

Article Information

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COVID-19 changes - Corporations Act provisions in relation to meetings, and electronic execution by companies (effective 6 May 2020)

The Treasurer has made a Determination which, amongst other things, modifies the operation of the Corporations Act 2001 and the Corporations Regulations 2001 relating to company meetings and the execution of documents by companies.

The *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* took effect on 6 May 2020 and will apply for 6 months.

Meetings

The determination allows:

- meetings to be held using technology; and
- notice of a meeting to be given using technology (e.g. by email if the company has the email address of a member, either by incorporating it in the email, attaching it, or providing a link to where it can be downloaded)

While the requirements of the Corporations Act may be satisfied in these ways, we note that companies will still need to have regard to any applicable requirements of their own Constitutions.

The modifications are subject to conditions, which include giving those entitled to attend a meeting information about how they will be able to participate and treating proxies in the same way as they would be treated if they attended a physical meeting.

Execution of Documents

The determination also modifies the operation of section 127(1) of the Corporations Act, which deals with the execution of a document by a company without using a common seal. It allows the required signatory or signatories:

- to sign counterparts of a physical document; or
- to 'execute', or otherwise indicate acceptance, in a way that satisfies requirements which mirror the provisions of the *Electronic Transactions Act 1999* in relation to electronic acceptance.

And it modifies the operation of section 129(5) such that assumptions of due execution may be made when such methods are used.

The Explanatory Statement relating to the Determination gives some examples of the means by which company officers might 'sign' a document electronically:

- pasting a copy of a signature into a document;
- signing a PDF on a tablet, smart phone or laptop using a stylus or finger;
- cloud-based signature platforms like DocuSign.