourg Business Registers;
- 3° «beneficial owner» means the beneficial owner defined in Article 1, paragraph 7, of the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended<sup>521</sup>;

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<sup>521</sup> “Beneficial owner” shall, in accordance with this Law [Law of 12 November 2004, as last amended by the law of 29 July 2022], mean any natural person(s) who ultimately owns or controls the customer or any natural person(s) on whose behalf a transaction or activity is being conducted. The concept of beneficial owner shall include at least:

(a) in the case of corporate entities:

(i) any natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership;

(ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), any natural person who holds the position of senior managing official.

Control through other means may be determined in accordance with Articles 1711-1 to 1711-3 of the Law of 10 August 1915 on commercial companies, as amended, as well as in accordance with the following criteria:

(aa) the direct or indirect right to exercise a dominant influence over a customer, on the basis of a contract entered into with that customer or of a clause of the articles of association of that customer, where the law governing that customer allows being subject to such contracts or such statutory clauses;

(bb) the fact that a majority of the members of the administrative, management or supervisory bodies of the customer, in office during the financial year as well as the preceding financial year and until the preparation of the consolidated financial statements, were appointed through direct or indirect exercise of the voting rights of one natural person;

(cc) the direct or indirect power to exercise or the actual direct or indirect exercise of a dominant influence or control over the customer, including the fact that the customer is placed under a single management with another undertaking;

(dd) an obligation, under the national law to which the parent undertaking of the customer is subject, to prepare consolidated financial statements and a consolidated management report;

(b) in the case of fiducies and trusts, all following persons:

(i) the settlor(s);

(ii) the fiduciaire(s) or trustee(s);

- 4° «registered entity» means the entities registered in the Register of commerce and companies referred to in Article 1, points 2° to (*Law of 25 March 2020*) «16°» of the law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended<sup>522</sup>;
- 5° «National authority» means the following authorities, administrations/agencies and entities:
- a) the *procureur général d'État* [senior public prosecutor], the *procureur d'État* [public prosecutor] as well as their deputies;
  - b) the *juges d'instruction* [investigating judges];
  - c) the *cellule de renseignement financier* [Financial Intelligence Unit];
  - d) the officers of the judicial police referred to in Article 10 of the Code of criminal procedure authorised by the director general of the Grand-Ducal Police;
  - e) the *Commission de surveillance du secteur financier* [CSSF, Financial Sector Supervisory Commission];

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(iii) the protector(s), if any;

(iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;

(v) any other natural person exercising ultimate control over the fiducie or trust by means of direct or indirect ownership or by other means;

(c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, any natural person holding equivalent or similar positions to those referred to in point (b).

<sup>522</sup> 2° commercial companies with the exception of *sociétés commerciales momentanées* (temporary commercial companies) and *sociétés commerciales en participation* (commercial companies by participation) ;

3° *groupements d'intérêt économique* [economic interest groupings] ;

4° *groupements européens d'intérêt économique* [European economic interest groupings];

5° Luxembourg branches of commercial and civil companies, economic interest groupings and European economic interest groupings set up under the law of another jurisdiction ;

(*Law of 7 July 2023*)

«5bis° branches established in the Grand Duchy of Luxembourg by commercial and civil companies, economic interest groupings and European economic interest groupings governed by Luxembourg law;

5ter° branches established in the territory of a Member State of the European Union by Luxembourg companies listed in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law; »

6° *sociétés civiles* [civil, i.e. non commercial, companies] ;

7° *associations sans but lucratif* [not for profit organisations] ;

8° *fondations* [charities] ;

9° *associations d'épargne pension* [pension savings associations] ;

10° *associations agricoles* [farming associations] ;

11° *établissements publics de l'Etat et des communes* [public institutions set up by the State or by municipalities] ;

12° *associations d'assurances mutuelles* [mutual insurance associations] ;

13° *sociétés en commandite spéciale* [special limited partnerships] ;

14° *fonds communs de placement* [common funds] ;

(*Law of 25 February 2022*)

«14bis° *les fonds de titrisation* [securitisation funds] ;»

(*Law of 1<sup>st</sup> August 2019*)

« 15° *mutuelles* [provident and mutual benefit institutions]; »

16° other legal persons and entities whose registration is provided by law.

- f) the *Commissariat aux assurances* [CAA or Insurance Commission];
  - g) the *Administration de l'enregistrement, des domaines et de la TVA* [Registration, Estate and VAT Authority];
  - h) the *Administration des douanes et accises* [Customs and Excise];
  - i) the *Service de renseignement de l'Etat* [State Intelligence Service];
  - j) the *Administration des contributions directes* [Inland Revenue];
  - k) the *Ministère des affaires étrangères et européennes* [Ministry of Foreign and European Affairs] within its specific competences as regards the fight against money laundering and terrorist financing;
  - l) the *Ministère des finances* [Ministry of Finance] within its specific competences as regards the fight against money laundering and terrorist financing;
  - m) the *Office du contrôle des exportations, importations et du transit* [Supervising agency for exports, imports and transit].
- 6° «professionals» means the persons referred to in Article 2 of the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended<sup>523</sup>.

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<sup>523</sup> Article 2. Scope

(1) This title applies to the following persons:

1. credit institutions and professionals of the financial sector (PFS) licensed or authorised to exercise their activities in Luxembourg in accordance with the Law of 5 April 1993 on the financial sector, as amended, and payment institutions and electronic money institutions licensed or authorised to exercise their activities in Luxembourg in accordance with the Law of 10 November 2009 on payment services, as well as tied agents as defined in Article 1 of the Law of 5 April 1993 on the financial sector, as amended, and agents as defined in Article 1 of the Law of 10 November 2009 on payment services, as amended, established in Luxembourg
  - 1a. the natural and legal persons benefiting from the waiver in accordance with Article 48 or 48-1 of the Law of 10 November 2009 on payment services;
2. insurance undertakings licensed or authorised to exercise their activities in Luxembourg in accordance with the Law of 7 December 2015 on the insurance sector, as amended, in connection with operations covered by Annex II of the Law of 7 December 2015 on the insurance sector, as amended, and insurance intermediaries licensed or authorised to conduct business in Luxembourg in accordance with the Law of 7 December 2015 on the insurance sector, as amended, when they act in respect of life insurance and other investment related services;
  - 2a. the professionals of the insurance sector authorised to carry out their business in Luxembourg pursuant to the Law of 7 December 2015 on the insurance sector, as amended.
3. pension funds under the prudential supervision of the Commissariat aux assurances;
4. undertakings for collective investment and investment companies in risk capital (SICAR), which market their units, securities or partnership interests and to which the Law of 17 December 2010 relating to undertakings for collective investment, as amended, or the Law of 13 February 2007 relating to specialised investment funds or the Law of 15 June 2004 relating to the Investment company in risk capital (SICAR) applies;
5. management companies under the Law of 17 December 2010 relating to undertakings for collective investment, as amended, and alternative investment fund managers governed by the Law of 12 July 2013 on alternative investment fund managers, as amended ;
6. pension funds under the prudential supervision of the Commission de Surveillance du Secteur financier;
  - 6a. managers and advisors of undertakings for collective investment, investment companies in risk capital (SICAR) and pension funds;
  - 6b. securitisation undertakings, when they perform trust and company service provider activities;
  - 6c. insurance and reinsurance undertakings and their intermediaries whenever they perform credit and surety operations;

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- 6e. any person carrying out the Family Office activity within the meaning of the Law of 21 December 2012 relating to the Family Office activity;
7. the other financial institutions carrying out their activities in Luxembourg;
8. réviseurs d'entreprises (statutory auditors), réviseurs d'entreprises agréés (approved statutory auditors), cabinets de révision (audit firms) and cabinets de révision agréés (approved audit firms) within the meaning of the Law of 23 July 2016 concerning the audit profession, as amended,
9. accountants, within the meaning of the Law of 10 June 1999 on the organisation of the accounting profession
- 9a. accounting professionals, within the meaning of Article 2(2)(d) of the Law of 10 June 1999 on the organisation of the accounting profession;
10. real estate agents, within the meaning of the Law of 2 September 2011 regulating the access to the professions of craftsman, salesman, industrial as well as to some liberal professions, as amended, established or acting in Luxembourg, including when acting as intermediaries in the letting of immovable property, but only in relation to transactions for which the monthly rent amounts to EUR 10,000 or more;
- 10a. real estate developers within the meaning of the Law of 2 September 2011 regulating the access to the profession of craftsman, salesman, industrial as well as to some liberal professions, as amended, established or acting in Luxembourg, including when they are, in their capacity as intermediary, involved in purchase and sale transactions of immovable property;
11. notaries, within the meaning of the Law of 9 December 1976 on the organisation of the profession of notary, as amended;
- 11a. bailiffs within the meaning of the Law of 4 December 1990 on the organisation of bailiffs, as amended, where they carry out valuation and public sales of furniture, movables and harvests;
12. lawyers, within the meaning of the Law of 10 August 1991 on the legal profession, as amended, when:
- (a) assisting in the planning or execution of transactions for their customer concerning the:
    - (i) buying and selling of real property or business entities,
    - (ii) managing client money, securities or other assets,
    - (iii) opening or management of bank, savings or securities accounts,
    - (iv) organisation of contributions necessary for the creation, operation or management of companies,
    - (v) creation, domiciliation, operation or management of trusts, companies or other similar structures,
  - (b) or acting for and on behalf of their customer in any financial or real estate transaction;
  - (c) or providing a service of a trust and company service provider;
  - (d) or carrying out the activity of Family Office ;  
(*Law of 29 July 2022*)
  - « (e) or acting as depositories of bearer shares.»
13. persons other than those listed above who:
- (a) exercise in Luxembourg (*Law of 29 July 2022*) «on the basis of a business relationship», an activity of tax advice;
  - (b) exercise in Luxembourg, (*Law of 29 July 2022*) «on the basis of a business relationship», one of the activities described in point (12)(a) and (b), or
  - (c) undertake to provide, directly or by means of other persons to which they are related, material aid, assistance or advice on tax matters as principal business or professional activity;
- 13a. persons other than those listed above who exercise (*Law of 29 July 2022*) «on the basis of a business relationship» in Luxembourg a trust and company service provider activity;
14. providers of gambling services governed by the Law of 20 April 1977 on gaming and betting on sporting events, as amended, acting in the exercise of their professional activities;
- 14a. operators in a free zone authorised to carry out their activity pursuant to an authorisation by the Administration des douanes et accises (customs and excise) within the Community control type 1 free zone located in the municipality of Niederanven Section B Senningen called Parishaff L-2315 Senningerberg (Hoehenhof).
15. other persons trading in goods, only to the extent that payments are made or received in cash in an amount of EUR 10,000 or more, whether the transactions or series of transactions are executed in a single operation or in several operations which appear to be linked;



## Chapter 2 – Creation of the Register of beneficial owners

### Art. 2.

There is established, under the authority of the [Minister of Justice], a register under the name of «*Registre des bénéficiaires effectifs*» («Register of beneficial owners»), in short «RBE», whose purposes are to preserve and make available information on beneficial owners of registered entities.

## Chapter 3 – Registration and preservation of the information on beneficial owners in the Register of beneficial owners

### Art. 3.

(1) The following information on beneficial owners of registered entities shall be registered and kept in the Register of beneficial owners:

- 1° name;
- 2° first name(s);
- 3° nationality(ies);
- 4° day of birth;
- 5° month of birth;
- 6° year of birth;
- 7° place of birth;
- 8° country of residence;
- 9° the [exact/accurate] private or professional address mentioning:
  - a) for addresses in the Grand Duchy of Luxembourg: the habitual residence set out in the *Registre national des personnes physiques* (National Registry of Natural Persons) or, for professional addresses, the locality<sup>524</sup>, street and building number appearing in the *Registre national des localités et des rues* (National Registry of Localities and Streets) provided for in Article 2, letter g) of the amended law of 25 July 2002 reorganising the *Administration du cadastre et de la topographie*, and the postal code;
  - b) for addresses abroad: the locality, street and number of the building abroad, the postal code and the country;

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16. virtual asset service providers;

17. safekeeping or administration service providers;

18. persons trading or acting as intermediaries in the trade of works of art, including when this is carried out by art galleries and auction houses, where the value of the transaction or a series of linked transactions amounts to EUR 10,000 or more;

19. persons storing, trading or acting as intermediaries in the trade of works of art when this is carried out by free ports, where the value of the transaction or a series of linked transactions amounts to EUR 10,000 or more.

(2) The scope of application of this title and hence the notion of professional also includes branches in Luxembourg of foreign professionals as well as professionals established under the laws of foreign countries who supply services in Luxembourg without establishing any branch in Luxembourg.

<sup>524</sup> Means the city, town or village.

- 10° for persons registered in the National Registry of Natural Persons: the identification number provided for by the amended law of 19 June 2013 on the identification of natural persons;
- 11° for non-resident persons not registered in the National Registry of Natural Persons: a foreign identification number;
- 12° the type of beneficial interests held;
- 13° the extent of beneficial interests held.

(2) As an exception to paragraph 1, companies whose securities are admitted to trading on a regulated market in the Grand Duchy of Luxembourg or in another State member to the Agreement on the European Economic Area or in another third country imposing obligations recognised as equivalent by the European Commission within the meaning of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC, only register the name of the regulated market on which their securities are admitted to trading.

#### **Art. 4.**

(1) The registration of the information referred to in Article 3 and any amendments thereto shall be applied for by the registered entity or by its representative within one month from the time the registered entity became aware or should have become aware of the event that makes the registration or the amendment necessary. The notary passing the deed of incorporation of the registered entity or any amendment thereof may also apply for the registration of the information referred to in Article 3 and any amendments thereto.

(2) The information referred to in Article 3 must be adequate, accurate and current.

(3) An application for the registration of the information referred to in Article 3 and any amendments thereto shall include the supporting documents provided by Grand-Ducal Regulation<sup>525</sup>.

#### **Art. 5.**

(1) The Minister of Justice has the capacity of controller within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

(2) The administrator is responsible for the registration, safeguarding, administrative management and provision of the information on beneficial owners in accordance with the provisions of this law.

The administrator has the capacity of processor of the file within the meaning of the above-mentioned Regulation (EU) 2016/679.

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<sup>525</sup> See art 5 of the Grand-Ducal Regulation of 15 February 2019 on the arrangements regarding registration and payment of administrative costs as well as on the access to the information registered in the Register of beneficial owners.

(3) Without prejudice to other channels of communication provided for in this law, any communication between the administrator and the registered entity shall be made using a secure electronic method keeping track of the transmission.

(4) The administrator is not responsible for the content of the registered information.

(5) The administrator may enter the information on beneficial owners of a registered entity in the Register of beneficial owners at the request and on behalf of the registered entity.

(6) The *Centre des technologies de l'information de l'Etat* [the Government IT Center] is responsible for the information technology management of the file within the meaning of the above-mentioned Regulation (EU) 2016/679.

(7) The *Centre des technologies de l'information de l'Etat* [Government IT Center] also has the capacity of processor of the file within the meaning of the above-mentioned Regulation (EU) 2016/679.

#### **Art. 6.**

(1) The application for registration referred to in Article 4, paragraphs 1 and 3, shall be made electronically on the website of the administrator in accordance with the arrangements to be provided by Grand-Ducal Regulation<sup>526</sup>.

(2) The administrator shall carry out the registration prescribed by law within three business days following the submission of the application for registration referred to in Article 4, paragraphs 1 and 3.

#### **Art. 7.**

(1) The administrator shall refuse any application for registration which is incomplete or does not comply with legal and regulatory provisions. The administrator shall also refuse to register or modify information which does not match the supporting documents.

In case of refusal of the registration application by the administrator for one of the reasons referred to in the preceding paragraph, the administrator shall request the relevant registered entity or, where appropriate, its authorised representative, to rectify its application by completing, amending or withdrawing the information contained in the application made by the registered entity, or by submitting the required supporting documents.

Such registered entity shall have fifteen days from the date of issuance of the request for regularisation made by the administrator to comply with such request.

(2) If the application still fails to comply with legal and regulatory provisions or if the missing information or supporting documents still have not been provided within the time limit provided for in paragraph 1, sub-paragraph 3, the administrator shall notify the relevant registered entity of its refusal to register. The refusal must be reasoned. It must mention the possibility for the registered entity to make a judicial appeal by indicating the judge having jurisdiction, the procedure to be followed and the deadline.

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<sup>526</sup> See chapter 1 of the Grand-Ducal Regulation of 15 February 2019 on the arrangements regarding registration and payment of administration costs as well as on the access to the information registered in the Register of beneficial owners.

The notifications are made by the administrator by sending a registered letter with acknowledgment of receipt.

(3) An appeal against the decision to register or the refusal to register can be made by any interested party. The appeal is brought before the judge presiding the chamber of the *Tribunal d'Arrondissement* (District Court) dealing with commercial matters for merchants and before the president of the *Tribunal d'Arrondissement* (District Court) dealing with civil matters for the persons referred to in Article 1, points 6°, 7°, 8°, 10° and 11° of the law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended.

The action is brought and passed on by the court in the same manner as for urgency matters in accordance with Articles 934 to 940 of the New Code of Civil Procedure.

(4) Any [court] decision ordering a registration or an amendment of a registration which has become final shall be implemented by the administrator.

In case the refusal of the administrator to carry out the registration is confirmed by a [court] decision which has become final, the relevant registered entity must, within fifteen days of service of the decision, make its application compliant with the law or provide the missing information.

If the registered entity fails to make its request compliant with legal and regulatory provisions or to provide the missing information, the administrator shall transmit the file of such registered entity to the *procureur d'État* (public prosecutor).

#### **Art. 8.**

(1) Each person with access to information in the Register of beneficial owners pursuant to Article 11 as well as each professional is required to inform the administrator upon, and within thirty days of, its noticing either the existence of erroneous data or the absence of all or part of the data in the Register of beneficial owners, or a registration, amendment or deletion failure.

(2) The procedure of Article 9 is applicable.

(3) Whilst the procedure of Article 9 is ongoing, a specific reference to the finding referred to in paragraph 1 shall be registered by the administrator in the Register of beneficial owners.

#### **Art. 9.**

(1) In the cases referred to in Article 8, paragraph 1, the administrator shall by simple letter request the registered entities to provide or update the registered information.

(2) In addition to the cases referred to in Article 8, paragraph 1, the administrator may by simple letter request the registered entity to provide or update registered information.

(3) Registered entities to whom a request by the administrator within the meaning of paragraphs 1 or 2 has been addressed must verify their entries and respond to the administrator in accordance with a procedure determined by the administrator.

(4) If there is no response within thirty days of the date of dispatch of the request of the administrator to the registered entity, the administrator transmits the file of such registered entity to the *procureur d'État* (public prosecutor).

**Art. 10.**

(1) The information referred to in Article 3 as well as applications for registration shall be kept by the Register of beneficial owners for five years after the date of the de-registration of the registered entity from the Register of commerce and companies.

(2) The supporting documents referred to in Article 4, paragraph 3, shall be kept by the Register of beneficial owners for five years.

## **Chapter 4 – Access to the Register of beneficial owners**

**Art. 11.**

(1) In the context of the performance of their duties, national authorities shall have access to the information referred to in Article 3.

(2) The implementation arrangements regarding the granting of access to national authorities shall be laid down by Grand-Ducal Regulation<sup>527</sup>.

**Art. 12.**

Access to the information referred to in Article 3, paragraph 1, points 1° to 8°, 12° and 13° shall be available to any person.

**Art. 13.**

(1) Access for searching the Register of beneficial owners by the authorities and persons referred to in Articles 11 and 12 shall be via electronic means in accordance with the access arrangements laid down by Grand-Ducal Regulation.

The search criteria are laid down by Grand-Ducal Regulation<sup>528</sup>.

(2) The information technology system through which access to the Register of beneficial owners is granted to the authorities referred to in Article 11 must be set up in a manner that access to the files is protected by means of a strong authentication, that the information relating to the person who conducted a search, the information viewed, the date, the time and the reference of the file in which the search was made as well as the precise reason for the search can be tracked. Log data must be kept for a period of five years from the date it was logged, after which it shall be erased.

(3) No information regarding a search of data made by an authority referred to in Article 11 may be communicated to the registered entities concerned or their beneficial owners.

The administrator shall make sure that the searching of data in the Register of beneficial owners can be carried out without the relevant registered entity or its beneficial owners being notified thereof.

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<sup>527</sup> See art 8 of the Grand-Ducal Regulation of 15 February 2019 on the arrangements regarding registration and payment of administrative costs as well as on the access to the information registered in the Register of beneficial owners.

<sup>528</sup> See articles 7 and 8 of the Grand-Ducal Regulation of 15 February 2019 on the arrangements regarding registration and payment of administrative costs as well as on the access to the information registered in the Register of beneficial owners.

**Art. 14.**

The administrator issues excerpts in electronic or paper format containing the information referred to in Article 3 pursuant to the conditions laid down in Articles 11 and 12<sup>529</sup>.

**Art. 15.**

(1) A registered entity or a beneficial owner may request, on a case-by-case basis and in the following exceptional circumstances, on the basis of a duly reasoned application to the administrator, to limit access to the information referred to in Article 3 to national authorities, credit institutions and financial institutions as well as to bailiffs and notaries acting in their capacity as public officials, where such access would expose the beneficial owner to a disproportionate risk, a risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation or where the beneficial owner is a minor or otherwise incapacitated<sup>530</sup>.

(2) The administrator shall provisionally limit the access to the information referred to in Article 3 to national authorities upon receipt of the application and until notification of its decision, and, in case of refusal of the request, for an additional period of fifteen days. In the event of an appeal against a decision of refusal, the limited access to the information is maintained in place until the decision of refusal can no longer be appealed.

(3) A limitation of access to information may be granted only for the duration of the circumstances which justify the limitation without exceeding a maximum period of three years. It may be renewed by a decision of the administrator, on the basis of a reasoned application for renewal made by the registered entity or the beneficial owner and addressed to the administrator no later than one month before the expiration date of the limitation.

(4) A notice indicating the limitation of access to information and the date of such decision shall be published in Register of beneficial owners by the administrator.

(5) Any interested party intending to contest a decision made by the administrator pursuant to paragraphs 2 or 3, may file an appeal against such decision in accordance with the provisions of Article 7, paragraph 3, within 15 days of the publication of the notice referred to in paragraph 4.

Article 7, paragraph 4 is applicable.

## **Chapter 5 – Special provisions regarding the operation of the register of beneficial owners**

**Art. 16.**

The remuneration of the administrator for the operation and usage costs of the Register of beneficial owners is laid down by a Grand-Ducal Regulation within the limits of the operating and usage costs [actually] incurred.

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<sup>529</sup> See article 9 of the Grand-Ducal Regulation of 15 February 2019 on the arrangements regarding registration and payment of administrative costs as well as on the access to the information registered in the Register of beneficial owners.

<sup>530</sup> Literally translated from the French (including use of *kommata*), there being a debate whether this should be read as: «(...) expose the beneficial owners to a disproportionate risk of fraud, kidnapping, blackmail, etc.»

## **Chapter 6 – Provision, obtainment and preservation of information on beneficial owners**

### **Art. 17.**

(1) Each beneficial owner of a registered entity shall provide the latter with the information necessary for it to fulfill its obligations pursuant to Articles 3, 4, 7 and 9.

(2) Registered entities must obtain and keep, at their registered office, the information on their beneficial owners referred to in Article 3, as well as the corresponding supporting documents.

(3) This information must be adequate, accurate and current.

(4) In case of de-registration from the register of commerce and companies following the dissolution of a registered entity, the registered entity must designate the place where the information referred to in Article 3 and the corresponding supporting documents are kept for five years after the date of the de-registration.

The indication of the designated place is published in the *Recueil électronique des sociétés et associations*, in accordance with the provisions of Title I, Chapter *Vbis*, of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended.

### **Art. 18.**

Registered entities must provide to the national authorities, on request and within three days of such request, the information referred to in Article 3 and the information on their owner.

### **Art. 19.**

With the exception of situations in which access to information has been limited in accordance with Article 15, the registered entities must provide, upon a reasoned request and within three days of such request, the information referred to in Article 3, points 1° to 8°, 12° and 13° and information on their proprietors<sup>531</sup> to professionals in the context of the latter's performance of their customer due diligence in accordance with Articles 3 to 3-3 of the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended.

## **Chapter 7 – Criminal law provisions**

### **Art. 20.**

(1) A registered entity which fails to submit, within the time limits referred to in Article 4, paragraph 1, sub-paragraph 1 and Article 7, paragraph 4, an application for registration in the Register of beneficial owners in order to register all the information on its beneficial owners referred to in Article 3 and their modification, shall be punished with a fine of 1,250 euros to 1,250,000 euros.

(2) A registered entity which knowingly submits an application for registration to the Register of beneficial owners in order to register information referred to in Article 3 which is inaccurate, incomplete or not current shall be punished with a fine of 1,250 euros to 1,250,000 euros.

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<sup>531</sup> The French text uses the term «*propriétaire*» and not the term «*bénéficiaire effectif*» (beneficial owner).

**Art. 21.**

(1) A registered entity which fails to obtain and keep, at its registered office, all the information on its beneficial owners referred to in Article 3 shall be punished with a fine of 1,250 euros to 1,250,000 euros.

(2) A registered entity which knowingly provides to the national authorities referred to in Article 18 or to the professionals referred to in Article 19, information referred to in Article 3 which is inaccurate or not current shall be punished with a fine of 1,250 euros to 1,250,000 euros.

(3) A beneficial owner who fails to fulfill his obligation under Article 17, paragraph 1 shall be punished with a fine of 1,250 euros to 1,250,000 euros.

## Chapter 8 – Amending provisions

**Art. 22.**

Article 10 of the law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended, is completed by a point 4° which takes the following content:

«4° where applicable, the indication of an additional mention provided for by law.»

**Art. 23.**

After Article 12 of the same law, are inserted the following new Articles 12*bis* and 12*ter*:

«Art. 12*bis*.

Shall also be communicated the national identification number of any natural person registered in the register of commerce and companies, as provided by the law of 19 June 2013 on the identification of natural persons, as amended.

Natural persons who do not have an identification number as provided for by the law of 19 June 2013 on the identification of natural persons, as amended, are allocated such an identification number in accordance with Article 1, paragraph 2, sub-paragraph of the law of 19 June 2013 on the identification of natural persons, as amended at the time of their registration by the administrator of the register of commerce and companies.

Art. 12*ter*.

The precise Luxembourg addresses to be entered in the register of commerce and companies, pursuant to the present law, shall mention the locality, the street, the building number appearing on or to be communicated to the *Registre national des localités et des rues* (National Registry of Localities and Streets), as provided for in Article 2, letter g) of the amended law of 25 July 2002 reorganising the *Administration du cadastre et de la topographie*, and the postal code.»

**Art. 24.**

Article 22-1, paragraph 2, of the same law is amended as follows:

«If in electronic form, this signature must be qualified as provided in Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.»



**Art. 25.**

Article 22-4 of the same law is repealed.

**Art. 26.**

Article 23 of the same law is amended as follows:

1° In letter a), the words «and the fees for publication in the *Recueil électronique des sociétés et associations*» are deleted.

2° In letter b), the words «and the fees for publication in the *Recueil électronique des sociétés et associations*» are deleted.

### **Chapter 9 – Transitional provision**

**Art. 27.**

Registered entities must comply with the provisions of this law no later than six months after its entry into force<sup>532</sup>.

Access for consultation may be requested after the expiry of this six-month period.

### **Chapter 10 –Quotation of the law**

**Art. 28.**

Reference to this law shall be made as «Law of 13 January 2019 creating a Register of beneficial owners».

### **Chapter 11 – Entry into force**

**Art. 29.**

The provisions of this law shall enter into force on the first day of the second month following the month of its publication in the Official Journal of the Grand Duchy of Luxembourg<sup>533</sup>.

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<sup>532</sup> This time limit ends on 31 August 2019 (inclusive).

<sup>533</sup> The law was published on 15 January 2019 and entered into force on 1<sup>st</sup> March 2019.

# **Grand-Ducal Regulation of 15 February 2019 on the arrangements regarding registration and payment of administrative costs as well as the access to the information registered in the Register of beneficial owners**

## **Chapter 1. Arrangements regarding registration in the Register of beneficial owners**

### **Art. 1.**

(1) The registered entity shall apply for registration of the information provided for in Article 3 of the law of 13 January 2019 creating a Register of beneficial owners through the administrator's website.

(2) Each application for registration accepted by the administrator shall be recorded in the file of the registered person or entity electronically kept by the administrator.

(3) Each registration is dated the day on which the application for registration is accepted by the administrator and is assigned a unique number. Such acceptance shall generate a receipt of acceptance of the registration which is forwarded to the applicant.

(4) The administrator may prevent the access to its website to any electronic certificate holder who is found to make an abusive or fraudulent use thereof.

### **Art. 2.**

Registrations must be made in French, German or Luxembourgish, in a complete and accurate manner. The alphanumeric characters to be used are the letters of the Latin alphabet and Roman or Arabic numerals. The use of additional characters and symbols is allowed, if they have a meaning in the spoken language.

### **Art. 3.**

The administrator keeps a complete record of the registrations, using an electronic process.

### **Art. 4.**

(1) The administrator's office is located in the municipality of Luxembourg. The administrator may have offices in other municipalities of the Grand Duchy of Luxembourg. The administrator shall post its office opening hours on its website.

(2) The administrator shall provide technical assistance in its offices to registered entities which are materially unable to effect the registrations required by the above-mentioned Law of 13 January 2019 in accordance with Article 1.

### **Art. 5.**

The supporting documents referred to in Article 4, paragraph 3 of the above-mentioned Law of 13 January 2019 include:

1° for natural persons who are not registered in the Register of commerce and companies, official documents establishing the identity of the beneficial owners, accompanied by a

French, German or Luxembourgish translation if the official documents are not drafted in Latin characters;

- 2° if applicable, the application for a limitation of access to information as referred to in Article 15, paragraph 1 of the above-mentioned Law of 13 January 2019; and
- 3° if applicable, a document certifying that the entity is a company whose securities are admitted to trading on a regulated market in the Grand Duchy of Luxembourg or in another State member to the Agreement on the European Economic Area or in another third country imposing obligations recognised as equivalent by the European Commission within the meaning of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.

**Art. 6.**

Applications for the limitation of access provided for in Article 15 of the above-mentioned Law of 13 January 2019 are transmitted to the administrator in accordance with the provisions of Articles 1 and 2 at the same time as or after applications for registration.

## **Chapter II. Access to information**

**Art. 7.**

(1) The Register of beneficial owners may be accessed free of charge on the administrator's website.

(2) A search in the Register of beneficial owners is carried out using either the corporate name, the firm name, the name or the registration number of the registered entity in the Register of commerce and companies.

(3) Access to information on beneficial owners covered by a limitation of access granted in accordance with Article 15, paragraph 1 of the above-mentioned Law of 13 January 2019 by credit institutions, financial institutions as well as bailiffs and notaries acting in their capacity as public officials, is made by excerpts to be requested in accordance with Article 9, paragraph 2.

**Art. 8.**

(1) Access to the Register of beneficial owners by the national authorities defined in Article 1, point 5o of the above-mentioned Law of 13 January 2019, shall require a request by the national authority addressed to the administrator.

(2) A search in the Register of beneficial owners made by a national authority is carried out using either the corporate name, the firm name, the name or the registration number of the registered entity in the Register of commerce and companies or [the name of the] beneficial owner.

(3) National authorities shall have access to the registered and historical information of the registered and de-registered entities contained in the Register of beneficial owners.

**Art. 9.**

(1) The administrator shall issue excerpts and certificates in secure paper format on the letterhead of the Register of beneficial owners or in electronic format against payment of the administrative costs set out in Annex A.

(2) Requests for excerpts and certificates shall be made on the administrator's website.

(3) Excerpts and certificates issued shall contain the handwritten or electronic signature of the administrator.

**Art. 10.**

(1) Entities who receive a verification request from the administrator pursuant to Article 9 of the above-mentioned Law of 13 January 2019, must verify their information which is on the administrator's website.

(2) If the information entered is adequate, accurate and current, the entity shall confirm its data through the administrator's website.

(3) If the entity realises that the information registered is inadequate, inaccurate or not current, it shall update its information in accordance with Article 1.

### **Chapter III. Arrangements regarding payment**

**Art. 11.**

(1) Any accepted application for registration, as well as any request for an excerpt or certificate, shall give rise to payment to the administrator of the administrative costs set out in Annex A.

(2) Administrative costs will be due once per individual if the registration is made by an applicant who is not approved for payments by way of monthly invoice as provided for in Article 12, paragraph 2.

**Art. 12.**

(1) Payments are made electronically. However, the entities referred to in Article 4, paragraph 2 may pay the administrative costs in cash.

(2) Applicants who regularly make a large number of applications to the administrator for registration, for excerpts or for certificates, may request to be authorised to make payment on the basis of a monthly invoice, which shall be prepared after the administrative costs set out in Annex A due for these applications have been recorded.

(3) Such a request shall include the applicant's written undertaking to pay to the administrator all amounts due as administrative costs as a single payment within 30 days of the date of issuance of the invoice prepared and dispatched by the administrator.

(4) Requests must be filed with the administrator.

(5) The administrator shall decide on the requests and notify the applicants of its decisions. If approval is granted, a reference number is provided to the applicant.

(6) The administrator may withdraw the authorisation by reasoned decision when the amounts due for administrative costs remain unpaid for two months following the date of issuance of the monthly invoice prepared by the administrator.

## Chapter IV. Transitional and final provisions

### Art. 13.

Entities subject to the above-mentioned Law of 13 January 2019<sup>534</sup> are exempted from the payment of the administrative costs set out in Annex A for a period of six months after the entry into force of this regulation<sup>535</sup>.

### Art. 14.

This Grand-Ducal Regulation shall enter into force on 1 March 2019.

### Art. 15.

The Minister of Justice is responsible for the implementation of this regulation which shall be published in the Official Journal of the Grand Duchy of Luxembourg.

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<sup>534</sup> The word “beneficial” attached to “2019” is the result of an oversight of the government. In draft form, the Grand-Ducal Regulation referred to the entire name of the law of 13 January 2019 creating a Register of beneficial owners. The entire name was finally removed, whilst the word “beneficial” was mistakenly retained.

<sup>535</sup> This period ends on 31 August 2019 (inclusive).

**Annex A – Tarifs**  
**Fee Schedule of the Register of beneficial owners**

<i>All amounts are in EUR without VAT (fees are subject to VAT at 17%)</i>	
<b>Type of declaration</b>	
Registration	€ 15
Amendment	€ 15
<b>Extract</b>	
Extract in paper form	€ 10
Electronic extract	€ 5
<b>Certificate of absence of registration of beneficial owener(s)</b>	
Certificate in paper form	€ 10
Electronic certificate	€ 5
<b>Other fees</b>	
Supplement for priority treatment of a request for an extract or certificate in paper form	€ 100
Support desk for applications	Declaration fee + € 20
Derogation request – article 15	Declaration fee + € 200

## Annex IV

### Title IX of the Civil Code<sup>536</sup> «On Companies»<sup>537</sup>

#### Chapter I. – General provisions

(Law of 28 December 1992)

**«Art. 1832.**

A company may be incorporated by two or more persons who agree to contribute something to a common endeavour with a view to sharing the benefits which may result therefrom or, in the cases provided for by law, through the act of will of a person who allocates assets to the conduct of a specific activity.»<sup>538</sup>

**Art. 1833.**

A company must have a lawful purpose and be contracted for the common interest of the parties. Every member must contribute cash, other assets or his industry.

**Art. 1834.**

All companies must be drawn up in writing, in case their object has a value in excess of «3.75 euros»<sup>539</sup>.

Testimonial evidence is not admissible against and beyond the content of the constitutive instrument, nor with respect to what may be alleged to have been said before, at the time of and since this instrument, even in case of an amount or value of less than «3.75 euros»<sup>540</sup>.

#### Chapter II. – Of the various sorts of companies

**Art. 1835.**

Companies are universal or special.

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<sup>536</sup> Decreed on 8 March 1804, entered into force on 18 March 1804.

<sup>537</sup> Title amended by the Law of 28 December 1992 amending the Law of 10 August 1915 on commercial companies and introducing the single-shareholder *société à responsabilité limitée* (Mém. A – 106 of 30 December 1992, p.3141; parl. doc. 3637).

<sup>538</sup> Cf. the amended Law of 10 August 1915: «Art. 100-3. Companies the object of which is civil and which subject themselves to the rules of Article 1832 et seq. of the Civil Code, without prejudice to the amendments made thereto by this Appendix, shall similarly constitute a legal person separate from that of their members, and the service of any process on behalf of or upon such companies shall be valid if made in the name of, or against, the company alone. Article 710-4 shall apply to them.»

<sup>539</sup> Amount amended by Article 48 of the Law of 1 August 2001 on euro conversion of 1 January 2002 and amending certain legislative provisions (Mém. A - 117 of 18 September 2001, p. 2440; parl. doc. 4722).

<sup>540</sup> Amount amended by Article 48 of the Law of 1 August 2001 on euro conversion of 1 January 2002 and amending certain legislative provisions (Mém. A - 117 of 18 September 2001, p. 2440; parl. doc. 4722).

## Section I. – Of universal companies

### **Art. 1836.**

Universal companies are of two kinds: the *société de tous biens présents* (the company of all current assets) and the *société universelle de gains* (the universal company of profits).

### **Art. 1837.**

The *société de tous biens présents* is the company by which the parties put in common all movable and immovable property which they currently possess and the profits they may make from the same.

The parties may also include in it any other kind of profits; however assets which may devolve to them by way of succession, donation or bequest, do not enter into such company but for enjoyment only; any stipulation aiming at including the property of such assets therein is prohibited, except between spouses, and then only in accordance with the rules applicable to them.

### **Art. 1838.**

The *société universelle de gains* contains everything which the parties will acquire in any capacity through their industry as long as the company lasts: movable assets possessed by each member at the time of the contract are also included; however their personal immovable property is included only for enjoyment.

### **Art. 1839.**

A common universal company agreement drawn up without any other explanation only creates the *société universelle de gains*.

### **Art. 1840.**

A universal company may only take place between persons respectively capable of conveying to each other or of receiving from each other, and who are not prohibited from favouring each other at the expense of other persons.

## Section II. – Of special companies

### **Art. 1841.**

Special companies are those which only apply to certain specified things, to their usage, or to the profits to be derived therefrom.

### **Art. 1842.**

The contract by which various persons associate together, either for a specified undertaking, or for the exercise of a trade or profession, is likewise a special company.



## **Chapter III. – Of the obligations of the members towards each other and towards third parties**

### Section I. – Of the obligations of members towards each other

**Art. 1843.**

A company shall begin at the moment the contract is made, if it does not specify another time.

**Art. 1844.**

If there is no agreement on the duration of the company, it shall be deemed to be contracted for the whole time of life of the members without prejudice to what is said in Article 1869: or, in the case of a matter with a limited duration, for the whole time such matter is to last.

**Art. 1845.**

Each member owes the company everything he promised to contribute to it.

Where this contribution consists in a specific property and the company is evicted from the same, the member is accountable to the company in the same manner as a seller is answerable to a purchaser.

**Art. 1846.**

The member who had to contribute a sum of money to the company and who failed to do so, by operation of law and without any request having been made, owes interest on such amount as from the day it was to be paid.

The same applies to amounts he took from the funds of the company, as from the day he took them therefrom for his own benefit.

The foregoing being without prejudice to greater damages, where applicable.

**Art. 1847.**

Members who committed to contribute their industry to the company, shall account to it for all the profits they made by the kind of industry which is the object of the company.

**Art. 1848.**

Where one of the members is, for his own particular account, creditor of a sum due and payable by a person who likewise owes a sum due and payable to the company, what he receives from this debtor must be applied to the discharge of the claim of the company and his personal claim in the proportion of both claims, even if by his receipt he applied the whole amount to his claim; however if he stated in his receipt that the application is entirely to the payment of the claim of the company, such provision shall be effective.

**Art. 1849.**

Where one of the members has received his full share of the claim in common, and where the debtor has since become insolvent, such member shall be bound to return what he received to the common estate, even if he had specifically granted discharge “for his share”.

**Art. 1850.**

Every member shall be liable towards the company for the damages caused to it by his fault, without the possibility to offset these damages with profits his industry may have produced in other affairs.

**Art. 1851.**

If the objects, only the enjoyment of which has been contributed to the company, are specific and ascertained property which are not liable to be consumed by being used, they are at the risk of the member who is the owner.

If these objects are liable to be consumed, if they deteriorate whilst being kept, if they were intended to be sold, or if they were contributed to the company according to an estimated value ascertained by an inventory, they are at the risk of the company.

If the object has been appraised, the member can only reclaim the amount resulting from its appraisal.

**Art. 1852.**

A member has a claim against the company, not only for the amounts he has disbursed for the Company's benefit, but likewise for the obligations entered into by him in good faith for the business of the company and for the risks inseparably connected to his management.

*(Law of 10 August 2016)*

**«Art. 1852bis.**

Unless otherwise provided for by the articles, if a security is encumbered with an usufruct notified to the company or accepted by it in accordance with the provisions of Article 1690;

- 1° the voting right shall be with the bare-owner, except for decisions regarding the allocation of profits where it is reserved to the usufructuary, and
- 2° the usufructuary shall be entitled to the profit which the company decides to distribute.

In the event of repurchase by the company of its own securities, the bare-owner and the usufructuary shall respectively be entitled to the value of the bare-ownership and of the usufruct relating to such securities.

Upon the dissolution of the company, the usufructuary shall be entitled to the imperfect usufruct exercised in accordance with Article 587 on the sums paid to the bare-owner or on the value of the property that has been handed to him.»

**Art. 1853.**

*(Law of 10 August 2016)*

«If the constitutive instrument does not determine the share of each member in the profits or losses, the share of each member shall be in proportion of what he has contributed to the equity of the company.

As regards the member who contributed his industry only, his share in the profits or in the losses is, without any clause to the contrary, settled as if what he contributed was equal to that of the member who contributed the least.

Where there are several classes of securities, the corporate agreement may provide that their respective financial rights track the performance of one or more assets or activities of the company.»

**Art. 1854.**

If the members agreed to refer to one of them or to a third party for the regulation of their respective share, such regulation may not be challenged unless it is obviously unequitable.

No claim shall be accepted in this respect, if three months have elapsed since the party claiming to be adversely affected became aware of the regulation, or if he has commenced performance of such regulation.

**Art. 1855.**

The agreement which would allocate all the profits to one of the members is null and void.

The same shall apply to any provision which would exempt from any contribution to the losses the amounts or property contributed to the equity of the company by one or more members.

*(Law of 10 August 2016)*

«Arrangements pursuant to which current or future members provide for the transfer or acquisition of corporate rights and the purpose of which is not to infringe the participation in the profits or the contribution to losses in the corporate relationships, shall not be prohibited.»

**Art. 1856.**

The member in charge of management pursuant to a special clause in the corporate contract may take, notwithstanding objection by the other members, all actions which depend upon his management, provided that it be without fraud.

This power cannot be revoked without a lawful cause for as long as the company lasts; however if it was only granted by an instrument subsequent to the corporate contract, it may be revoked like a simple mandate.

**Art. 1857.**

Where several members are in charge of management without their duties being determined, or in the absence of a provision stating that one member cannot act without the other, each of them may separately perform all acts of management.

**Art. 1858.**

If it has been provided that one of the managers shall not do anything without the other, one alone cannot act in the absence of the other manager, even if the latter is for the time being unable to participate in any acts of management, until there is a new agreement between the members.

**Art. 1859.**

In the absence of special provisions on management, the following rules shall be followed:

- 1° The members shall be deemed to have given each other the power to manage on behalf of the other member(s). What each member does is valid even for the share of his partners without him having received their consent; except for the right of his partners, or one of them, to challenge the transaction before it is concluded.

- 2° Each member may use the assets which belong to the company, provided that he employs them for the uses for which they are intended, and that he does not use them against the interest of the company, or in such a way as to prevent his partners from using them in accordance with their rights.
- 3° Each member has the right to cause his partners to contribute with him to the expenses which are necessary for the preservation of the assets of the company.
- 4° None of the members may make innovations to the immovable property appertaining to the company without the consent of the other members, even if he claims that they would be beneficial to the company.

**Art. 1860.**

A member who is not a manager may neither dispose of nor commit assets, including movable assets, appertaining to the company.

**Art. 1861.**

Each member may, without the consent of his partners, enter into a partnership with a third party with respect to the share he has in the company; he may not, without such consent, make this third party a member of the company, even if he was in charge of its management.

## Section II. – Of the obligations of members as regards third parties

**Art. 1862.**

In companies other than commercial companies, members are not jointly liable for the debts of the company, and none of the members may create obligations for the other members if they have not granted him the power to do so.

**Art. 1863.**

The members shall be liable to the creditor with whom they have contracted, each for an equal amount and equal share, even if the share of one of them in the company was smaller, unless the relevant deed specifically limited the obligation of such member on the basis of such share.

**Art. 1864.**

A stipulation that the obligation is contracted on behalf of the company shall only bind the contracting member and not the other members, unless they had given him power to do so, or unless the matter turned out to be to the benefit of the company.

## Chapter IV. – Of the different manners in which the company ends

**Art. 1865.**

A company shall end:

- 1° upon expiration of the period for which it was entered into;
- 2° upon the extinction of the object, or the completion of the matter;
- 3° upon the natural death of one of the members;

- 4° upon (...) <sup>541</sup> one of them being subject to a restraint or being insolvent;
- 5° upon the intention expressed by one or more members to no longer be associated in the company.

(Law of 10 August 2016)

**«Art. 1865bis.**

The company shall not be dissolved as a result of all of the corporate units coming to be held by a single holder. Any interested party may apply for the company to be dissolved if the situation has not been cured within a year. The court may grant the company a period of up to six months to cure the situation. It may not order the dissolution if, on the day where it rules on the substance of the case, the matter has been cured.

The member who has come to hold all the units of a company may dissolve that company at any time.

If the usufruct of all the units belongs to the same person, this shall have no impact on the existence of the company.

Dissolution shall entail the universal transmission of the assets and liabilities of the company to the sole member without liquidation. Within 30 days from the publication of the dissolution, creditors may apply to the judge presiding the chamber of the *Tribunal d'Arrondissement* [District Court] sitting as in urgency matters for the provision of adequate safeguards. The president of the court may only reject such an application if the creditor is already in possession of adequate safeguards or if such safeguards are unnecessary, having regard to the estate of the member.»

**Art. 1866.**

The extension of the duration of a company with limited duration may only be evidenced by an instrument in writing passed in the same form as the corporate contract.

**Art. 1867.**

Where one of the members promised to contribute the ownership of an asset to the common estate, the loss of such asset before its contribution results in the dissolution of the company with respect to all members.

The company shall also in any event be dissolved in case of loss of the asset, where only its enjoyment had been contributed to the common estate, and where ownership had remained with the member.

However, the company shall not be dissolved by the loss of the object whose ownership has already been contributed to the company.

**Art. 1868.**

In case it had been provided that in the event of death of one of the members, the company should continue with his heir, or only between the surviving members, such provision shall be followed; in the latter case, the heir of the deceased shall only be entitled to a share in the

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<sup>541</sup> This Article originally featured also «civil death» as a cause of dissolution. Civil death was abolished by Article 18 of the Constitution introduced by an amendment to the Constitution on 27 November 1856.

company according to the situation of the company at the time of death, and shall only participate in subsequent rights which are a necessary consequence of what has been done before the death of the member to whom he succeeds.

**Art. 1869.**

The dissolution of the company by the will of one of the parties shall only apply to companies whose duration is unlimited, and shall occur by a renunciation notified to all the members, provided such renunciation is made in good faith and not untimely.

**Art. 1870.**

A renunciation is not made in good faith where the member renounces in order to appropriate the profit which the members had intended to derive in common.

It is made untimely where things are no longer whole, and where it is important for the company that its dissolution be postponed.

**Art. 1871.**

The dissolution of companies with a fixed duration may only be applied for by one of the members before the agreed expiration date for just cause, such as where another member fails in its obligations, or where a constant disability makes him unable to deal with the matters of the Company, or in other similar cases, whose legitimacy and seriousness are to be left to the appreciation of the court.

**Art. 1872.**

Rules regarding the partition of inheritances, the manner of such a partition, and the obligations resulting from the same between heirs, apply to partitions between members.

### **Provision relating to commercial companies**

**Art. 1873.**

The provisions of the present Title shall apply to commercial companies only with respect to those items which are not contrary to the laws and usages of commerce.

## Annex V

### Criminal Code excerpts– Legal entities

Book I, Chapter II-1.- Penalties applicable to legal entities<sup>542</sup>

#### **Art. 34.**

(Law of 12 March 2020)

«Where a crime or felony is committed on behalf and in the interest of a legal entity by one of its corporate bodies, one or more of its legally appointed or de facto directors<sup>543</sup> or any person, who acts either individually or as part of a body of the legal entity and who exercises management authority within the legal entity based on the authority to represent the legal entity, the authority to take decisions on behalf of the legal entity or the power to exercise control within the legal entity, the legal entity may be declared criminally liable and incur the penalties provided for by Articles 35 to 38.

The legal entity may also be declared criminally liable and incur the penalties provided for by Articles 35 to 38 where a lack of supervision or control by a person referred to in the first paragraph of this Article has made possible the commission of a crime or felony for the benefit of that legal entity by a person under his or her authority.

The criminal liability of legal entities does not exclude that of the individuals who are the perpetrators or accomplices of the same offences.

The above paragraphs shall not apply to the State or to municipalities. »

#### **Art. 35.**

Penalties for crimes or felonies incurred by legal entities are:

- 1) fines, under the conditions and pursuant to the terms provided for by Article 36;
- 2) special confiscation;
- 3) the exclusion from the right to participate in tenders for public procurement and concession contracts ;
- 4) dissolution, under the conditions and in the manner provided for by Article 38.

#### **Art. 36.**

Fines applicable to legal entities in respect of a crime or felony are of at least 500 euros.

In respect of crimes, the maximum amount of the fine applicable to legal entities is 750,000 euros.

In respect of felonies, the maximum amount of the fine applicable to legal entities is equal to twice the amount provided for by the law punishing the offence with respect to individuals. Where no fine is provided for individuals by the law punishing the offence, the maximum

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<sup>542</sup> As introduced by the Law of 3 March 2010 (Mém. A - 36 of 11 March 2010, p. 614) and supplemented by the Law of 21 December 2012 (Mém. A - 296 of 31 December 2012, p. 4698).

<sup>543</sup> The French version uses the term «*dirigeants*» which also covers managers (*gérants*) and possibly senior executives.

amount of the fine applicable to legal entities may not exceed twice the sum obtained by multiplying the maximum penalty of imprisonment provided, expressed in days, by the amount taken into consideration with respect to coercive detention.

**Art. 37.**

The maximum rate of the fine incurred pursuant to Article 36 is increased fivefold where the criminal liability of the legal entity is incurred for one of the following offences:

- crimes and felonies against State security
- acts of terrorism and acts of financing terrorism
- enforced disappearance within the meaning of Article 442-1*bis*
- violation of the laws on prohibited weapons in relation with a criminal association or a criminal organisation
- human trafficking and procuring
- drug trafficking in relation with a criminal association or a criminal organisation
- laundering and receiving of stolen goods
- extortion, unlawful taking of interest, active and passive corruption, private corruption
- facilitation of unauthorised entry and residence in relation with a criminal association or a criminal organisation
- illegal employment of illegal residents who are third-country nationals in relation with a criminal association or a criminal organisation.

**Art. 38.**

Dissolution may be ordered where the legal entity was intentionally created or, in the case of a crime or felony which for individuals carries a penalty of imprisonment of three years or more, intentionally diverted from its purpose in order to commit the relevant offences<sup>544</sup>.

No dissolution may be applied to public law entities incurring liability.

The decision ordering the dissolution of a legal entity shall contain the referral of the entities to the court having jurisdiction to proceed to its liquidation.

**Art. 39.**

Where a legal entity incurs a penalty for a felony other than a fine, such penalty may be ordered alone as primary penalty.

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<sup>544</sup> Pursuant to Article 442-1*quater* of the Criminal Code, if a legal entity is declared guilty of the offence of enforced disappearance (Article 442-1*bis*), the sanction of dissolution is compulsory.

Article 442-1*bis* of the Criminal Code :

« An « enforced disappearance » is constituted by the arrest, detention, abduction or any other form of deprivation of liberty of a person, in conditions which remove such person outside the protection of the law, by one or more agents of the State or by a person or a group of persons acting with the authorization, support or acquiescence of the State, where these actions are followed by such person's disappearance and are accompanied by a refusal to acknowledge the deprivation of liberty or by the concealment of the fate or whereabouts of the disappeared person.

Enforced disappearance is punishable by twenty to thirty years' imprisonment. »



**Art. 40.**

Where a felony carries a penalty of imprisonment against individuals pursuant to the law punishing the offence, the special confiscation defined by Article 31 may be ordered as primary penalty against the legal entity, even where it is not provided for by the specific law applied.

The provision of the above paragraph shall not apply in the matter of press offences.

**Art. 41 to 43.**

*(Abrogated by the Law of 13 June 1994)*

Chapter IX.- Mitigating circumstances

**Art. 75-1.**

The assessment of mitigating circumstances with respect to a legal entity shall be made based on the criminal penalties incurred by the individual for the actions liable to result in a criminal liability of the legal entity.

## Annex VI

### List of laws and regulations amending the Law of 1915

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
L 10.8.1915	concernant les sociétés commerciales	N° 90, p. 925	
L 13.4.1922	portant modification de l'art. 67, dernier alinéa, de L 10.8.1915 sur le régime des sociétés commerciales	N° 24, p. 349	
L 15.1.1927	portant modification de l'art. 67, alinéa 4, de L 10.8.1915 sur le régime des sociétés commerciales	N° 3, p. 17	
L 20.6.1930	portant modification de certaines dispositions de L 10.8.1915 concernant le régime des sociétés commerciales	N° 31, p. 617	
L 18.9.1933	ayant pour objet d'instituer la société à responsabilité limitée et d'apporter certains changements au régime légal et fiscal des sociétés commerciales et civiles	N° 48, p. 749 (rect.) N° 53, p. 805	
L 2.4.1948	portant modification de l'art. 148bis de L 10.8.1915 concernant les sociétés commerciales	N° 22, p. 498	
L 23.11.1972	portant adaptation de L 10.8.1915 sur le régime des sociétés commerciales telle qu'elle a été modifiée dans la suite, à la Directive 68/151 du Conseil des Communautés Européennes du 9.3.1968	N° 72, p. 1586	1496
L 6.5.1974	instituant des comités mixtes dans les entreprises du secteur privé et organisant la représentation des salariés dans les sociétés anonymes	N° 35, p. 620	1689
L 16.5.1975	modifiant l'art. 45, n°1, et l'art. 161, alinéa 2, de L 10.8.1915 concernant les sociétés commerciales	N° 29, p. 652	1767
L 19.5.1978	complétant la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 32, p. 589	2104
L 24.4.1983	portant modification de la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 35, p. 864	2474
Rgd 11.5.1983	portant institution de la liste des experts visés à l'article 26/1(2) de L 24.4.1983 portant modification de la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 35, p. 876	

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
Rgd 9.1.1984	portant modification du rgd 11.5.1983 portant institution de la liste des experts visés à l'art. 26/1(2) de L 24.4.1983 portant modification de la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 4, p. 45	
L 18.4.1984	relative à la délégation et à la déchéance de l'autorité parentale et à la tutelle aux prestations sociales	N° 51, p. 766	2557
L 4.5.1984	portant modification de la loi du 10.8.1915 concernant les sociétés commerciales	N° 40, p. 586 (rect.) N° 115, p. 2421	2657
L 28.6.1984	portant organisation de la profession de réviseur d'entreprises	N° 81, p. 1346	2734
Rgd 30.1.1985	portant modification des montants prévus aux art. 215 et 231 de la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 7, p. 74	
L 8.8.1985	portant modification de la loi du 10.8.1915 concernant les sociétés commerciales	N° 49, p. 931	2890
L 25.8.1986	portant modification: 1) des art. 117, 120 et 124 de la loi modifiée du 10.8.1915 concernant les sociétés commerciales 2) des art. 10, 13, 14, 17 et 20 de l'arrêté Grand-Ducal du 17 septembre 1945 sur l'organisation des associations agricoles	N° 65, p. 1826	2984
L 9.4.1987	concernant la représentation des obligataires	N° 29, p. 415	2942
L 7.9.1987	portant modification de la loi du 10.8.1915 concernant les sociétés commerciales	N° 77, p. 1792	2897
L 28.4.1988	relative aux sociétés à responsabilité limitée modifiant la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 24, p. 516	2960
L 11.7.1988	relative à l'établissement des comptes consolidés	N° 45, p. 872	3154
L 8.3.1989	portant modification de la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 14, p. 176	3112
L 21.7.1992	portant adaptation de la réglementation concernant les faillites et nouvelle définition des actes de commerce et créant l'infraction d'abus de biens sociaux	N° 58, p. 1898	3381
Rgd 25.11.1992	portant modification des montants prévus aux art. 215 et 231 de la loi modifiée du 10.8.1915 concernant les sociétés commerciales	N° 92, p. 2573	

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
L 27.11.1992	portant adaptation de la loi modifiée du 10.8.1915 concernant le régime des sociétés commerciales à la onzième Directive du Conseil des Communautés Européennes du 21.12.1989 concernant la publication des succursales créées dans un Etat-membre par certaines formes de sociétés relevant du droit d'un autre Etat-membre	N° 95, p. 2625	3579
L 28.12.1992	modifiant la loi modifiée du 10.8.1915 concernant les sociétés commerciales à l'effet d'introduire la société à responsabilité limitée unipersonnelle	N° 106, p. 3141	3637
L 29.7.1993	portant adaptation de la loi modifiée du 10.8.1915 concernant les sociétés commerciales à la Directive 90/604/CEE du Conseil des Communautés Européennes du 8.11.1990 modifiant la Directive 78/660/CEE sur les comptes annuels et la Directive 83/349/CEE sur les comptes consolidés en ce qui concerne les dérogations en faveur des petites et moyennes sociétés ainsi que la publication des comptes en écus	N° 67, p. 1191	3707
L 2.12.1993	portant adaptation de la loi modifiée du 10.8.1915 concernant les sociétés commerciales à la Directive 90/605/CEE du Conseil des Communautés Européennes du 8.11.1990, modifiant les Directives 78/660/CEE et 83/349/CEE concernant respectivement les comptes annuels et les comptes consolidés en ce qui concerne leur champ d'application et portant modification de certaines autres dispositions de la loi modifiée du 10.8.1915	N° 94, p. 1739	3781
L 13.6.1994	relative au régime des peines	N° 59, p. 1096	2974
L 8.12.1994	relative: 1) aux comptes annuels et comptes consolidés des entreprises d'assurances et de réassurances de droit luxembourgeois 2) aux obligations en matière d'établissement et de publicité des documents comptables des succursales d'entreprises d'assurances de droit étranger	N° 118, p. 2782	3887

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
L 21.12.1994	modifiant certaines dispositions légales relatives au transfert des créances et au gage	N° 124, p. 3066	2564
Rgd 23.12.1994	modifiant le règlement Grand-Ducal du 9.1.1961 relatif aux 3 recueils du Mémorial	N° 116, p. 2735	
L 11.8.1996	sur la mise en état en matière de procédure civile contentieuse et portant introduction et modification de certaines dispositions du code de procédure civile ainsi que d'autres dispositions légales	N° 53, p. 1660	3771
L 12.3.1998	portant transposition de la Directive 92/101/CEE du Conseil du 23 novembre 1992 modifiant la Directive 77/91/CEE concernant la constitution de la société anonyme ainsi que le maintien et les modifications de son capital, et portant modification de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N° 24, p. 356	4156
L 10.12.1998	relative - à la conversion par les sociétés commerciales de leur capital en euros et modifiant la loi du 10 août 1915 concernant les sociétés commerciales telle que modifiée - aux différences résultant de l'application des règles d'arrondi	N° 105, p. 2516	4456
L 31.5.1999	régissant la domiciliation des sociétés et - modifiant et complétant certaines dispositions de la loi modifiée du 10 août 1915 concernant les sociétés commerciales; - modifiant et complétant certaines dispositions de la loi modifiée du 23 décembre 1909 portant création d'un registre de commerce et des sociétés ; - modifiant et complétant la loi modifiée du 28 décembre 1988 réglementant l'accès aux professions d'artisan, de commerçant, d'industriel ainsi qu'à certaines professions libérales; - complétant la loi du 12 juillet 1977 relative aux sociétés de participations financières (holding companies);	N° 77, p. 1681	4328

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	- modifiant et complétant certaines dispositions de la loi modifiée du 5 avril 1993 relative au secteur financier; - complétant la loi modifiée du 6 décembre 1991 sur le secteur des assurances		
L 10.6.1999	modifiant la loi modifiée du 10 août 1915 concernant les sociétés commerciales par l'introduction des sociétés coopératives organisées comme des sociétés anonymes	N° 69, p. 1469	4463A
Rgd 22.12.2000	portant modification des montants prévus aux articles 215, 231 et 313 de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N° 141, p. 3292	
L 1.8.2001	relative au basculement en euro le 1er janvier 2002 et modifiant certaines dispositions législatives	N° 117, p. 2440	4722/10
L 19.12.2002	concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises et modifiant certaines autres dispositions légales.	N° 149, p. 3630	4581
L 10.7.2005	relative aux prospectus pour valeurs mobilières.	N° 98, p. 1726	5444
L 25.8.2006	concernant la société européenne (SE), la société anonyme à directoire et conseil de surveillance et la société anonyme unipersonnelle	N° 152, p. 2684	5352
L 21.12.2006	portant modification de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N° 228, p. 4070	5562
L 23.3.2007	modifiant 1. la loi modifiée du 10 août 1915 concernant les sociétés commerciales, 2. la loi du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises et modifiant certaines autres dispositions légales, et 3. la loi du 25 août 2006 concernant la société européenne (SE), la société anonyme à directoire et conseil de surveillance et la société anonyme Unipersonnelle	N° 46, p. 816	4992
L 23.3.2007	portant modification des articles 271, 273bis, et 276 de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N° 46, p. 826	5658

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
L. 20.4.2009	sur le dépôt par voie électronique auprès du registre de commerce et des sociétés modifiant - le titre I de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises, - et la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N° 80, p. 945	5716
L. 10.6.2009	relative aux fusions transfrontalières de sociétés de capitaux, à la simplification des modalités de constitution des sociétés anonymes et de maintien et de modification de leur capital, portant transposition – de la directive 2005/56/CE du Parlement européen et du Conseil du 26 octobre 2005 sur les fusions transfrontalières des sociétés de capitaux; – de la directive 2006/68/CE du Parlement européen et du Conseil du 6 septembre 2006 modifiant la directive 77/91/CEE du Conseil en ce qui concerne la constitution de la société anonyme ainsi que le maintien et les modifications de son capital; – de la directive 2007/63/CE du Parlement européen et du Conseil du 13 novembre 2007 modifiant les directives 78/855/CEE et 82/891/CEE du Conseil pour ce qui est de l'exigence d'un rapport d'expert indépendant à réaliser à l'occasion des fusions ou des scissions des sociétés anonymes, ainsi que modification – de la loi modifiée du 10 août 1915 concernant les sociétés commerciales, et – du Code du travail.	N° 151, p. 2268	5829
L. 18.12.2009	relative à la profession de l'audit et: – portant transposition de la directive 2006/43/CE du Parlement européen et du Conseil du 17 mai 2006 concernant les contrôles légaux des comptes annuels et des comptes consolidés et modifiant les directives 78/660/CEE et 83/349/CEE du Conseil, et abrogeant la directive 84/253/CEE du Conseil,	N° 22, p. 295	5872

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	<ul style="list-style-type: none"> <li>– portant organisation de la profession de l’audit,</li> <li>– modifiant certaines autres dispositions légales,</li> <li>et</li> <li>– portant abrogation de la loi modifiée du 28 juin 1984 portant organisation de la profession de réviseur d’entreprises</li> </ul>		
L. 10.12.2010	<p>relative à l'introduction des normes comptables internationales pour les entreprises modifiant</p> <ol style="list-style-type: none"> <li>1. la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises;</li> <li>2. la loi modifiée du 10 août 1915 concernant les sociétés commerciales;</li> <li>3. l'article 13 du Code de commerce</li> </ol>	N°225, p. 3633	5976
L 3.8.2011	portant modification de la loi modifiée du 10 août 1915 concernant les sociétés commerciales et portant transposition de la directive 2009/109/CE du Parlement européen et du Conseil du 16 septembre 2009 modifiant les directives 77/91/CEE, 78/855/CEE et 82/891/CEE du Conseil ainsi que la directive 2005/56/CE en ce qui concerne les obligations en matière de rapports et de documentation en cas de fusions ou de scissions	N°175, p. 2970	6227
L 6.4.2013	Loi du 6 avril 2013 relative aux titres dématérialisés et portant modification de: <ul style="list-style-type: none"> <li>- la loi modifiée du 5 avril 1993 relative au secteur financier;</li> <li>- la loi modifiée du 23 décembre 1998 portant création d'une commission de surveillance du secteur financier;</li> <li>- la loi modifiée du 10 août 1915 concernant les sociétés commerciales;</li> <li>- la loi modifiée du 3 septembre 1996 concernant la dépossession involontaire de titres au porteur;</li> <li>- la loi modifiée du 1er août 2001 concernant la circulation des titres et d'autres instruments fongibles;</li> <li>- la loi modifiée du 20 décembre 2002 concernant les organismes de placement</li> </ul>	N°71, p. 889	6327



<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	<p>collectif;</p> <ul style="list-style-type: none"> <li>- la loi du 17 décembre 2010 concernant les organismes de placement collectif;</li> <li>- la loi modifiée du 13 février 2007 relative aux fonds d'investissement spécialisés;</li> <li>- la loi modifiée du 22 mars 2004 relative à la titrisation</li> </ul>		
L 12.7.2013	<p>relative aux gestionnaires de fonds d'investissement alternatifs</p> <ul style="list-style-type: none"> <li>- portant transposition de la directive 2011/61/UE du Parlement européen et du Conseil du 8 juin 2011 sur les gestionnaires de fonds d'investissement alternatifs et modifiant les directives 2003/41/CE et 2009/65/CE ainsi que les règlements (CE) n° 1060/2009 et (UE) n° 1095/2010 ;</li> <li>- portant modification : <ul style="list-style-type: none"> <li>- de la loi du 17 décembre 2010 concernant les organismes de placement collectif;</li> <li>- de la loi du 13 février 2007 relative aux fonds d'investissement spécialisés;</li> <li>- de la loi du 15 juin 2004 relative à la société d'investissement en capital à risque (SICAR);</li> <li>- de la loi du 13 juillet 2005 relative aux institutions de retraite professionnelle sous forme de société d'épargne-pension à capital variable (sepcav) et d'association d'épargne-pension (assep);</li> <li>- de la loi du 13 juillet 2005 concernant les activités et la surveillance des institutions de retraite professionnelle;</li> <li>- de la loi du 5 avril relative au secteur financier;</li> <li>- de la loi du 12 novembre 2004 relative à la lutte contre le blanchiment et contre le financement du terrorisme;</li> <li>- de la loi du 23 décembre 1998 portant création d'une commission de surveillance du secteur financier;</li> <li>- de la loi du 10 août 1915 concernant les sociétés commerciales;</li> <li>- de la loi du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la</li> </ul> </li> </ul>	N°119, p. 1855	6471

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	<p>comptabilité et les comptes annuels des entreprises;</p> <ul style="list-style-type: none"> <li>- du Code de commerce;</li> <li>- de la loi du 4 décembre 1967 concernant l'impôt sur le revenu;</li> <li>- de la loi du 1er décembre 1936 concernant l'impôt commercial;</li> <li>- de la loi d'adaptation fiscale du 16 octobre 1934;</li> <li>- de la loi du 16 octobre 1934 sur l'évaluation des biens et valeurs;</li> <li>- de la loi du 12 février 1979 concernant la taxe sur la valeur ajoutée</li> </ul>		
L 30.7.2013	<p>portant réforme de la Commission des normes comptables et modification de diverses dispositions relatives à la comptabilité et aux comptes annuels des entreprises ainsi qu'aux comptes consolidés de certaines formes de sociétés</p> <p>et modifiant:</p> <p>(1) le titre II du livre 1er du code de commerce</p> <p>(2) le titre II de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises</p> <p>(3) la section XVI de la loi modifiée du 10 août 1915 concernant les sociétés commerciales</p>	N°177, p.3383	6376
L 10.3.2014	<p>modifiant la loi modifiée du 10 août 1915 concernant les sociétés commerciales en vue de mettre en œuvre le règlement (CE) no 1435/2003 du Conseil du 22 juillet 2003 relatif au statut de la société coopérative européenne (SEC).</p>	N°39, p.481	5974
L.28.7.2014	<p>relative à l'immobilisation des actions et parts au porteur et à la tenue du registre des actions nominatives et du registre des actions au porteur et portant modification 1) de la loi modifiée du 10 août 1915 concernant les sociétés commerciales et 2) de la loi modifiée du 5 août 2005 sur les contrats de garantie financière</p>	N°161, p. 2483	6625
L 18.12.2015	<p>modifiant, en vue de la transposition de la directive 2013/34/UE du Parlement européen et du Conseil du 26 juin 2013 relative aux états</p>	N°258, p.6227	6718

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	financiers annuels, aux états financiers consolidés et aux rapports y afférents de certaines formes d'entreprises : 1) la loi modifiée du 10 août 1915 concernant les sociétés commerciales 2) le titre II de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises ; 3) le titre II du livre 1er du Code de commerce		
L 27.5.2016	portant réforme du régime de publication légale relatif aux sociétés et associations	N°94, p. 1729	6624
L. 23.7.2016	relative à la profession de l'audit portant: - transposition de la directive 2014/56/UE du Parlement européen et du Conseil du 16 avril 2014 modifiant la directive 2006/43/CE concernant les contrôles légaux des comptes annuels et des comptes consolidés; - mise en oeuvre du règlement (UE) n° 537/2014 du Parlement européen et du Conseil du 16 avril 2014 relatif aux exigences spécifiques applicables au contrôle légal des comptes des entités d'intérêt public et abrogeant la décision 2005/909/CE de la Commission; - modification de la loi modifiée du 13 juillet 2005 relative aux institutions de retraite professionnelle sous forme de sepcav et assep; - modification de la loi modifiée du 10 août 1915 concernant les sociétés commerciales; - abrogation de la loi modifiée du 18 décembre 2009 relative à la profession de l'audit.	N°141, p. 2389	6969
L 23.7.2016	concernant la publication d'informations non financières et d'informations relatives à la diversité par certaines grandes entreprises et certains groupes et portant modification de diverses dispositions relatives à la comptabilité et aux comptes annuels des entreprises ainsi qu'aux comptes consolidés de certaines formes de sociétés et - portant transposition de la directive 2014/95/UE du Parlement européen et du Conseil du 22 octobre 2014 modifiant la directive	N°156, p. 2651	6868

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	<p>2013/34/UE en ce qui concerne la publication d'informations non financières et d'informations relatives à la diversité par certaines grandes entreprises et certains groupes;</p> <p>– portant modification:</p> <p>– du titre II de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises;</p> <p>– de la section XVI de la loi modifiée du 10 août 1915 concernant les sociétés commerciales;</p> <p>– de la loi modifiée du 8 décembre 1994 relative:</p> <p>* aux comptes annuels et comptes consolidés des entreprises d'assurances et de réassurances de droit luxembourgeois</p> <p>* aux obligations en matière d'établissement et de publicité des documents comptables des succursales d'entreprises d'assurances de droit étranger</p>		
L. 23.7.2016	<p>modifiant, en vue d'instituer la société à responsabilité limitée simplifiée:</p> <p>1. la loi modifiée du 10 août 1915 concernant les sociétés commerciales; et</p> <p>2. la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises</p>	N°157, p. 2661	6777
L. 10.8.2016	portant modernisation de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N°167, p. 2742	5730
Rgd. 5.12.2017	portant coordination de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N°1066	
L. 6.8.2021	portant modification de la loi modifiée du 10 août 1915 concernant les sociétés commerciales	N°607	7791
L.7.7.2023	<p>portant modification :</p> <p>1° du Code civil ;</p> <p>2° de la loi modifiée du 9 décembre 1976 relative à l'organisation du notariat ;</p> <p>3° de la loi modifiée du 10 août 1915 concernant les sociétés commerciales ;</p> <p>4° de la loi modifiée du 19 décembre 2002</p>	N°413	7968

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises, en vue de la transposition de la directive (UE) 2019/1151 du Parlement européen et du Conseil du 20 juin 2019 modifiant la directive (UE) 2017/1132 en ce qui concerne l'utilisation d'outils et de processus numériques en droit des sociétés		
L.7.8.2023	portant modification: 1 ° de la loi modifiée du 10 août 1915 concernant les sociétés commerciales ; 2 ° de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises; 3 ° de la loi modifiée du 24 mai 2011 concernant l'exercice de certains droits des actionnaires aux assemblées générales de sociétés cotées et portant transposition de la directive 2007/36/CE du Parlement européen et du Conseil du 11 juillet 2007 concernant l'exercice de certains droits des actionnaires de sociétés cotées; 4 ° du Code civil.	N°515	8007
L.7.8.2023	relative à la préservation des entreprises et portant modernisation du droit de la faillite, modifiant : 1° le livre III du Code de commerce ; 2° le livre II, titre IX, chapitre II, section Ière du Code pénal ; 3° les articles 257 et 555 du Nouveau Code de Procédure civile ; 4° la loi modifiée du 10 août 1915 concernant les sociétés commerciales ; 5° la loi uniforme modifiée sur les lettres de change et billets à ordre, telle qu'elle a été introduite dans la législation nationale par la loi du 8 janvier 1962 ; 6° la loi modifiée du 7 juillet 1971 portant, en matière répressive et administrative, institution d'experts, de traducteurs et d'interprètes, de conciliateurs d'entreprise et mandataires de justice assermentés et complétant les	N°521	6539A

<i>Law or Grand Ducal Regulation</i>	<i>Heading</i>	<i>Mémorial A</i>	<i>Parliamentary Documents</i>
	dispositions légales relatives à l'assermentation des experts, traducteurs et interprètes ; 7° la loi modifiée du 23 juillet 1991 ayant pour objet de réglementer les activités de sous-traitance ; 8° la loi modifiée du 8 juin 1999 sur le budget, la comptabilité et la trésorerie de l'État ; 9° la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises ; 10° la loi modifiée du 5 août 2005 sur les contrats de garantie financière.		
L.15.8.2023	portant transposition de la directive (UE) 2021/2101 du Parlement européen et du Conseil du 24 novembre 2021 modifiant la directive 2013/34/UE en ce qui concerne la communication, par certaines entreprises et succursales, d'informations relatives à l'impôt sur les revenus des sociétés et portant modification : 1° de la loi modifiée du 10 août 1915 concernant les sociétés commerciales ; 2° de la loi modifiée du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises.	N°532	8158

## Annex VII

### List of articles of the Law of 1915 which have been amended by subsequent legislation<sup>545</sup>

Article New numbering	Article Old numbering	Modified by
100-1	1	L 10/8/2016
100-2	2	L 18/9/1933; L 31/5/1999; L 25/8/2006; L 21/12/2006; L 12/7/2013; L 23/7/2016; L 10/8/2016; L 7/8/2023
100-3	3	L 18/9/1933; L 7/9/1987; L 25/8/2006; L 23/3/2007; L 23/7/2016 ; L 10/8/2016; L 7/8/2023
100-4	4	L 18/9/1933; L 23/11/1972; L 12/7/2013 ; L 23/7/2016; L 7/7/2023
100-5	<i>4bis</i>	L 10/8/2016
100-6	<i>4ter</i>	L 10/8/2016
100-7	5	L 12/7/2013
100-8	6	L 12/7/2013; L 7/8/2023
100-9	7	
100-10	8	L 18/9/1933; L 23/11/1972; L 20/4/2009; L 27/5/2016; L 10/8/2016
	9	L 18/9/1933; L 23/11/1972; L 8/8/1985; L 2/12/1993; Rgd. 23/12/1994; L 19/12/2002; L 20/4/2009; abrogé par L 27/5/2016
100-11	10	L 23/11/1972; L 24/4/1983; Rgd. 23/12/1994; L 1/8/2001; L 19/12/2002; L 27/5/2016
100-12	11	L 18/9/1933; L 23/11/1972
100-13	<i>11bis</i>	L 23/11/1972; Rgd. 23/12/1994; L 31/5/1999; L 25/8/2006; L 12/7/2013; L 28/7/2014; L 27/5/2016;

<sup>545</sup> The Grand Ducal Regulation of 5 December 2017 having modified the numbering of all the articles of the law is not mentioned in this table.

		L 10/8/2016
100-14	11 <i>ter</i>	L 10/8/2016
100-15	11 <i>quater</i>	L 10/8/2016
100-16	12	L 23/11/1972; L 25/8/2006; L 10/8/2016
100-17	12 <i>bis</i>	L 23/11/1972
100-18	12 <i>ter</i>	L 23/11/1972; L 24/4/1983; L 10/8/2016
100-19	12 <i>quater</i>	L 23/11/1972 ; L 12/7/2013; L 27/5/2016; L 10/8/2016
100-20	12 <i>quinquies</i>	L 23/11/1972
100-21	12 <i>sexies</i>	L 23/11/1972
100-22	12 <i>septies</i>	L 10/8/2016
100-23	13	L 12/7/2013
200-1	14	L 10/8/2016
	15	Abrogé par L 10/8/2016
310-1	16	L 12/7/2013 ; L 10/8/2016
310-2	17	L 12/7/2013 ; L 27/5/2016
310-3	18	L 12/7/2013
310-4	19	L 12/7/2013
310-5	20	L 12/7/2013
310-6	21	L 12/7/2013
310-7	22	L 11/8/1996; L 12/7/2013
320-1	22-1	L 12/7/2013; L 10/8/2016; L 7/8/2023
320-2	22-2	L 12/7/2013
320-3	22-3	L 12/7/2013; L 27/5/2016
320-4	22-4	L 12/7/2013
320-5	22-5	L 12/7/2013
320-6	22-6	L 12/7/2013



320-7	22-7	L 12/7/2013
320-8	22-8	L 12/7/2013
320-9	22-9	L 12/7/2013
410-1	23	L 25/8/2006
	24	Abrogé par L 10/8/2016
	25	L 25/8/2006; abrogé par L 10/8/2016
420-1	26	L 24/4/1983; L 1/8/2001; L 25/8/2006; L 10/6/2009; L 10/8/2016
420-2	26bis	L 25/8/2006
420-3	26ter	L 25/8/2006
420-4	26quater	L 25/8/2006; L 7/8/2023
420-5	26quinquies	L 25/8/2006; L 27/5/2016; L 10/8/2016
420-6	26sexies	L 25/8/2006; L 18/12/2009; L 23/7/2016
420-7	26septies	L 25/8/2006
420-8	26octies	L 25/8/2006; L 27/5/2016
420-9	26nonies	L 25/8/2006
420-10	26-1	L 24/4/1983; L 28/6/1984; L 10/6/2009; L 18/12/2009; L 27/5/2016; L 23/7/2016; L 10/8/2016; L 7/8/2023
420-11	26-2	L 24/4/1983; L 8/3/1989; L 25/8/2006; L 18/12/2009; L 23/7/2016
420-12	26-3	L 24/4/1983; L 10/8/2016
420-13	26-4	L 24/4/1983
420-14	26-5	L 24/4/1983; L 10/8/2016
420-15	27	L 24/4/1983; L 25/8/2006; L 18/12/2009; L 6/4/2013; L 23/7/2016; L 10/8/2016
420-16	28	L 23/11/1972; L 24/4/1983
420-17	29	L 24/4/1983; L 10/7/2005; L 10/8/2016

420-18	30	L 24/4/1983; L 27/5/2016
420-19	31	L 24/4/1983; L 10/8/2016
	31-1	L 24/4/1983; abrogé par L 10/8/2016
420-20	31-2/31-1 nouveau	L 25/8/2006; L 18/12/2009; L 27/5/2016; L 23/7/2016; renuméroté par L 10/8/2016 ; L 7/8/2023
420-21	31-3/31-2 nouveau	L 25/8/2006; L 23/3/2007; L 18/12/2009; L 27/5/2016; L 23/7/2016; renuméroté par L 10/8/2016; L 7/8/2023
420-22	32	L 23/11/1972; L 24/4/1983; L 25/8/2006; L 10/8/2016
420-23	32-1	L 24/4/1983; L 8/3/1989; L 25/8/2006; L 23/3/2007; L 18/12/2009; L 27/5/2016 ; L 23/7/2016; L 10/8/2016
420-24	32-1bis	L 10/8/2016
420-25	32-2	L 24/4/1983
420-26	32-3	L 24/4/1983; L 25/8/2006; L 23/3/2007 ; L 27/5/2016; L 10/8/2016 ; L 7/8/2023
420-27	32-4	L 24/4/1983; L 10/8/2016
	33	L 23/11/1972; abrogé par L 10/7/2005
	34	L 23/11/1972; abrogé par L 10/7/2005
	35	Abrogé par L 10/7/2005
	36	L 18/9/1933; abrogé par L 10/7/2005
430-1	37	L 8/8/1985; L 1/8/2001; L 21/12/2006; L 6/4/2013; L 10/8/2016
430-2	38	L 10/8/2016
430-3	39	L 6/4/2013
430-4	40	L 6/4/2013
430-5	41	L 20/6/1930; L 23/11/1972; L 25/8/2006; L 6/4/2013 ; L 27/5/2016; L 10/8/2016; L 7/8/2023
430-6	42	L 28/7/2014
430-7	42bis	L 6/4/2013
430-8	43	L 7/9/1987; L 6/4/2013; L 10/8/2016; L 7/8/2023

	44	L 24/4/1983; L 8/8/1985; L 7/9/1987 ; abrogé par L 10/8/2016
430-9	45	L 16/5/1975; L 24/4/1983; L 8/8/1985; L 7/9/1987; L 25/8/2006; L 27/5/2016; L 10/8/2016
430-10	46	L 24/4/1983; L 8/8/1985; L 10/8/2016
430-11	47	L 24/4/1983; L 8/8/1985; L 10/8/2016
430-12	48	L 24/4/1983; L 23/3/2007
430-13	49	
430-14	49-1	L 24/4/1983; L 25/8/2006; L 10/8/2016
430-15	49-2	L 24/4/1983; L 25/8/2006; L 10/6/2009; L 10/8/2016; L 7/8/2023
430-16	49-3	L 24/4/1983; L 10/8/2016
430-17	49-4	L 24/4/1983
430-18	49-5	L 24/4/1983; L 10/8/2016
430-19	49-6	L 24/4/1983; L 10/6/2009; L 27/5/2016; L 10/8/2016
430-20	49-6bis	L 10/6/2009; L 23/7/2016
430-21	49-7	L 24/4/1983; L 10/8/2016
430-22	49-8	L 24/4/1983; L 23/3/2007; L 27/5/2016
430-23	49bis	L 12/3/1998; L 25/8/2006; L 10/8/2016; L 7/8/2023
441-1	50	
441-2	51	L 8/3/1989; L 25/8/2006; L 10/8/2016
441-3	51bis	L 25/8/2006; L 10/8/2016
441-4	52	
441-5	53	L 23/11/1972; L 25/8/2006; L 27/5/2016
441-6	54	Abrogé par L 8/3/1989; Numéro sous l'ancienne numérotation a été réutilisé par L 10/8/2016
	55	Abrogé par L 8/3/1989
	56	Abrogé par L 8/3/1989

441-7	57	L 25/8/2006; L 23/3/2007; L 10/8/2016
441-8	58	
441-9	59	L 10/8/2016
441-10	60	L 23/11/1972; L 25/8/2006; L 27/5/2016; L 10/8/2016
441-11	60-1	L 10/8/2016; L 7/8/2023
441-12	60-2	L 10/8/2016
441-13	60bis	L 23/11/1972; L 10/8/2016; L 7/8/2023
442-1	60bis-1	L 25/8/2006
442-2	60bis-2	L 25/8/2006
442-3	60bis-3	L 25/8/2006
442-4	60bis-4	L 25/8/2006; L 10/8/2016
442-5	60bis-5	L 25/8/2006
442-6	60bis-6	L 25/8/2006
442-7	60bis-7	L 25/8/2006; L 27/5/2016; L 10/8/2016
442-8	60bis-8	L 25/8/2006; L 27/5/2016; L 10/8/2016
442-9	60bis-9	L 25/8/2006
442-10	60bis-10	L 25/8/2006; L 10/8/2016
442-11	60bis-11	L 25/8/2006
442-12	60bis-12	L 25/8/2006
442-13	60bis-13	L 25/8/2006
442-14	60bis-14	L 25/8/2006; L 10/8/2016
442-15	60bis-15	L 25/8/2006
442-16	60bis-16	L 25/8/2006; L 10/8/2016
442-17	60bis-17	L 25/8/2006
442-18	60bis-18	L 25/8/2006; L 10/8/2016
442-19	60bis-19	L 25/8/2006

443-1	61	L 25/8/2006
443-2	62	L 11/8/1996; L 25/8/2006
444-1	63	L 25/8/2006
444-2	63bis	L 10/8/2016
444-3	64	L 25/8/2006; L 10/8/2016
444-4	64bis	L 25/8/2006; L 10/8/2016
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444-6	66	L 8/3/1989; L 25/8/2006; L 10/8/2016
450-1	67	L 13/4/1922; L 15/1/1927; L 20/6/1930; L 24/4/1983; L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/8/2016; L 7/8/2023
450-2	67bis	L 10/8/2016
450-3	67-1	L 7/9/1987; L 25/8/2006; L 27/5/2016; L 10/8/2016
450-4	68	
450-5	69	L 24/4/1983; L 7/9/1987; L 27/5/2016
450-6	69-1	L 24/4/1983; L 27/5/2016; L 10/8/2016
450-7	69-2	L 24/4/1983; L 23/3/2007
450-8	70	L 25/8/2006; L 27/5/2016; L 10/8/2016
450-9	70bis	L 10/8/2016
450-10	71	L 20/6/1930; L 24/4/1983; L 7/9/1987; L 6/4/2013
461-1	72	L 25/8/2006; L 23/3/2007
461-2	72-1	L 24/4/1983
461-3	72-2	L 24/4/1983; L 8/3/1989; L 25/8/2006; L 23/3/2007; L 18/12/2009; L 23/7/2016
461-4	72-3	L 24/4/1983
461-5	72-4	L 24/4/1983; L30/7/2013
461-6	73	L 25/8/2006; L 18/12/2009; L 10/8/2016

461-7	74	L 20/6/1930; L 7/9/1987; L 25/8/2006
461-8	75	L 19/12/2002; L 25/8/2006; L 27/5/2016
462-1	76	L 23/11/1972; Rgd. 23/12/1994; L 19/12/2002; L 25/8/2006; L 27/5/2016; L 10/8/2016
462-2	77	
462-3	78	L 25/8/2006; L 10/8/2016
	79	Abrogé par L 10/8/2016
	80	L 23/11/1972; abrogé par L 10/7/2005
	81	L 23/11/1972; abrogé par L 10/7/2005
	82	Abrogé par L 10/7/2005
	83	L 18/9/1933; abrogé par L 10/7/2005
470-1	84	L 20/6/1930; L 23/11/1972; L 10/7/2005; L 25/8/2006; L 23/3/2007; L 6/4/2013; L 28/7/2014; L 27/5/2016 ; L 10/8/2016; L 7/8/2023
470-2	85	L 10/8/2016
470-3	86	L 9/4/1987
470-4	87	L 9/4/1987; L 25/8/2006; L 18/12/2009
470-5	88	L 9/4/1987; L 10/8/2016
470-6	89	L 9/4/1987
470-7	90	L 9/4/1987
470-8	91	L 9/4/1987
470-9	92	L 9/4/1987; L 25/8/2006; L 10/8/2016
470-10	93	L 9/4/1987
470-11	94	L 9/4/1987; L 10/8/2016
470-12	94-1	L 9/4/1987
470-13	94-2	L 9/4/1987; L 25/8/2006; L 18/12/2009
470-14	94-3	L 9/4/1987; L 25/8/2006

470-15	94-4	L 9/4/1987
470-16	94-5	L 9/4/1987
470-17	94-6	L 9/4/1987; L 23/3/2007
470-18	94-7	L 9/4/1987; L 23/3/2007
470-19	94-8	L 9/4/1987
470-20	95	L 9/4/1987; abrogé par L 7/8/2023
	96	Abrogé par L 10/8/2016
	97	Abrogé par L 10/8/2016
470-21	98	L 7/8/2023
480-1	99	L 7/9/1987 ; L 10/8/2016
480-2	100	L 24/4/1983; L 7/9/1987; L 25/8/2006; L 10/8/2016; L 7/8/2023
480-3	101	L 24/4/1983; L 25/8/2006; L 27/5/2016
490-1	101-1	L 25/8/2006
491-1	101-2	L 25/8/2006
491-2	101-3	L 25/8/2006; L 23/3/2007; L 27/5/2016
491-3	101-4	L 25/8/2006
491-4	101-5	L 25/8/2006
491-5	101-6	L 25/8/2006; L 23/3/2007
491-6	101-7	L 25/8/2006
491-7	101-8	L 25/8/2006
491-8	101-9	L 25/8/2006; L 18/12/2009; L 23/7/2016
491-9	101-10	L 25/8/2006
492-1	101-11	L 25/8/2006
492-2	101-12	L 25/8/2006
492-3	101-13	L 25/8/2006
492-4	101-14	L 25/8/2006

492-5	101-15	L 25/8/2006
492-6	101-16	L 25/8/2006; L 27/5/2016
492-7	101-17	L 25/8/2006
500-1	101-18	L 10/8/2016
500-2	101-19	L 10/8/2016
500-3	101-20	L 10/8/2016
500-4	101-21	L 10/8/2016
500-5	101-22	L 10/8/2016
500-6	101-23	L 10/8/2016
500-7	101-24	L 10/8/2016
500-8	101-25	L 10/8/2016
500-9	101-26	L 10/8/2016
600-1	102	L 12/7/2013
600-2	103	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 7/8/2023
	104	Abrogé par L 12/7/2013
600-3	105	L 23/11/1972; Rgd. 23/12/1994; L 19/12/2002; L 12/7/2013; L 27/5/2016
600-4	106	L 8/3/1989
600-5	107	L 23/11/1972; L 12/7/2013; L 27/5/2016; L 10/8/2016
600-6	108	L 12/7/2013
600-7	109	
600-8	110	
600-9	111	L 12/7/2013
600-10	112	L 12/7/2013; L 7/8/2023
710-1	179	L 18/9/1933; L 28/12/1992
710-2	180	L 18/9/1933
710-3	180-1	L 7/9/1987; L 10/8/2016



710-4	181	L 18/9/1933; L 18/4/1984; L 28/12/1992; L 10/8/2016
710-5	182	L 18/9/1933; L 28/4/1988; L 10/12/1998; L 1/8/2001; L 21/12/2006; L 10/8/2016, L 7/8/2023
710-6	183	L 18/9/1933; L 24/4/1983; L 28/12/1992; L 10/8/2016
710-7	184	L 18/9/1933; L 23/11/1972; L 28/4/1988; L 18/12/2009; L 23/7/2016; L 10/8/2016
710-8	185	L 18/9/1933; L 10/8/2016
710-9	186	L 18/9/1933; L 28/12/1992; L 10/8/2016; L 7/8/2023
710-10	187	L 18/9/1933; L 23/11/1972; L 28/4/1988; L 19/12/2002; L 10/8/2016
710-11	188	L 18/9/1933; L 10/8/2016
710-12	189	L 18/9/1933; L 10/8/2016 ; L 7/8/2023
710-13	190	L 18/9/1933; L 28/12/1992; L 21/12/1994
710-14	191	L 18/9/1933; L 23/11/1972
710-15	191bis	L 23/11/1972; L 27/5/2016; L 10/8/2016
710-16	192	L 18/9/1933
710-17	193	L 18/9/1933; L 10/8/2016
710-18	194	L 18/9/1933
710-19	195	L 18/9/1933; L 10/8/2016; L 7/8/2023
710-20	195bis	L 10/8/2016
710-21	196	L 18/9/1933; L 10/8/2016; L 7/8/2023
710-22	196bis	L 10/8/2016
710-23	197	L 18/9/1933
710-24	198	L 18/9/1933; L 10/8/2016
710-25	198bis	L 10/8/2016
710-26	199	L 18/9/1933; L 10/8/2016
710-27	200	L 18/9/1933; L 10/8/2016

710-28	200-1	L 28/12/1992; L 7/8/2023
710-29	200-2	L 28/12/1992
710-30	201	L 18/9/1933
710-31	202	L 18/9/1933
720-1	202-1	L 23/7/2016
720-2	202-2	L 23/7/2016
720-3	202-3	L 23/7/2016
720-4	202-4	L 23/7/2016
720-5	202-5	L 23/7/2016
720-6	202-6	L 23/7/2016
811-1	113	L 10/8/2016
811-2	114	L 10/8/2016
811-3	115	L 10/8/2016
811-4	116	L 7/9/1987; L 18/12/2009; L 10/8/2016
811-5	117	L 25/8/1986; L 18/12/2009; L 23/7/2016; L 10/8/2016
811-6	117bis	L 10/8/2016
811-7	118	L 11/8/1996; L 18/12/2009; L 10/8/2016
812-1	119	
812-2	120	L 25/8/1986
812-3	121	
812-4	122	
812-5	123	
812-6	124	L 25/8/1986
812-7	125	
812-8	126	
812-9	127	L 10/8/2016

812-10	128	
813-1	129	
813-2	130	
813-3	131	
813-4	132	L 11/8/1996; L 19/12/2002
813-5	133	L 19/12/2002
813-6	134	L 11/8/1996; L 19/12/2002
813-7	135	L 19/12/2002
813-8	136	
813-9	137	L 18/12/2009
820-1	137-1	L 10/6/1999; L 25/8/2006; L 23/3/2007; L 10/8/2016; L 7/8/2023
820-2	137-2	L 10/6/1999
820-3	137-3	L 10/6/1999
820-4	137-4	L 10/6/1999; L 21/12/2006; L 6/4/2013 ; L 10/8/2016; L 7/8/2023
820-5	137-5	L 10/6/1999; L 10/8/2016; L 7/8/2023
820-6	137-6	L 10/6/1999
	137-7	L 10/6/1999 ; Abrogé par L 23/7/2016
820-7	137-8	L 10/6/1999
820-8	137-9	L 10/6/1999
820-9	137-10	L 10/6/1999
831-1	137-11	L 10/3/2014
831-2	137-12	L 10/3/2014
831-3	137-13	L 10/3/2014
831-4	137-14	L 10/3/2014
832-1	137-15	L 10/3/2014

832-2	137-16	L 10/3/2014
832-3	137-17	L 10/3/2014
832-4	137-18	L 10/3/2014
832-5	137-19	L 10/3/2014
832-6	137-20	L 10/3/2014; L 27/5/2016
832-7	137-21	L 10/3/2014
832-8	137-22	L 10/3/2014
833-1	137-23	L 10/3/2014
833-2	137-24	L 10/3/2014
833-3	137-25	L 10/3/2014
833-4	137-26	L 10/3/2014
833-5	137-27	L 10/3/2014
833-6	137-28	L 10/3/2014
833-7	137-29	L 10/3/2014
833-8	137-30	L 10/3/2014
833-9	137-31	L 10/3/2014
833-10	137-32	L 10/3/2014
833-11	137-33	L 10/3/2014
833-12	137-34	L 10/3/2014
833-13	137-35	L 10/3/2014; L 27/5/2016
833-14	137-36	L 10/3/2014
833-15	137-37	L 10/3/2014
833-16	137-38	L 10/3/2014
833-17	137-39	L 10/3/2014
833-18	137-40	L 10/3/2014
833-19	137-41	L 10/3/2014

833-20	137-42	L 10/3/2014
833-21	137-43	L 10/3/2014
833-22	137-44	L 10/3/2014
833-23	137-45	L 10/3/2014
833-24	137-46	L 10/3/2014
833-25	137-47	L 10/3/2014; abrogé par L 7/8/2023
834-1	137-48	L 10/3/2014; L 27/5/2016
834-2	137-49	L 10/3/2014
834-3	137-50	L 10/3/2014
834-4	137-51	L 10/3/2014
834-5	137-52	L 10/3/2014; L 27/5/2016
834-6	137-53	L 10/3/2014
835-1	137-54	L 10/3/2014
836-1	137-55	L 10/3/2014
836-2	137-56	L 10/3/2014
837-1	137-57	L 10/3/2014; L 27/5/2016
837-2	137-58	L 10/3/2014
837-3	137-59	L 10/3/2014
838-1	137-60	L 10/3/2014
838-2	137-61	L 10/3/2014
839-1	137-62	L 10/3/2014
900-1	138	L 10/8/2016
900-2	139	L 10/8/2016
900-3	140	L 10/8/2016
1010-1	308bis-15	L 10/8/2016; L 7/8/2023
1010-2	308bis-16	L 10/8/2016

1010-3	308bis-17	L 10/8/2016
1010-4	308bis-18	L 10/8/2016
1010-5	308bis-19	L 10/8/2016
1010-6	308bis-20	L 10/8/2016
1010-7	308bis-21	L 10/8/2016; L 7/8/2023
1010-8	308bis-22	L 10/8/2016
1010-9	308bis-23	L 10/8/2016
1010-10	308bis-24	L 10/8/2016; L 7/8/2023
1010-11	308bis-25	L 10/8/2016
1010-12	308bis-26	L 10/8/2016
1020-1	257	L 7/9/1987; L 23/3/2007; L 10/6/2009
1020-2	258	L 7/9/1987
1020-3	259	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/6/2009
1020-4	260	L 7/9/1987; L 25/8/2006; L 23/3/2007
1021-1	261	L 7/9/1987; L 25/8/2006; L 10/6/2009
1021-2	262	L 7/9/1987; L 25/8/2006; L 10/6/2009; L 27/5/2016; L 10/8/2016
1021-3	263	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/6/2009
1021-4	264	L 7/9/1987; L 23/3/2007; L 10/6/2009; L 3/8/2011
1021-5	265	L 7/9/1987; L 23/3/2007; L 10/6/2009; L 3/8/2011
1021-6	266	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/6/2009; L 18/12/2009; L 3/8/2011; L 23/7/2016
1021-7	267	L 7/9/1987; L 23/3/2007; L 10/6/2009; L 3/8/2011
1021-8	267bis	L 23/3/2007
1021-9	268	L 7/9/1987; L 23/3/2007; L 3/8/2011
1021-10	269	L 7/9/1987
1021-11	270	L 7/9/1987; L 23/3/2007; L 10/6/2009

1021-12	271	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/6/2009; L 7/8/2023
1021-13	272	L 7/9/1987
1021-14	273	L 7/9/1987; L 10/6/2009 ; L 27/5/2016
1021-15	273bis	L 25/8/2006; L 23/3/2007; L 10/6/2009
1021-16	273ter	L 10/6/2009 ; L 27/5/2016
1021-17	274	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/6/2009
1021-18	275	L 7/9/1987; L 25/8/2006; L 10/6/2009
1021-19	276	L 7/9/1987; L 25/8/2006; L 23/3/2007; L 10/6/2009; L 27/5/2016
1022-1	277	L 7/9/1987; L 10/6/2009; L 3/8/2011
1023-1	278	L 7/9/1987; L 25/8/2006; L 10/6/2009
1023-2	279	L 7/9/1987; L 23/3/2007; L 10/6/2009; L 3/8/2011
1023-3	280	L 7/9/1987; L 23/3/2007
1023-4	281	L 7/9/1987; L 23/3/2007; L 10/6/2009; L 3/8/2011
1023-5	282	L 7/9/1987; L 23/3/2007
1023-6	283	L 7/9/1987; L 23/3/2007
1024-1	284	L 7/9/1987; L 23/3/2007
1030-1	285	L 7/9/1987; L 23/3/2007
1030-2	286	L 7/9/1987
1030-3	287	L 7/9/1987; L 23/3/2007; L 10/6/2009
1030-4	288	L 7/9/1987; L 23/3/2007; L 10/6/2009
1031-1	289	L 7/9/1987; L 23/3/2007
1031-2	290	L 7/9/1987 ; L 27/5/2016
1031-3	291	L 7/9/1987;L 23/3/2007
1031-4	292	L 7/9/1987; L 23/3/2007; L 3/8/2011
1031-5	293	L 7/9/1987; L 23/3/2007; L 27/5/2016; L 10/8/2016

1031-6	294	L 7/9/1987; L 23/3/2007; L 18/12/2009; L 3/8/2011 ; L 23/7/2016
1031-7	295	L 7/9/1987; L 23/3/2007; L 10/6/2009; L 3/8/2011
1031-8	296	L 7/9/1987; L 23/3/2007; L 10/6/2009
1031-9	296bis	L 23/3/2007
1031-10	297	L 7/9/1987; L 23/3/2007; L 3/8/2011
1031-11	298	L 7/9/1987
1031-12	299	L 7/9/1987; L 23/3/2007
1031-13	300	L 7/9/1987; L 23/3/2007
1031-14	301	L 7/9/1987
1031-15	302	L 7/9/1987; L 27/5/2016
1031-16	303	L 7/9/1987; L 23/3/2007
1031-17	304	L 7/9/1987; L 25/8/2006
1031-18	305	L 7/9/1987; L 23/3/2007; L 27/5/2016
1031-19	306	L 7/9/1987; L 23/3/2007; L 3/8/2011
1032-1	307	L 7/9/1987; L 23/3/2007; L 3/8/2011
1033-1	308	L 7/9/1987; L 23/3/2007
1040-1	308bis-1	L 23/3/2007
1040-2	308bis-2	L 23/3/2007
1040-3	308bis-3	L 23/3/2007
1040-4	308bis-4	L 23/3/2007
1040-5	308bis-5	L 23/3/2007
1050-1	308bis-6	L 23/3/2007
1050-2	308bis-7	L 23/3/2007
1050-3	308bis-8	L 23/3/2007
1050-4	308bis-9	L 23/3/2007; L 27/5/2016
1050-5	308bis-10	L 23/3/2007



1050-6	308bis-11	L 23/3/2007
1050-7	308bis-12	L 23/3/2007; L 27/5/2016
1050-8	308bis-13	L 23/3/2007
1050-9	308bis-14	L 23/3/2007; L 27/5/2016
1100-1	141	L 25/8/2006; L 10/8/2016
1100-2	142	L 18/9/1933; L 23/11/1972; L 8/3/1989; L 12/7/2013; L 10/8/2016; L 7/8/2023
1100-3	143	L 25/8/2006
1100-4	144	L 10/8/2016
1100-5	145	
1100-6	146	
1100-7	146bis	L 10/8/2016
1100-8	147	
1100-9	148	L 10/8/2016
1100-10	148bis	L 20/6/1930; L 2/4/1948; L 8/8/1985
1100-11	148ter	L 12/7/2013; L 10/8/2016
1100-12	148quater	L 10/8/2016
1100-13	149	
1100-14	150	
1100-15	151	L 31/5/1999; L 18/12/2009; L 27/5/2016; L 23/7/2016
1200-1	203	L 19/5/1978; 31/5/1999; L 27/5/2016; L 7/8/2023
1200-2	203-1	L 31/5/1999; L 27/5/2016; L 7/8/2023
1200-3		L 7/8/2023
1300-1	158	
1300-2	159	L 31/5/1999; L 25/8/2006
1300-3	160	
1300-4	160-1	L 27/11/1992

1300-5	160-2	L 27/11/1992; L 27/5/2016; L 10/8/2016; L 7/8/2023
1300-6	160-3	L 27/11/1992; L 23/3/2007; L 10/8/2016
1300-7	160-4	L 27/11/1992; L 19/12/2002
1300-8	160-5	L 27/11/1992; L 10/8/2016
1300-9	160-6	L 27/11/1992; L 27/5/2016; L 7/8/2023
1300-10	160-7	L 27/11/1992; L 19/12/2002; L 23/3/2007; L 18/12/2009; L 10/8/2016
1300-11	160-8	L 27/11/1992
1300-12	160-9	L 27/11/1992
1300-13	160-10	L 27/11/1992
1300-14	160-11	L 27/11/1992
	161	L 23/11/1972; L 16/5/1975; abrogé par L 10/7/2005
1400-1	152	L 12/7/2013
1400-2	153	L 25/8/2006
1400-3	154	L 11/8/1996; L 10/8/2016
1400-4	155	
1400-5	156	
1400-6	157	L 23/11/1972; L 25/8/2006; L 12/7/2013; L 10/8/2016; L 7/8/2023
1500-1	162	L 11/7/1988; L13/6/1994; L1/8/2001
1500-2	163	L 18/9/1933; L 23/11/1972; L 24/4/1983; L 4/5/1984; L 11/7/1988;L 8/3/1989; L 27/11/1992; L 28/12/1992; L 2/12/1993; L 19/12/2002 (effective 1/1/2005); L 10/7/2005; L 25/8/2006; L 23/3/2007; L 18/12/2015; L 27/5/2016; L 23/7/2016 ; L 10/8/2016;L 7/8/2023; L 15/8/2023
1500-3	164	
1500-4	165	L 11/7/1988; L 13/6/1994; L 1/8/2001
1500-5	166	L 23/11/1972; L 24/4/1983; L 4/5/1984; L 11/7/1988; L 2/12/1993; L 13/6/1994; L 1/8/2001; L 10/7/2005; L

		25/8/2006; L 10/8/2016
1500-6	167	L 24/4/1983; L 11/7/1988; L 10/8/2016
1500-7	168	L 24/4/1983; L 12/3/1998; L 10/8/2016; L 6/8/2021
1500-8	169	L 11/7/1988; L 13/6/1994; L 1/8/2001
1500-9	170	
1500-10	171	
1500-11	171-1	L 21/7/1992; L 13/6/1994; L 1/8/2001
1500-12	171-2	L 28/7/2014
1500-13	172	
1500-14	173	L 25/8/2006
1500-15	173bis	L 25/8/2006
1600-1	174	L 13/6/1994
1600-2	175	L 10/7/2005
1600-3	176	
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1711-3	311	L 11/7/1988; L 10/12/2010
	312	L 11/7/1988; L 10/12/2010 ; abrogé par L 18/12/2015
1711-4	313	L 11/7/1988; Rgd 22/12/2000; L 10/12/2010; L 18/12/2015; L 7/8/2023
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1711-6	315	L 11/7/1988; L 7/8/2023
1711-7	316	L 11/7/1988; L 10/12/2010 ; L 30/7/2013; L 7/8/2023
1711-8	317	L 11/7/1988; L 10/12/2010 ; L 30/7/2013 ;

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1711-9	318	L 11/7/1988; abrogé par L 10/12/2010 ; réintroduit par L 18/12/2015
1712-1	319	L 11/7/1988; L 10/12/2010; L 18/12/2015
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1712-3	321	L 11/7/1988
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1712-5	323	L 11/7/1988; L 18/12/2015
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1712-7	325	L 11/7/1988
1712-8	326	L 11/7/1988
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1712-15	333	L 11/7/1988; L 10/12/2010; L 18/12/2015
1712-16	334	L 11/7/1988
1712-17	335	L 11/7/1988
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1712-19	337	L 11/7/1988; L 18/12/2009; L 10/12/2010, L 30/7/2013; L 18/12/2015; L 23/7/2016; L 7/8/2023
1712-20	338	L 11/7/1988; L 18/12/2015; L 27/5/2016
1720-1	339	L 11/7/1988; L 10/12/2010; L 30/7/2013; L 18/12/2015; L 7/8/2023

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1740-1	339ter	L 10/12/2010, L 30/7/2013 renuméroté par L 23/7/2016
1750-1	340	L 11/7/1988; L 18/12/2009; L 10/12/2010; L 18/12/2015 ; L 23/7/2016
1750-2	340bis	L 18/12/2015
1760-1	340ter	L 18/12/2015
1760-2	340quater	L 18/12/2015; L 7/8/2023
1760-3	340quinquies	L 18/12/2015
1760-4	340sexies	L 18/12/2015; L 27/5/2016
1760-5	340septies	L 18/12/2015
1760-6	340octies	L 18/12/2015
1770-1	341	L 11/7/1988; L 19/12/2002; L 18/12/2009; L 10/12/2010; L 30/7/2013; L 27/5/2016; L 7/8/2023
1780-1	341bis	L 10/12/2010; L 7/8/2023
1780-2	341-1	L 29/7/1993; abrogé par L 7/8/2023
1790-1	342	L 11/7/1988; L 30/7/2013; L 18/12/2015; abrogé par L 7/8/2023
	343	L 11/7/1988; L 8/12/1994; abrogé par L 10/12/2010
1790-2	344	L 11/7/1988; L 10/12/2010; L 30/7/2013
	344-1	L 11/7/1988; abrogé par L 10/12/2010
	204	L 4/5/1988; L 2/12/1993; L 19/12/2002 (abrogé avec effet 1/1/2005); L 25/8/2006
	205	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	206	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	207	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)

	208	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	209	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	210	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	211	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	212	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	213	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	214	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	215	L 4/5/1984; Rgd 22/12/2000; L 19/12/2002 (abrogé avec effet 1/1/2005)
	216	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	217	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	218	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	219	L 4/5/1984; L 29/7/1993; L 19/12/2002 (abrogé avec effet 1/1/2005)
	220	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	221	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	222	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	223	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	224	L 4/5/1984; L 19/12/2002 (abrogé avec effet

		1/1/2005)
	225	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	226	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	227	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	228	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	229	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	230	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	231	L 4/5/1984; Rgd 22/12/2000; L 19/12/2002 (abrogé avec effet 1/1/2005)
	232	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	233	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	234	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	235	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	236	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	237	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	238	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	239	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	240	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)

	241	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	241-1	L 11/7/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	242	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	243	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	244	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	245	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	246	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	247	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	248	L 4/5/1984; L 11/7/1988; L 29/7/1993; L 2/12/1993; L 19/12/2002 (abrogé avec effet 1/1/2005); L 25/8/2006
	249	L 4/5/1984; L 29/7/1993; L 19/12/2002 (abrogé avec effet 1/1/2005)
	250	L 4/5/1984; L 11/7/1988; L 19/12/2002 (abrogé avec effet 1/1/2005)
	251	L 4/5/1984; L 27/11/1992; L 29/7/1993 ; L 19/12/2002 (abrogé avec effet 1/1/2005)
	252	L 4/5/1984; L 29/7/1993; L 2/12/1993; L 19/12/2002 (abrogé avec effet 1/1/2005)
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	255	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)



	255-1	L 29/7/1993; L 19/12/2002 (abrogé avec effet 1/1/2005)
	256	L 4/5/1984; L 8/3/1989; L 11/8/1996; L 19/12/2002 (abrogé avec effet 1/1/2005)
	256-1	L 4/5/1988; L 19/12/2002 (abrogé avec effet 1/1/2005)
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	256-3	L 2/12/1993; L 19/12/2002 (abrogé avec effet 1/1/2005)
	256 bis	L 4/5/1984; L 19/12/2002 (abrogé avec effet 1/1/2005)
	256 ter	L 4/5/1984; L 11/7/1988; L 19/12/2002 (abrogé avec effet 1/1/2005)

## Annex VIII

### Correlation table between the previous numbering of the amended Law of 10 August 1915 on commercial companies and the new numbering introduced by the Grand Ducal Regulation of 5 December 2017

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Art. 2	Art. 100-2
Art. 3	Art. 100-3
Art. 4	Art. 100-4
Art. 4 <i>bis</i>	Art. 100-5
Art. 4 <i>ter</i>	Art. 100-6
Art. 5	Art. 100-7
Art. 6	Art. 100-8
Art. 7	Art. 100-9
Art. 8	Art. 100-10
Art. 9 abrogated (Law of 27 May 2016)	
Art. 10	Art. 100-11
Art. 11	Art. 100-12
Art. 11 <i>bis</i>	Art. 100-13
Art. 11 <i>ter</i>	Art. 100-14
Art. 11 <i>quater</i>	Art. 100-15
Art. 12	Art. 100-16
Art. 12 <i>bis</i>	Art. 100-17
Art. 12 <i>ter</i>	Art. 100-18
Art. 12 <i>quater</i>	Art. 100-19
Art. 12 <i>quinquies</i>	Art. 100-20
Art. 12 <i>sexies</i>	Art. 100-21
Art. 12 <i>septies</i>	Art. 100-22
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Art. 18	Art. 310-3
Art. 19	Art. 310-4
Art. 20	Art. 310-5
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Art. 22-3	Art. 320-3
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Art. 22-5	Art. 320-5
Art. 22-6	Art. 320-6
Art. 22-7	Art. 320-7
Art. 22-8	Art. 320-8
Art. 22-9	Art. 320-9
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Art. 25 abrogated (Law of 10 August 2016)	
§ 2.	Titre IV - Chapitre II
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Art. 26ter	Art. 420-3
Art. 26quater	Art. 420-4
Art. 26quinquies	Art. 420-5
Art. 26sexies	Art. 420-6
Art. 26septies	Art. 420-7
Art. 26octies	Art. 420-8
Art. 26nonies	Art. 420-9
Art. 26-1	Art. 420-10

Art. 26-2	Art. 420-11
Art. 26-3	Art. 420-12
Art. 26-4	Art. 420-13
Art. 26-5	Art. 420-14
Art. 27	Art. 420-15
Art. 28	Art. 420-16
Art. 29	Art. 420-17
Art. 30	Art. 420-18
Art. 31	Art. 420-19
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Art. 31-2	Art. 420-21
Art. 32	Art. 420-22
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Art. 32-2	Art. 420-25
Art. 32-3	Art. 420-26
Art. 32-4	Art. 420-27
Art. 33 abrogated (Law of 10 July 2005)	
Art. 34 abrogated (Law of 10 July 2005)	
Art. 35 abrogated (Law of 10 July 2005)	
Art. 36 abrogated (Law of 10 July 2005)	
§ 3.	Titre IV - Chapitre III
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Art. 38	Art. 430-2
Art. 39	Art. 430-3
Art. 40	Art. 430-4
Art. 41	Art. 430-5
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Art. 42bis	Art. 430-7
Art. 43	Art. 430-8
Art. 44 abrogated (Law of 10 August 2016)	
Art. 45	Art. 430-9
Art. 46	Art. 430-10
Art. 47	Art. 430-11

Art. 48	Art. 430-12
Art. 49	Art. 430-13
Art. 49-1	Art. 430-14
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Art. 49-3	Art. 430-16
Art. 49-4	Art. 430-17
Art. 49-5	Art. 430-18
Art. 49-6	Art. 430-19
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Art. 52	Art. 441-4
Art. 53	Art. 441-5
Art. 54	Art. 441-6
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Art. 56 abrogated (Law of 8 March 1989)	
Art. 57	Art. 441-7
Art. 58	Art. 441-8
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Art. 60bis-5	Art. 442-5
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Art. 60bis-10	Art. 442-10
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Art. 60bis-12	Art. 442-12
Art. 60bis-13	Art. 442-13
Art. 60bis-14	Art. 442-14
Art. 60bis-15	Art. 442-15
Art. 60bis-16	Art. 442-16
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Art. 64bis	Art. 444-4
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Art. 80 abrogated (Law of 10 August 2016)	
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Art. 82 abrogated (Law of 10 August 2016)	
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Art. 137-48	Art. 834-1
Art. 137-49	Art. 834-2
Art. 137-50	Art. 834-3
Art. 137-51	Art. 834-4
Art. 137-52	Art. 834-5
Art. 137-53	Art. 834-6
§ 6.	Titre VIII - Chapitre III - Section 5
Art. 137-54	Art. 835-1
§ 7.	Titre VIII - Chapitre III - Section 6
Art. 137-55	Art. 836-1
Art. 137-56	Art. 836-2
§ 8.	Titre VIII - Chapitre III - Section 7
Art. 137-57	Art. 837-1
Art. 137-58	Art. 837-2
Art. 137-59	Art. 837-3
§ 9.	Titre VIII - Chapitre III - Section 8
Art. 137-60	Art. 838-1
Art. 137-61	Art. 838-2
§ 10.	Titre VIII - Chapitre III - Section 9
Art. 137-62	Art. 839-1
Section VII.	Titre IX
Art. 138	Art. 900-1
Art. 139	Art. 900-2
Art. 140	Art. 900-3
Section VIII.	Titre XI
Art. 141	Art. 1100-1
Art. 142	Art. 1100-2
Art. 143	Art. 1100-3

Art. 144	Art. 1100-4
Art. 145	Art. 1100-5
Art. 146	Art. 1100-6
Art. 146 <i>bis</i>	Art. 1100-7
Art. 147	Art. 1100-8
Art. 148	Art. 1100-9
Art. 148 <i>bis</i>	Art. 1100-10
Art. 148 <i>ter</i>	Art. 1100-11
Art. 148 <i>quater</i>	Art. 1100-12
Art. 149	Art. 1100-13
Art. 150	Art. 1100-14
Art. 151	Art. 1100-15
Section IX.	Titre XIV
Art. 152	Art. 1400-1
Art. 153	Art. 1400-2
Art. 154	Art. 1400-3
Art. 155	Art. 1400-4
Art. 156	Art. 1400-5
Art. 157	Art. 1400-6
Section X.	Titre XIII
Art. 158	Art. 1300-1
Art. 159	Art. 1300-2
Art. 160	Art. 1300-3
Art. 160-1	Art. 1300-4
Art. 160-2	Art. 1300-5
Art. 160-3	Art. 1300-6
Art. 160-4	Art. 1300-7
Art. 160-5	Art. 1300-8
Art. 160-6	Art. 1300-9
Art. 160-7	Art. 1300-10
Art. 160-8	Art. 1300-11
Art. 160-9	Art. 1300-12
Art. 160-10	Art. 1300-13
Art. 160-11	Art. 1300-14
Art. 161 abrogated (Law of 10 July 2005)	

Section XI.	Titre XV
Art. 162	Art. 1500-1
Art. 163	Art. 1500-2
Art. 164	Art. 1500-3
Art. 165	Art. 1500-4
Art. 166	Art. 1500-5
Art. 167	Art. 1500-6
Art. 168	Art. 1500-7
Art. 169	Art. 1500-8
Art. 170	Art. 1500-9
Art. 171	Art. 1500-10
Art. 171-1	Art. 1500-11
Art. 171-2	Art. 1500-12
Art. 172	Art. 1500-13
Art. 173	Art. 1500-14
Art. 173 <i>bis</i>	Art. 1500-15
Additional Provisions	Titre XVI
Art. 174	Art. 1600-1
Art. 175	Art. 1600-2
Art. 176	Art. 1600-3
Art. 177	Art. 1600-4
Art. 178	Art. 1600-5
Section XII.	Titre VII
Sous-section 1.	Chapitre Ier
Art. 179	Art. 710-1
Art. 180	Art. 710-2
Art. 180-1	Art. 710-3
Art. 181	Art. 710-4
Art. 182	Art. 710-5
Art. 183	Art. 710-6
Art. 184	Art. 710-7
Art. 185	Art. 710-8
Art. 186	Art. 710-9
Art. 187	Art. 710-10
Art. 188	Art. 710-11

Art. 189	Art. 710-12
Art. 190	Art. 710-13
Art. 191	Art. 710-14
Art. 191 <i>bis</i>	Art. 710-15
Art. 192	Art. 710-16
Art. 193	Art. 710-17
Art. 194	Art. 710-18
Art. 195	Art. 710-19
Art. 195 <i>bis</i>	Art. 710-20
Art. 196	Art. 710-21
Art. 196 <i>bis</i>	Art. 710-22
Art. 197	Art. 710-23
Art. 198	Art. 710-24
Art. 198 <i>bis</i>	Art. 710-25
Art. 199	Art. 710-26
Art. 200	Art. 710-27
Art. 200-1	Art. 710-28
Art. 200-2	Art. 710-29
Art. 201	Art. 710-30
Art. 202	Art. 710-31
Sous-section 2.	Titre VII - Chapitre II
Art. 202-1	Art. 720-1
Art. 202-2	Art. 720-2
Art. 202-3	Art. 720-3
Art. 202-4	Art. 720-4
Art. 202-5	Art. 720-5
Art. 202-6	Art. 720-6
Section XII <i>bis</i> .	Titre XII
Art. 203	Art. 1200-1
Art. 203-1	Art. 1200-2



Section XIII. abrogated/Art. 204 to 257ter/Law of 19 December 2002	
Section XIV.	Titre X
	Chapitre II
Art. 257	Art. 1020-1
Art. 258	Art. 1020-2
Art. 259	Art. 1020-3
Art. 260	Art. 1020-4
Sous-section I.	Titre X - Chapitre II - Section 1ere
Art. 261	Art. 1021-1
Art. 262	Art. 1021-2
Art. 263	Art. 1021-3
Art. 264	Art. 1021-4
Art. 265	Art. 1021-5
Art. 266	Art. 1021-6
Art. 267	Art. 1021-7
Art. 267bis	Art. 1021-8
Art. 268	Art. 1021-9
Art. 269	Art. 1021-10
Art. 270	Art. 1021-11
Art. 271	Art. 1021-12
Art. 272	Art. 1021-13
Art. 273	Art. 1021-14
Art. 273bis	Art. 1021-15
Art. 273ter	Art. 1021-16
Art. 274	Art. 1021-17
Art. 275	Art. 1021-18
Art. 276	Art. 1021-19
Sous-section II.	Titre X - Chapitre II - Section 2
Art. 277	Art. 1022-1
Sous-section III.	Titre X - Chapitre II - Section 3
Art. 278	Art. 1023-1
Art. 279	Art. 1023-2
Art. 280	Art. 1023-3
Art. 281	Art. 1023-4

Art. 282	Art. 1023-5
Art. 283	Art. 1023-6
Sous-section IV.	Titre X - Chapitre II - Section 4
Art. 284	Art. 1024-1
Section XV.	Titre X - Chapitre III
Art. 285	Art. 1030-1
Art. 286	Art. 1030-2
Art. 287	Art. 1030-3
Art. 288	Art. 1030-4
Sous-section I.	Titre X - Chapitre III - Section 1ère
Art. 289	Art. 1031-1
Art. 290	Art. 1031-2
Art. 291	Art. 1031-3
Art. 292	Art. 1031-4
Art. 293	Art. 1031-5
Art. 294	Art. 1031-6
Art. 295	Art. 1031-7
Art. 296	Art. 1031-8
Art. 296 <i>bis</i>	Art. 1031-9
Art. 297	Art. 1031-10
Art. 298	Art. 1031-11
Art. 299	Art. 1031-12
Art. 300	Art. 1031-13
Art. 301	Art. 1031-14
Art. 302	Art. 1031-15
Art. 303	Art. 1031-16
Art. 304	Art. 1031-17
Art. 305	Art. 1031-18
Art. 306	Art. 1031-19
Sous-section II.	Titre X - Chapitre III - Section 2
Art. 307	Art. 1032-1
Sous-section III.	Titre X - Chapitre III - Section 3
Art. 308	Art. 1033-1
Section XV <i>bis</i>	Titre X - Chapitre IV
Art. 308 <i>bis</i> -1	Art. 1040-1

Art. 308 <i>bis</i> -2	Art. 1040-2
Art. 308 <i>bis</i> -3	Art. 1040-3
Art. 308 <i>bis</i> -4	Art. 1040-4
Art. 308 <i>bis</i> -5	Art. 1040-5
Section XVter.	Titre X - Chapitre V
Art. 308 <i>bis</i> -6	Art. 1050-1
Art. 308 <i>bis</i> -7	Art. 1050-2
Art. 308 <i>bis</i> -8	Art. 1050-3
Art. 308 <i>bis</i> -9	Art. 1050-4
Art. 308 <i>bis</i> -10	Art. 1050-5
Art. 308 <i>bis</i> -11	Art. 1050-6
Art. 308 <i>bis</i> -12	Art. 1050-7
Art. 308 <i>bis</i> -13	Art. 1050-8
Art. 308 <i>bis</i> -14	Art. 1050-9
Section XVquater.	Titre X
	Chapitre Ier
Art. 308 <i>bis</i> -15	Art. 1010-1
Art. 308 <i>bis</i> -16	Art. 1010-2
Art. 308 <i>bis</i> -17	Art. 1010-3
Art. 308 <i>bis</i> -18	Art. 1010-4
Art. 308 <i>bis</i> -19	Art. 1010-5
Art. 308 <i>bis</i> -20	Art. 1010-6
Art. 308 <i>bis</i> -21	Art. 1010-7
Art. 308 <i>bis</i> -22	Art. 1010-8
Art. 308 <i>bis</i> -23	Art. 1010-9
Art. 308 <i>bis</i> -24	Art. 1010-10
Art. 308 <i>bis</i> -25	Art. 1010-11
Art. 308 <i>bis</i> -26	Art. 1010-12
Sous-section 1.	Titre XVII - Chapitre Ier
	Section 1ère
Art. 309	Art. 1711-1
Art. 310	Art. 1711-2
Art. 311	Art. 1711-3
Art. 312 abrogated (Law of 18 December 2015)	

Art. 313	Art. 1711-4
Art. 314	Art. 1711-5
Art. 315	Art. 1711-6
Art. 316	Art. 1711-7
Art. 317	Art. 1711-8
Art. 318	Art. 1711-9
Sous-section 2.	Section 2
Art. 319	Art. 1712-1
Art. 320	Art. 1712-2
Art. 321	Art. 1712-3
Art. 322	Art. 1712-4
Art. 323	Art. 1712-5
Art. 324	Art. 1712-6
Art. 325	Art. 1712-7
Art. 326	Art. 1712-8
Art. 327	Art. 1712-9
Art. 328	Art. 1712-10
Art. 329	Art. 1712-11
Art. 330	Art. 1712-12
Art. 331	Art. 1712-13
Art. 332	Art. 1712-14
Art. 333	Art. 1712-15
Art. 334	Art. 1712-16
Art. 335	Art. 1712-17
Art. 336	Art. 1712-18
Art. 337	Art. 1712-19
Art. 338	Art. 1712-20
Sous-section 3.	Titre XVII - Chapitre II
Art. 339	Art. 1720-1
Sous-section 3 <i>bis</i> .	Titre XVII - Chapitre III
Art. 339 <i>bis</i>	Art. 1730-1

Sous-section 3 <sup>ter</sup> .	Titre XVII - Chapitre IV
Art. 339 <sup>ter</sup>	Art. 1740-1
Sous-section 4.	Titre XVII - Chapitre V
Art. 340	Art. 1750-1
Art. 340 <sup>bis</sup>	Art. 1750-2
Sous-section 4 <sup>bis</sup> .	Titre XVII - Chapitre VI
Art. 340 <sup>ter</sup>	Art. 1760-1
Art. 340 <sup>quater</sup>	Art. 1760-2
Art. 340 <sup>quinquies</sup>	Art. 1760-3
Art. 340 <sup>sexies</sup>	Art. 1760-4
Art. 340 <sup>septies</sup>	Art. 1760-5
Art. 340 <sup>octies</sup>	Art. 1760-6
Sous-section 5.	Titre XVII - Chapitre VII
Art. 341	Art. 1770-1
Sous-section 6.	Titre XVII - Chapitre VIII
Art. 341 <sup>bis</sup>	Art. 1780-1
Art. 341-1	Art. 1780-2 (Abrogé)
Sous-section 7.	Titre XVII - Chapitre IX
Art. 342	Art. 1790-1 (Abrogé)
Art. 343 abrogated (Law of 10 December 2010)	
Art. 344	Art. 1790-2
Art. 344-1 abrogated (Law of 10 December 2010)	

## Annex IX

**Correlation table between the new and the previous numbering of the coordinated version of the amended Law of 10 August 1915 on commercial companies as a result of the Grand Ducal Regulation of 5 December 2017**

Coordinated text	Previous numbering
<b>Titre I<sup>er</sup></b>	<b>Section Ire</b>
Art. 100-1	Art. 1
Art. 100-2	Art. 2
Art. 100-3	Art. 3
Art. 100-4	Art. 4
Art. 100-5	Art. <i>4bis</i>
Art. 100-6	Art. <i>4ter</i>
Art. 100-7	Art. 5
Art. 100-8	Art. 6
Art. 100-9	Art. 7
Art. 100-10	Art. 8
	Art. 9 <b>abrogated</b> (Law of 27 May 2016)
Art. 100-11	Art. 10
Art. 100-12	Art. 11
Art. 100-13	Art. <i>11 bis</i>
Art. 100-14	Art. <i>11 ter</i>
Art. 100-15	Art. <i>11 quater</i>
Art. 100-16	Art. 12
Art. 100-17	Art. <i>12bis</i>
Art. 100-18	Art. <i>12ter</i>
Art. 100-19	Art. <i>12quater</i>
Art. 100-20	Art. <i>12quinquies</i>
Art. 100-21	Art. <i>12sexies</i>

Art. 100-22	Art. 12 <i>septies</i>
Art. 100-23	Art. 13
<b>Titre II</b>	<b>Section II</b>
Art. 200-1	Art. 14
	Art. 15 <b>abrogated</b> (Law of 10 August 2016)
<b>Titre III</b>	<b>Section III.</b>
<b>Titre III - Chapitre I<sup>er</sup></b>	<i>Sous-section 1.</i>
Art. 310-1	Art. 16
Art. 310-2	Art. 17
Art. 310-3	Art. 18
Art. 310-4	Art. 19
Art. 310-5	Art. 20
Art. 310-6	Art. 21
Art. 310-7	Art. 22
<b>Titre III - Chapitre II</b>	<i>Sous-section 2.</i>
Art. 320-1	Art. 22-1
Art. 320-2	Art. 22-2
Art. 320-3	Art. 22-3
Art. 320-4	Art. 22-4
Art. 320-5	Art. 22-5
Art. 320-6	Art. 22-6
Art. 320-7	Art. 22-7
Art. 320-8	Art. 22-8
Art. 320-9	Art. 22-9

<b>Titre IV</b>	<b>Section IV.</b>
<b>Titre IV - Chapitre I<sup>er</sup></b>	<b>§ 1<sup>er</sup>.</b>
Art. 410-1	Art. 23
	Art. 24 <b>abrogated</b> (Law of 10 August 2016)
	Art. 25 <b>abrogated</b> (Law of 10 August 2016)
<b>Titre IV - Chapitre II</b>	<b>§ 2.</b>
Art. 420-1	Art. 26
Art. 420-2	Art. 26 <i>bis</i>
Art. 420-3	Art. 26 <i>ter</i>
Art. 420-4	Art. 26 <i>quater</i>
Art. 420-5	Art. 26 <i>quinquies</i>
Art. 420-6	Art. 26 <i>sexies</i>
Art. 420-7	Art. 26 <i>septies</i>
Art. 420-8	Art. 26 <i>octies</i>
Art. 420-9	Art. 26 <i>nonies</i>
Art. 420-10	Art. 26-1
Art. 420-11	Art. 26-2
Art. 420-12	Art. 26-3
Art. 420-13	Art. 26-4
Art. 420-14	Art. 26-5
Art. 420-15	Art. 27
Art. 420-16	Art. 28
Art. 420-17	Art. 29
Art. 420-18	Art. 30
Art. 420-19	Art. 31
	Art. 31-1 <b>abrogated</b> (Law of 10 August 2016)
Art. 420-20	Art. 31-1
Art. 420-21	-Art. 31-2



Art. 420-22	Art. 32
Art. 420-23	Art. 32-1
Art. 420-24	Art. 32-1 <i>bis</i>
Art. 420-25	Art. 32-2
Art. 420-26	Art. 32-3
Art. 420-27	Art. 32-4
	Art. 33 <b>abrogated</b> (Law of 10 July 2005)
	Art. 34 <b>abrogated</b> (Law of 10 July 2005)
	Art. 35 <b>abrogated</b> (Law of 10 July 2005)
	Art. 36 <b>abrogated</b> (Law of 10 July 2005)
<b>Titre IV - Chapitre III</b>	<b>§ 3.</b>
Art. 430-1	Art. 37
Art. 430-2	Art. 38
Art. 430-3	Art. 39
Art. 430-4	Art. 40
Art. 430-5	Art. 41
Art. 430-6	Art. 42
Art. 430-7	Art. 42bis
Art. 430-8	Art. 43
	Art. 44 <b>abrogated</b> (Law of 10 August 2016)
Art. 430-9	Art. 45
Art. 430-10	Art. 46
Art. 430-11	Art. 47
Art. 430-12	Art. 48
Art. 430-13	Art. 49
Art. 430-14	Art. 49-1
Art. 430-15	Art. 49-2
Art. 430-16	Art. 49-3

Art. 430-17	Art. 49-4
Art. 430-18	Art. 49-5
Art. 430-19	Art. 49-6
Art. 430-20	Art. 49-6 <i>bis</i>
Art. 430-21	Art. 49-7
Art. 430-22	Art. 49-8
Art. 430-23	Art. 49 <i>bis</i>
<b>Titre IV - Chapitre IV</b>	<b>§ 4</b>
<i>Section 1<sup>ère</sup></i>	Sous § 1.
Art. 441-1	Art. 50
Art. 441-2	Art. 51
Art. 441-3	Art. 51 <i>bis</i>
Art. 441-4	Art. 52
Art. 441-5	Art. 53
Art. 441-6	Art. 54
	Art. 55 <b>abrogated</b> (Law of 8 March 1989)
	Art. 56 <b>abrogated</b> (Law of 8 March 1989)
Art. 441-7	Art. 57
Art. 441-8	Art. 58
Art. 441-9	Art. 59
Art. 441-10	Art. 60
Art. 441-11	Art. 60-1
Art. 441-12	Art. 60-2
Art. 441-13	Art. 60 <i>bis</i>

<b>Titre IV - Chapitre IV - Section 2</b>	<i>Sous § 2.</i>
Art. 442-1	Art. 60bis-1
Sous-section 1 <sup>ère</sup>	<b>A.</b>
Art. 442-2	Art. 60bis-2
Art. 442-3	Art. 60bis-3
Art. 442-4	Art. 60bis-4
Art. 442-5	Art. 60bis-5
Art. 442-6	Art. 60bis-6
Art. 442-7	Art. 60bis-7
Art. 442-8	Art. 60bis-8
Art. 442-9	Art. 60bis-9
Art. 442-10	Art. 60bis-10
Sous-section 2	<b>B.</b>
Art. 442-11	Art. 60bis-11
Art. 442-12	Art. 60bis-12
Art. 442-13	Art. 60bis-13
Art. 442-14	Art. 60bis-14
Art. 442-15	Art. 60bis-15
Art. 442-16	Art. 60bis-16
Sous-section 3	<b>C.</b>
Art. 442-17	Art. 60bis-17
Art. 442-18	Art. 60bis-18
Art. 442-19	Art. 60bis-19
<b>Titre IV - Chapitre IV - Section 3</b>	<i>Sous § 3.</i>
Art. 443-1	Art. 61
Art. 443-2	Art. 62

<b>Titre IV - Chapitre IV - Section 4</b>	<i>Sous § 4.</i>
Art. 444-1	Art. 63
Art. 444-2	Art. 63bis
Art. 444-3	Art. 64
Art. 444-4	Art. 64bis
Art. 444-5	Art. 65
Art. 444-6	Art. 66
<b>Titre IV - Chapitre V</b>	<b>§ 5.</b>
Art. 450-1	Art. 67
Art. 450-2	Art. 67bis
Art. 450-3	Art. 67-1
Art. 450-4	Art. 68
Art. 450-5	Art. 69
Art. 450-6	Art. 69-1
Art. 450-7	Art. 69-2
Art. 450-8	Art. 70
Art. 450-9	Art. 70bis
Art. 450-10	Art. 71
<b>Titre IV - Chapitre VI</b>	<b>§ 6.</b>
<i>Section 1<sup>ère</sup></i>	
Art. 461-1	Art. 72
Art. 461-2	Art. 72-1
Art. 461-3	Art. 72-2
Art. 461-4	Art. 72-3
Art. 461-5	Art. 72-4
Art. 461-6	Art. 73
Art. 461-7	Art. 74
Art. 461-8	Art. 75

<i>Section 2</i>	<b>§ 7.</b>
Art. 462-1	Art. 76
Art. 462-2	Art. 77
Art. 462-3	Art. 78
<b>Titre IV - Chapitre VII</b>	<b>§ 8.</b>
	Art. 79 <b>abrogated</b> (Law of 10 August 2016)
	Art. 80 <b>abrogated</b> (Law of 10 August 2016)
	Art. 81 <b>abrogated</b> (Law of 10 August 2016)
	Art. 82 <b>abrogated</b> (Law of 10 August 2016)
	Art. 83 <b>abrogated</b> (Law of 10 August 2016)
Art. 470-1	Art. 84
Art. 470-2	Art. 85
Art. 470-3	Art. 86
Art. 470-4	Art. 87
Art. 470-5	Art. 88
Art. 470-6	Art. 89
Art. 470-7	Art. 90
Art. 470-8	Art. 91
Art. 470-9	Art. 92
Art. 470-10	Art. 93
Art. 470-11	Art. 94
Art. 470-12	Art. 94-1
Art. 470-13	Art. 94-2
Art. 470-14	Art. 94-3
Art. 470-15	Art. 94-4
Art. 470-16	Art. 94-5
Art. 470-17	Art. 94-6
Art. 470-18	Art. 94-7

Art. 470-19	Art. 94-8
Art. 470-20 (Abrogé)	Art. 95
	Art. 96 <b>abrogated</b> (Law of 10 August 2016)
	Art. 97 <b>abrogated</b> (Law of 10 August 2016)
Art. 470-21	Art. 98
<b>Titre IV - Chapitre VIII</b>	<b>§ 9.</b>
Art. 480-1	Art. 99
Art. 480-2	Art. 100
Art. 480-3	Art. 101
<b>Titre IV - Chapitre IX</b>	<b>§ 10.</b>
Art. 490-1	Art. 101-1
<b>Titre IV - Chapitre IX - Section 1<sup>ère</sup></b>	<i>Sous § 1.</i>
Art. 491-1	Art. 101-2
Art. 491-2	Art. 101-3
Art. 491-3	Art. 101-4
Art. 491-4	Art. 101-5
Art. 491-5	Art. 101-6
Art. 491-6	Art. 101-7
Art. 491-7	Art. 101-8
Art. 491-8	Art. 101-9
Art. 491-9	Art. 101-10
<b>Titre IV - Chapitre IX - Section 2</b>	<i>Sous § 2.</i>
Art. 492-1	Art. 101-11
Art. 492-2	Art. 101-12
Art. 492-3	Art. 101-13
Art. 492-4	Art. 101-14
Art. 492-5	Art. 101-15
Art. 492-6	Art. 101-16

Art. 492-7	Art. 101-17
<b>Titre V</b>	<b>Section IVbis.</b>
Art. 500-1	Art. 101-18
Art. 500-2	Art. 101-19
Art. 500-3	Art. 101-20
Art. 500-4	Art. 101-21
Art. 500-5	Art. 101-22
Art. 500-6	Art. 101-23
Art. 500-7	Art. 101-24
Art. 500-8	Art. 101-25
Art. 500-9	Art. 101-26
<b>Titre VI</b>	<b>Section V.</b>
Art. 600-1	Art. 102
Art. 600-2	Art. 103
	Art. 104 <b>abrogated</b> (Law of 12 July 2013)
Art. 600-3	Art. 105
Art. 600-4	Art. 106
Art. 600-5	Art. 107
Art. 600-6	Art. 108
Art. 600-7	Art. 109
Art. 600-8	Art. 110
Art. 600-9	Art. 111
Art. 600-10	Art. 112

<b>Titre VII</b>	<b>Section XII.</b>
<b>Chapitre I<sup>er</sup></b>	<i>Sous-section 1.</i>
Art. 710-1	Art. 179
Art. 710-2	Art. 180
Art. 710-3	Art. 180-1
Art. 710-4	Art. 181
Art. 710-5	Art. 182
Art. 710-6	Art. 183
Art. 710-7	Art. 184
Art. 710-8	Art. 185
Art. 710-9	Art. 186
Art. 710-10	Art. 187
Art. 710-11	Art. 188
Art. 710-12	Art. 189
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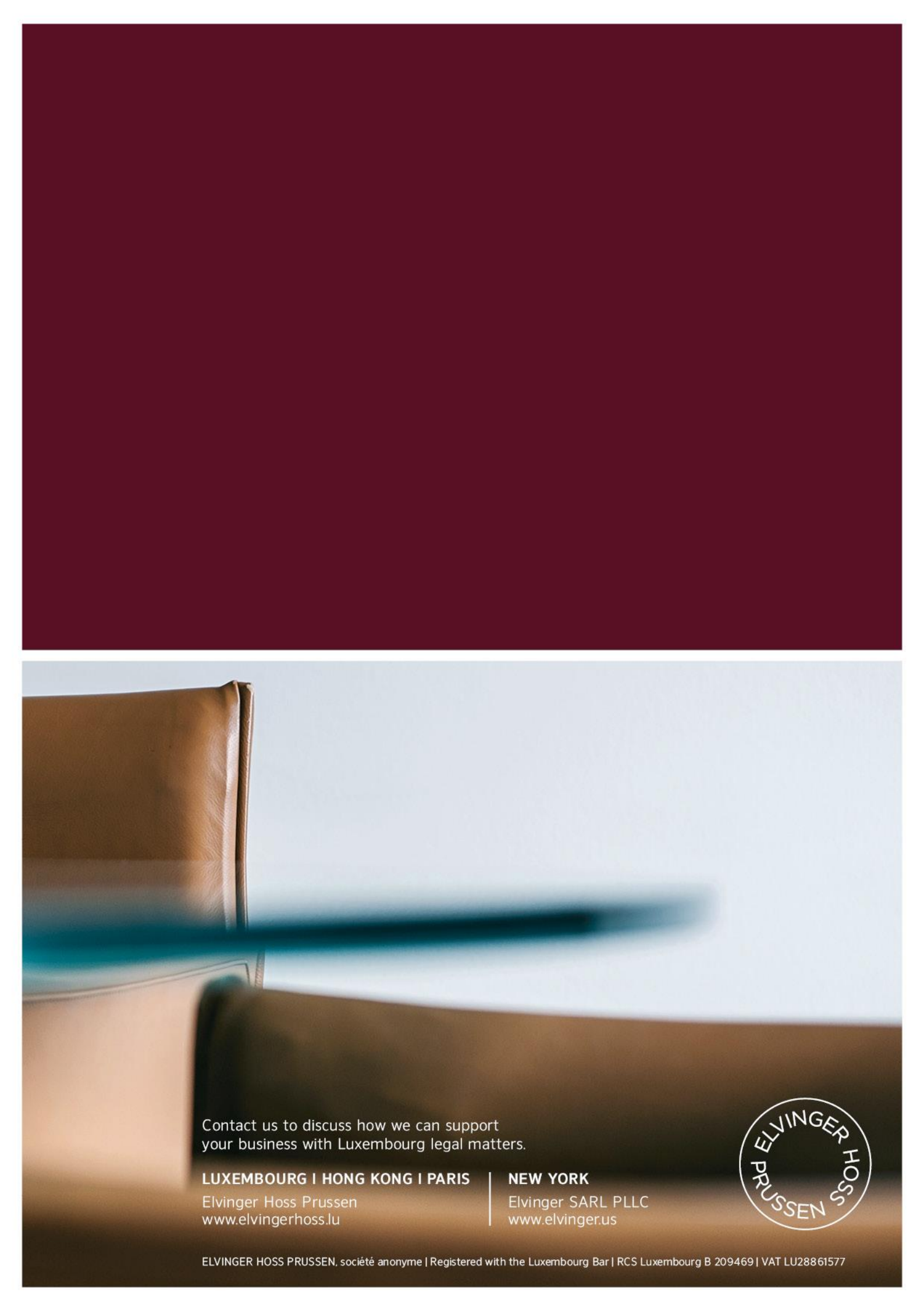
**Chapter VI - Consolidated report on payments to governments (Art. 1760-1 to 1760-6)**

**Chapter VII - The publication of consolidated accounts (Art. 1770-1)**

**Chapter VIII - Consolidated Accounts prepared in accordance with international accounting standards (Art. 1780-1 to 1780-2)**

**Chapter IX - Miscellaneous provisions (Art. 1790-1 to 1790-2)**





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