

Client Alert

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Holding AGMs amidst COVID-19

Many companies in Thailand whose financial years end on 31 December will now be heading into "AGM season". During this period, they must prepare financial statements, have them audited, then hold an annual general meeting ("**AGM**") for the shareholders to consider and approve the financial statements.

For administrative convenience, companies whose directors and shareholders are located in various countries usually prefer to hold electronic meetings in order to help directors and shareholders avoid the burden of travelling to Thailand for in-person meetings. Thus, such companies face the issue of whether or not electronic meetings are legally acceptable under Thai law.

Electronic meetings of board of directors and shareholders are, to some certain extent, acceptable under Thai law, provided the meetings fulfil the regulations of the Ministry of Commerce ("**MOC**").

Nevertheless, given that one requirement is that all attendees (either attending in person or via electronic means) must be in Thailand, it is likely that the MOC's regulations may not be fully beneficial to companies whose directors or shareholders are based outside Thailand. To date, there is no new notification issued to resolve this gap.

However, given the spread of the COVID-19, the MOC has issued a mitigating measure, allowing companies that cannot hold meetings within the deadline prescribed by the law due to the COVID-19 pandemic, to submit a clarification letter to the MOC after holding the meetings. Although the MOC's wording is not explicit, the companies that cannot approve the financial statements within the deadline because of the pandemic should not be subject to the late filing fines.

For further information, please contact us.