

Russia passes rules securing the holding of remote meetings by legal entities

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Members of legal entities can now remotely participate in in-person meetings without running the risk that decisions made at such meetings will be invalidated, as was previously the case. These changes came into force on 1 July under a new [Federal Law](#)* ("225-FZ").

Previously, holding meetings in a remote form was possible only in a limited number of cases, and, as a rule, this form was equated with absentee voting, which did not meet the needs of the business community in the context of global digitalisation. This gap became especially noticeable over the last months, when widespread restrictions made classic in-person meetings impossible.

Under the new rules, it is possible to participate in meetings online provided the electronic or technical means used comply with two requirements: (i) they must allow reliable identification of those participating in the meetings; and (ii) the participants must be able to take part in the discussion of agenda items and vote directly (e.g. by raising their hands, or by filling in electronic forms or clicking on a button). In addition, in cases provided for by law, the charter of a legal entity or a unanimous members' decision, a meeting of the entity's members may be held by a combination of a meeting (including in remote format) and absentee voting. Therefore, the changes introduced by 225-FZ give members the flexibility required in choosing the method of making decisions.

225-FZ also enshrines the right of a legal entity's members to establish in the charter a different procedure from the statutory one for convening, preparing, holding a meeting of members or absentee voting and taking decisions at the meeting, provided that such changes do not deprive the company's members of the right to participate in the general meeting or practise absentee voting, and the right to receive information about the meetings.

In addition to these changes, 225-FZ makes it possible to draw up in electronic form minutes of a meeting or absentee voting, and the results of voting. It also expands the contents of the minutes, which must reflect the following:

- the date and time of the meeting, the place where the meeting was held and/or the method of remote participation in the meeting (for absentee voting, the date by which the documents containing the voting details of the legal entity's members were accepted and the method of sending these documents must be specified);
- the details of those who took part in the meeting and/or those who sent the documents containing the details of the voting;
- the results of the voting for each item on the agenda;
- the details of those who counted the votes, if certain persons were entrusted with the counting of the votes;
- the names of those who voted against the resolution of the meeting and requested that this be recorded in the minutes;
- details of the conduct of the meeting or the voting when a legal entity's member requests that these be recorded in the minutes; and
- the details of those who signed the minutes.

As of 1 July 2021, the minutes are the main means to confirm a meeting was held and the results of voting at the meeting or by absentee voting. At the same time, another method of confirmation may be established by law, the charter or a unanimous decision of a legal entity's members.

The above amendments do not cancel the requirements of Article 67.1(3) of the Russian Civil Code of the fact that there be mandatory confirmation of decisions made at a meeting and also confirmation of the names of those members who were present at their adoption by way of notarisation or by another procedure established by law, the charter or a unanimous decision of the legal entity's members.

As for the resolutions of a sole participant of a limited liability company, as of 1 July 2021, these decisions must be confirmed by notarial certification with the issuance of an appropriate certificate by a notary (and not by certifying the authenticity of the signature of the sole participant) in cases stipulated by law, which according to current

practice means almost in all cases, unless the company's charter provides for a different method (under [Federal Law No. 267-FZ dated 1 July 2021*](#)).

In addition, 225-FZ has expanded the grounds for invalidating meeting decisions. In particular, a court may now declare a meeting decision invalid in cases of a material breach of the procedure for deciding to hold a general meeting or the procedure for adopting decisions of a general meeting.

Comments

The above changes are applicable to the procedure for holding meetings of any governing bodies of a legal entity if convening notices were sent after 1 July 2021.

To benefit from these newly provided opportunities, legal entities should amend their charter and provide for the possibility of combining in-person and in absentia forms of meetings. They should also determine how remote participation will take place (e.g. audio- or videoconferencing) and the procedure for drawing up minutes (i.e. in paper or electronic form).

For further information, please email the authors or your usual contact at CMS Russia.

* *In Russian*

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