



COVID-19

COMPANY SECRETARIAL AND COMPLIANCE

Withdrawal or Amendment of Dividend Resolutions

by **Elaine Hughes, James Carolan, Colm Hanley, Liam Boyle**

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The Companies (Miscellaneous Provisions) (Covid-19) Act 2020 was signed into law on 1 August 2020 and will remain operative for the Interim Period.

The Act proposes to address certain compliance challenges being faced by companies due to the COVID-19 pandemic.

Section 186A of the Act enables directors of a company, who have previously recommended a dividend to be adopted by resolution at a general meeting, to withdraw that resolution for consideration, or to amend it by reducing the amount of the dividend recommended if they are of the opinion that due to the actual or perceived consequences of COVID-19 on the affairs of the company, the dividend ought to be cancelled or reduced. Previously, once declared, a dividend became a “debt” owed by the company.

The power to withdraw or amend a resolution proposing a dividend is very limited, however, and can be exercised only upon all of the members agreeing such in writing and where notice of the opinion of the directors is given at least three days before the general meeting is due to take place.

If you require assistance with Company Secretarial matters throughout the COVID-19 pandemic, our highly experienced Company Secretarial Team is on hand to assist. Please contact a member of our team:

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