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News

## **Changed record date for attending general shareholder meetings this fall and additional changes in corporate law**

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## Changed record date



The rules in the Swedish Company Law governing

the record date for attending general shareholder meetings are changed so that that the record date takes place six banking days, instead of five weekdays, before the general meeting. Also, the rules are changed so that nominees may continue the voting rights registration for an additional two banking days after the record date, i.e. to the fourth banking day before the general meeting.

The new procedure entails that companies will have access to the share register for the general meeting three banking days before the general meeting, instead of four weekdays before the general meeting.

The current rules regarding notification to attend a general meeting remain the same. Consequently, the earliest day which a shareholder may be required to notify regarding his or her attendance is still five weekdays before the general meeting. In this respect, companies and shareholders should to note that Saturdays are considered weekdays pursuant to law unless it is a public holiday.

The new rules go into effect on 3 September 2020 and apply to all Central Securities Depository (CSD) companies (regardless if the company is a public company or not). For other companies, i.e. companies where the board keeps the share register, the relevant share register is still the register on the day of the general meeting.

## **New rules regarding information between company and share holders**

Certain requirements are introduced to assist companies listed on regulated markets in identifying the company's shareholders and to help shareholders exercise their rights with the company. The new obligations cover both listed companies and nominees and other so called intermediaries. The rationale behind these changes is that shares in listed companies are often owned via complex chains of nominees, which make it difficult for the companies to communicate with their shareholders. Complex owner chains also make it difficult for shareholders to vote at general meetings and to exercise other rights. The new set of rules aim to improve the transfer of information through the chain of intermediaries.

## **Companies have to confirm electronic voting**

Shareholders who participate electronically at a general meeting are given the ability to monitor the voting procedure. A new

rule is introduced stipulating that the company has to confirm a received shareholder vote. After a general meeting the company must, at the request of a shareholder, confirm that the shareholder's vote has been registered and been accounted for. If no formal voting occurred, the company has to confirm that the shareholder was entered into the voting list.

### **Simplified rules regarding registration of new share issues – bank certificate instead of auditor's statements**

In line with the Swedish Companies Registration Office's standards, a new rule is introduced stipulating that also public companies may use a bank certificate instead of an auditor's statement when registering new share issues.

### **An exception in the Leo-rules for minor management buy-outs**

The so called Leo-rules apply to all public companies and imply that certain share issues and transactions between the company and certain persons closely associated with the company have to be resolved by or be approved by nine-tenth's majority of a general meeting . In these cases it is not sufficient with a board decision. To facilitate minor restructurings, a new threshold is introduced. The threshold implies that transactions with a market value of less than one percent of the corporate group's market value are exempt from the shareholder approval requirement.

### **Possibility to correct errors in annual reports**

Changes in the Swedish Annual Accounts Act are introduced to allow companies the possibility to correct minor errors in the annual report before the company is subject to penalties by the Swedish Companies Registration Office.

### **Entering into force**

The new rules enter into force on 3 September 2020.

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*Directive (EU) 2017/828*

*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 right.*