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**Global Challenges and Prospects of the Modern Economic
Development**

**VIRTUAL GENERAL MEETING: WORLD EXPERIENCE AND
PROSPECTS IN THE COVID-19 CONDITIONS**

M. A. Tokmakov (a)*, A. N. Stolyarova (b), O. V. Knyazeva (c)

*Corresponding author

- (a) Samara State University of Economics, Soviet Army Str., 141, Samara, Russian Federation,
Togliatti State University, Belorusskaya Str., 14, Togliatti, Russian Federation, maxim.tokmakov@gmail.com
(b) State Educational Institution of Higher Education of Moscow Region State University of Humanities and Social
Studies, Zelyonaya Str., 30, Kolomna, Russian Federation, mgosgi@gmail.com
(c) Kolomna Institute (branch) Moscow Polytechnic University, Oktyabr'skoy revolyutsii Str., 408, Kolomna,
Russian Federation, olganalog79@mail.ru

Abstract

Events in 2020 caused by COVID-19 have forced corporations around the world to refuse to hold general meetings of members in the usual form of personal (physical) presence. In this regard, the discussion on holding general meetings in a completely virtual mode has returned to the fore. The presented study considers various world legal orders in relation to virtual meetings of corporation members. Was there a virtual meeting prior to the COVID-19 pandemic, and how have the requirements for holding general meetings changed in the face of the COVID-19 pandemic? The study examines the legal status of corporations in the United States, some European Union countries, Australia and the Republic of Singapore. The legislation of the Russian Federation is considered separately. A comparative legal assessment of the corporate legislation of various states makes it possible to develop some model rules for holding virtual meetings that can be used in legal order that still does not provide for such opportunities, as well as to unify the legal status of corporate members around the world. The study also assesses the prospects for virtual meetings after the end of the restrictive measures caused by COVID-19. Research has shown that the COVID-19 pandemic has enabled corporations to forget about fears and prejudices concerning virtual meetings and catalyze a shift to virtual meetings around the world. Virtual meetings have become part of the modern corporate governance system. The ubiquity of virtual meetings will be one of the legacies of the COVID-19 pandemic.

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Keywords: Corporate governance, COVID-19 pandemic, digitalization, hybrid meeting, virtual meeting



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1. Introduction

The general meeting of members is the highest governing body of the corporation in almost all jurisdictions. The General Meeting, being a collegial body, allows all members of the corporation to be involved in the corporate management process and ensures the right to manage which belongs to the members of the corporation. Most legal orders require a general meeting of the corporation's members at least once a year (Annual General Meeting). For the solution of urgent especially significant issues, extraordinary (special) general meetings are also allowed.

One of the primary tasks of modern corporations is to involve as many members as possible in management (encouraging shareholder activism). Annual general meetings allow members to meet and discuss the prospects for the development of the corporation, communicate with the management of the corporation, ask questions of interest to members of the governing bodies, and put forward various proposals for discussion. Thus, holding general meetings is a key element of corporate democracy.

At the same time, the events that occurred in 2020 related to the spread of the new coronavirus infection COVID-19, and the subsequent reactions from the governments of many countries, providing for various kinds of restrictive measures, actually forced corporations around the world to refuse to hold general meetings of members in their usual form of personal joint (physical) presence, or at least postpone them to a later date. In this regard, the discussion on holding general meetings in a completely virtual mode has returned to the fore.

2. Problem Statement

This study illustrates various world legal orders in relation to general meetings of corporation members in a virtual mode. Consideration should be given to whether general meetings were envisaged prior to the COVID-19 pandemic, and how the requirements for holding general meetings have changed in the context of the COVID-19 pandemic. It is necessary to assess what problems corporations may face if they decide to move to virtual meetings of members. Prospects for holding meetings in such a mode and after the end of restrictive measures also require an assessment. Special attention is paid to the current Russian legislation. It is necessary to assess whether Russian corporate law in terms of providing corporations with the opportunity to hold virtual meetings is in line with international best practices. Due to this comparison, it is possible to identify the legal regulation of virtual meetings at the present stage.

3. Research Questions

The study considers the following questions:

- did the corporate legislation of various countries provide for virtual meetings of corporation members before the COVID-19 pandemic?
- how did various legal orders respond to the COVID-19 pandemic in terms of holding general meetings of corporate members, and what requirements for holding general meetings were established in the context of the COVID-19 pandemic?
- are virtual meetings currently possible?

- is it possible to completely abandon general meetings in the usual format and switch to virtual meetings?

- what legal challenges might corporations face when moving to full virtual meetings?

- can modern technology ensure that the rights of corporate members are respected when holding virtual meetings?

- what are the prospects for holding virtual meetings of corporate members after the end of the COVID-19 pandemic?

The answers to these questions predetermined the course and methodology of the study.

4. Purpose of the Study

Restrictive measures caused by the COVID-19 pandemic and introduced around the world have focused public and government attention on the ubiquity of digital technology. COVID-19 has given a strong impetus to the already exponential development of digital technologies and their universal adoption. Those technologies that before COVID-19 were perceived as alternatives to conventional forms and were assessed as interesting, but not particularly in demand, became almost the only possible during the pandemic and found widespread use. Virtual meetings of corporation members may well become one such technology. The main purpose of the study is to identify the best world practices in terms of regulating virtual meetings of corporation members. A comparative legal assessment of the corporate legislation of various states may allow developing some model rules for conducting virtual meetings that can be used in legal order that still does not provide for such opportunities, as well as to unify the legal status of corporate members around the world.

5. Research Methods

The presented research is aimed at identifying the peculiarities of corporate law in some countries. In this regard, the research is based on the comparative legal method. The study examines the legal status of corporations in the United States, some European Union countries, Australia and the Republic of Singapore. The corporate legislation of the Russian Federation is considered separately. In addition, the study analyzes some non-normative sources that are advisory in nature.

The study is based on the idea of a virtual meeting of corporate members as a meeting that is held directly with the personal presence of members or their representatives with the help of special communication means that provide an opportunity for full-fledged communication at a distance in real time. At the same time, a virtual meeting should be opposed, on the one hand, to a hybrid meeting, and on the other hand, to an absentee meeting using remote means. A hybrid meeting is a physical meeting where only a few of the members participate in the meeting remotely and can express their will through communication. An absentee meeting does not imply real-time communication between meeting members, and the use of digital technologies only provides the ability to vote on the meeting agenda remotely.

It is necessary to mention that the study of world practices for conducting virtual meetings was carried out without reference to specific organizational and legal forms of legal entities. In this connection, the regulation of holding general meetings of certain types of corporations may differ from that presented

in this study. The exception is the Russian legislation, where the research was carried out on the most common types of corporations that make up most legal entities in Russia - business entities.

6. Findings

6.1. Global experience in regulating virtual meetings of corporation members

United States of America

One of the first, who at the legislative level allowed the holding of a virtual meeting of corporation members, is the world leader in corporate law - the state of Delaware. As early as 2000, the Delaware General Corporation Law was amended to provide that the corporation's board of directors may decide to hold a shareholders' meeting via remote communication, with shareholders considered to be present in person at the meeting (§211 (a) (1), (2)) (State of Delaware, 2020).

Subsequently, most states supported the Delaware initiative. This was largely due to changes introduced in 2016 to the Model Business Corporation Act, which provide for the right of shareholders to participate in shareholders' meetings via remote communication to the extent that the board of directors allows such participation (§ 7.09 Remote Participation in Shareholders' Meetings) (Model Business Corporation Act (2016 Revision), 2017). At the same time, it should be noted that the legislation of some states prohibits holding virtual meetings of shareholders, but provides for the possibility of holding hybrid meetings, and in some states any remote participation in the meeting is completely prohibited.

According to Broadridge (2018), 42 states and the District of Columbia allow remote participation in shareholders' meetings, of which 30 states allow fully virtual shareholders' meetings, and only 8 states completely prohibit remote participation in a general meeting of shareholders.

Most states that allow virtual meetings, have meeting requirements based on the Model Business Corporation Act:

- the corporation must take reasonable steps to verify that each person participating remotely has the right to participate in the meeting;
- the corporation must keep a record of the meeting;
- the corporation must provide meeting attendees with a reasonable opportunity to participate in the meeting and vote on issues raised at the meeting and communicate with other meeting members in real time (Model Business Corporation Act (2016 Revision), 2017).

However, it should be noted that fully virtual meetings in the United States have not been widely adopted. For example, Nili and Shaner (2020) note that although the vast majority of states permit the use of virtual technology instead of in-person meeting, in-person meeting remains the norm. Most corporations use distance meetings only in addition to physical meetings, using a hybrid format.

The Committee of interested constituents, comprised of retail and institutional investors, public company representatives, and proxy and legal service providers expressed certain concerns about holding general meetings of corporation members exclusively in a remote format: corporations that introduce virtual technologies in shareholder meetings should use them as a tool to expand, not restrict participation in shareholder meetings (Broadridge, 2018). However, the Committee noted that virtual meetings should provide the same opportunities for questions and dialogue as face-to-face meetings.

With the onset of the COVID-19 pandemic and the introduction of restrictive measures, the situation has changed dramatically. Most corporations have begun to move to virtual or hybrid meetings. During the pandemic, the SEC in its letter supported the holding of meetings in precisely such formats, indicating that corporations must promptly notify their shareholders of a virtual or hybrid meeting, including how shareholders can remotely access, participate and vote at such a meeting (U.S. Securities and Exchange Commission, 2020). Many states have redefined their views on remote participation in corporate meetings, and according to Nili and Shaner (2020), only 3 states (Idaho, South Carolina and South Dakota) still maintain meeting requirements in person.

EU countries

The Shareholder Rights Directive 2007/36/EC stipulates the obligation of the EU countries to provide corporations with the possibility of holding a general meeting by electronic means using any or all forms:

- broadcast of the general meeting in real time;
- two-way communication in real time, allowing shareholders to speak at the general meeting, while being at a great distance from the place of the meeting;
- a mechanism for voting before or during the general meeting (Ch. II. Art. 8 of Directive 2007/36/EC) (EUR-Lex, 2007).

In other words, in the EU countries, both virtual and hybrid meetings were allowed before the pandemic, if this is provided for in the corporate charter or internal legislation. For example, in Portugal, the possibility of holding general meetings by remote means is explicitly provided for in the Commercial Company Act, art. 377 (b) which specifies that meetings can be held by telematic means, unless the articles of association provide otherwise, and the company must vouch for the authenticity of statements made and the security of communications, and must also record the content of the meeting and its members (CMVM, 2007). However, since not all corporate charters contained provisions on remote voting, with the onset of the COVID-19 pandemic, parliaments of many countries adopted anti-crisis measures that provide for virtual meetings of corporation members and blocking provisions of the charters on the personal presence of meeting members. So, in the UK, the Corporate Insolvency and Governance Act (2020) was adopted, which provides for anti-crisis measures. Among other things, it provides for the period of the pandemic that the meeting of the corporation's members does not have to be held in a specific place, the meeting can be held, and votes can be cast by electronic or other means, while corporation members do not have the right to attend the meeting in person and they can participate only remotely (Corporate Insolvency and Governance Act, 2020).

In France, a special Resolution of the President of the Republic was adopted on holding meetings of members of corporations (Legifrance, 2020). It allows general meetings to be held without the physical presence of members through conference calls or audiovisual communications, even if not provided for by the charter of the corporation, in cases where holding the meeting in a regular format is subject to restrictive measures. Meeting attendees must be properly informed of the upcoming meeting at least three business days before the meeting date. Members are present at the meeting if the technical means allow them to be identified, as well as at least transmit the voice of members and ensure continuous and simultaneous relaying of discussions.

In Germany, it was allowed to conduct all general meetings online if members were provided with:

- full live broadcast of the meeting;
- any form of online voting;
- opportunity to take part in one form or another of questions and answers;
- opportunity to express your disagreement with the notary or the chairman of the supervisory board,

who acts as the corporate secretary at the meeting.

Italy's anti-crisis legislation allows companies to ensure that shareholders' meetings are held by telecommunications if the identification of members is verified and their voting rights are exercised. In this case, the chairman of the board, secretary or notary does not have to be in the same place. In addition, the law provides for the possibility of exercising rights exclusively through one designated representative acting on behalf of all shareholders (Zetzsche et al., 2020).

Luxembourg's anti-crisis legislation allows any general meeting to be temporarily held without personal attendance if shareholders can participate and exercise their right to vote by voting by email, online voting via videoconference or other means of communication to verify their identity, provided that the full text of resolutions or decisions to be identified were published or communicated to them in advance (Zetzsche et al., 2020).

Australia

In Australia, prior to the outbreak of the COVID-19 pandemic, there was little focus on regulating virtual or hybrid meetings. However, art. 249S Corporations Act 2001 stipulated that corporations may hold meetings of their members in 2 or more locations using any technology that provides members with a generally reasonable opportunity to participate. This formulation generally allows for virtual or hybrid meetings. However, the official letter from the Australian Securities and Investments Commission (ASIC) expressed some doubts as to whether the Corporations Act 2001 allows for fully virtual shareholder meetings, while allowing for hybrid meetings (Australian Securities and Investments Commission, 2020a). At the same time, during the pandemic, the ASIC took a “stance of inaction” regarding corporations holding virtual shareholder meetings if the technology used to hold the meeting would provide an opportunity for meeting members to ask questions to the auditor and management and vote by poll rather than by raising their hands. Later in Australia, as in other countries, laws were passed containing some anti-crisis measures. Initially Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, which was in force until 23 September 2020 (Australian Government, 2020a), and later Corporations (Coronavirus Economic Response) Determination (No. 3) 2020 (Australian Government, 2020b), which was effective until 21 March 2021, amended the Corporations Act 2001 allowing meetings to be held using technology that gives all eligible persons a reasonable opportunity to participate without being physically present in the same location (Australian Government, 2001). The main legal requirements for such a meeting are as follows (Paragraph 5 (1) (a) - (f) of the Determination):

- members of the meeting must be present at the meeting;
- voting should be conducted by polling, not by raising hands, to give each member the opportunity to vote in real time;
- members in the meeting should be given the opportunity to express themselves, including asking questions;

- a proxy can be appointed using remote technologies;
- notification of the meeting, and any other information, can be provided to members of the meeting using remote technologies (Australian Government, 2020b).

Following these legislative changes, ASIC has developed guidelines for investor meetings using virtual technology, which declare the main principle providing members of such meetings with opportunities equivalent to those that they would have had if they had attended in person (Australian Securities and Investments Commission (2020b)). Among the main recommendations that supplement the Determination requirements are the following:

- virtual technology should allow members to virtually follow the meeting without interference;
- any changes in the way the meeting is held should be adapted as far as possible to preserve and encourage genuine and effective interaction between members and the board or the person in charge;
- members should be given a reasonable opportunity to ask questions live during the meeting;
- if technology allows for the viewing and selection of questions or comments from meeting members, the selection process should be balanced and representative;
- there should be transparency regarding the number and nature of asked and unanswered questions;
- meeting members should have the opportunity to consider the answers to the questions and discuss them before making a decision;
- meeting members should be given the opportunity to vote live during the meeting using virtual technology, just as if they were present in person;
- the notice of the meeting should include clear explanations of how to use the technical means used to conduct the meeting;
- if technical problems cause some members to be unable to reasonably participate, the meeting should be postponed until the problem is corrected.

The ASIC has launched a surveillance program for hybrid and virtual meetings held during the COVID-19 restrictions.

Thus, Australia today has one of the most progressive systems for regulating virtual meetings of corporation members.

Singapore

In some jurisdictions, the possibility of holding virtual or hybrid meetings was not available before the spread of COVID-19, and the introduction of such an opportunity became one of the anti-crisis measures. An example is the legislation of the Republic of Singapore, where COVID-19 (Temporary Measures) Act 2020 was adopted with the outbreak of the pandemic (Singapore Statutes Online, 2020). One of the sections of this comprehensive anti-crisis law provides for alternative ways of holding general meetings (Part 4. Temporary measures for conduct of meetings). It introduced a rule according to which the Minister, to prevent the spread of COVID-19, can establish alternative procedures for holding any meetings provided for by law. Such alternative procedures include, inter alia, holding the meeting in whole or in part by electronic means of communication, videoconferencing, teleconference or other electronic means (Art. 27 (2) (a)), the possibility of voting at the meeting electronically (Art. 27 (2) (d)), the introduction of questions at the meeting and receiving answers to them by electronic communication, videoconferencing, teleconference or other electronic means (Art. 27 (2) (g) (h)), etc. (Singapore Statutes

Online, 2020). At the same time, the meeting held in accordance with the alternative procedure is considered to have been held in compliance with all legal requirements, notwithstanding any provisions to the contrary in any law or legal document (Art. 27 (3)) (Singapore Statutes Online, 2020). Thus, Singapore law, at least during the spread of COVID-19, allows for both virtual and hybrid meetings of corporation members, equating their legal consequences with ordinary meetings of physical presence.

6.2. Holding virtual meetings of members of business entities in Russia

The current Russian legislation allows the use of remote technologies when holding general meetings of members in business entities. So, paragraph 11 of Art. 49 of the Federal Law on JSC provides for the possibility of holding a general meeting of shareholders in the form of joint presence with the use of information and communication technologies, which make it possible to remotely participate, discuss agenda items and make decisions on issues put to a vote, without being present at the venue of the general meeting of shareholders (Federal Law of 26 December 1995 N 208-FZ "On joint stock companies"). Currently, members of joint stock companies already can partially exercise their rights remotely using electronic document management, e-proxy voting and the Unified System of Identification and Authentication (USIA). Shareholders can remotely view the agenda and meeting materials, watch the webcast of the meeting, and vote by filling out an electronic bulletin form on the Internet.

In relation to limited liability companies, the possibility of using remote technologies is provided only for absentee voting, which can be carried out by exchanging documents by means of postal, telegraph, teletype, telephone, electronic or other communication, ensuring the authenticity of transmitted and received messages and their documentary confirmation (cl. 1 article 38 of the Federal Law of 08 February 1998 N 14-FZ "On limited liability companies").

At the same time, the possibility of holding a hybrid meeting of LLC members became the subject of discussion in judicial practice. So, in 2011, the court rejected the argument of the plaintiff, who participated in the meeting of LLC members in the videoconference mode using the Skype program, that holding the meeting using videoconferencing was not provided for by the Federal Law on LLC. At the same time, the court indicated that this "method is progressive, considering the development of telecommunication communication systems and their respective legal regulation in the system of the current legislation of the Russian Federation. Modern video conferencing solutions, which have the functionality of high-end systems and the availability of a simple phone, significantly expand the possibilities of business communications, and therefore this method is less expensive in financial terms for members of meetings, and also meets the signs of business efficiency, if it is necessary to make urgent corporate decisions" (Resolution of the Federal Arbitration Court of the Moscow District dated October 25, 2011 No. F05-13210 / 10 in case No. A40-113202/2009) (Federal Arbitration Court Moscow District, 2011).

Despite the progressive provisions of Russian legislation and judicial practice, it should be admitted that at present, holding general meetings of members in joint-stock companies and LLCs in Russia is possible only in the form of a hybrid, but not completely virtual meeting. An obstacle to holding virtual meetings is, first, the requirements of clause 2.19 and clause 3.1 of the Bank of Russia Regulation dated 16 November 2018 N 660-P "On general meetings of shareholders" (Bank of Russia, 2018) and a similar requirement of clause 2 of Art. 35 of the Federal Law on LLC (Federal Law of 08 February 1998 N 14-FZ

"On limited liability companies"), providing for a general meeting of members in a certain place. Also, experts note that difficulties are the absence of the admissibility of drawing up minutes of the general meeting in the form of an electronic document, as well as the provisions of clause 6 of Art. 37 of the Federal Law on LLC (Federal Law of 08 February 1998 N 14-FZ "On limited liability companies"), which directly indicates the need to draw up and store the minutes of the general meeting in paper form (Shuvalova, 2020).

With the onset of the COVID-19 pandemic in Russia, just like in most other countries, various regulations have been adopted that provide for anti-crisis measures. One of the innovations in the field of corporate management was the temporary removal of the prohibition to make certain decisions in absentee meetings. So, clause 2 of Art. 50 of the Federal Law on JSC (Federal Law of 26 December 1995 N 208-FZ "On joint stock companies") did not allow general meetings to be held in the form of absentee voting, the agenda of which included issues on the election of the board of directors, the audit commission of the company, approval of the auditor, approval of the annual report, annual financial statements of the company, and clause 1 of Art. 38 of the Federal Law on LLC - to make decisions of the general meeting of LLC members by absentee voting on the approval of annual reports and annual balance sheets (Federal Law of 08 February 1998 N 14-FZ "On limited liability companies"). For 2020, these restrictions were temporarily removed in relation to joint-stock companies (Article 2 of the Federal Law of 18 March 2020 N 50-FZ) and LLC (Clause 3.1 of Article 12 of the Federal Law of 07 April 2020 N 115-FZ).

At the same time, the Bank of Russia recommended that shareholders who have the right to participate in a general meeting held in person to refrain from personally attending such a meeting, and joint stock companies to consider the feasibility of changing the form of the annual general meeting to absentee meeting. If the meeting is held in person, it is recommended to provide shareholders with the opportunity to remotely participate in the annual meeting by electronic voting (Bank of Russia, 2020).

It is not difficult to notice that Russian authorities during the pandemic took the path of abandoning the full-time form of holding meetings in favor of absentee voting instead of stimulating digital transformation and the transition to virtual meetings. At the same time, as noted above, absentee meetings are not able to ensure the full exercise of the right of corporation members to manage and significantly undermine corporate democracy. Such provisions clearly do not correspond to the leading world practices in the field of regulation of general meetings of corporation members and require revision.

6.3. Prospects for the spread of holding virtual meetings after the pandemic

The study showed that, to one degree or another, the use of remote technologies for holding meetings of corporation members was provided for in different jurisdictions long before the advent of COVID-19. However, despite the obvious benefits in the form of a significant reduction in transaction costs and the development of shareholder activism, the practice of holding virtual meetings has not become widespread. At the same time, the main concerns regarding virtual meetings were reduced to digital technologies, based on which the meeting is held. Prejudice that technology will not allow full communication of meeting members and create risks of vote rigging or non-registration of votes of individual members did not allow seriously consider abandoning physical meetings in favor of virtual ones.

The COVID-19 pandemic has left no choice for corporations and forced to forget about these biases. According to Clabaugh et al. (2020), by May 1, 2020, 65% of S&P 500 companies had or announced plans

to hold virtual meetings, although only 11% of S&P 500 companies had virtual or hybrid meetings in the past. Research by Nili and Shaner (2020) also found that physical meetings and virtual meetings held in the United States in 2020 had the same shareholder turnout and approval rate for meetings, indicating that virtual shareholders meetings were just as effective in ensuring shareholder voting, as well as physical meetings at this time. It seems that the pandemic could be a catalyst for corporations to move to virtual meetings around the world. And when combined with advanced digital technologies such as distributed ledger technology (DLT), which can ensure transparency and impartiality of voting, such a form of holding meetings can become much more efficient and convenient for all stakeholders (Lafarre & Van der Elst, 2018; Tokmakov, 2019).

At the same time, Russia should not become an exception and should adopt the best world experience in holding virtual meetings. Already now, Draft Law No. 1059849-7 has been submitted to the State Duma of the Russian Federation, which contains amendments to corporate legislation aimed at improving the legal regulation of holding general meetings of members by business companies by expanding the scope of the rules relating to the possibility of means of communication (Legislative support system, 2020).

The Draft Law proposes to amend the Federal Law on JSC, supplementing it with provisions establishing the specifics of preparing and holding a general meeting of shareholders in the form of a meeting with remote participation. It means that the general meeting of shareholders can be held using information and communication technologies, which provide the possibility of remote participation in the general meeting of shareholders, discussing agenda issues and making decisions on issues put to a vote (projected by clause 12 of article 47 of the Federal Law of 26 December 1995 N 208-FZ "On joint stock companies"). At the same time, a meeting with remote participation can be held without determining the place of its holding and the possibility of being present in such a place (projected by clause 13 of article 47 of the Federal Law of 26 December 1995 N 208-FZ "On joint stock companies").

It also provides for the possibility of reading and understanding the information to be provided for holding such a general meeting in the form of remote participation, and the transfer of information or documents by the shareholder to the registrar of the company, including voting ballots, in electronic form. At the same time, there is no need for the mandatory drawing up of minutes of the meeting on paper if the general meeting of shareholders is held using information and communication technologies without being present. The holding of meetings with remote participation can only be carried out by a special operator of information technologies for remote participation based on the agreement concluded with a joint stock company, which must ensure:

- ability to use information technology for remote participation, access to which is carried out using any technical device connected to the Internet;
- possibility of filling in and signing electronic voting ballots with fixing the date and time of their filling;
- technical ability to implement or provide a link to continuous video broadcasting in real time of meeting members;
- opportunity for meeting members to ask questions by using the system of quick messages in the chat format or in another format that provides the opportunity to get acquainted with the asked questions in real time;

- maintaining functionality, restoring functionality in the event of technical failures, monitoring the integrity of transmitted data;

- protection from unauthorized access to information and compliance with the confidentiality of personal data and other information of limited access;

- recording of the video broadcast of the meeting, which is attached to the minutes of the meeting (projected by Article 517 of the Federal Law “On the Securities Market”) (Federal Law of 22 April 1996 N 39-FZ "On the Securities Market").

At the same time, the operator of information technologies for remote participation is liable to the company and shareholders for losses caused because of violation of these obligations. Another novelty is the possibility of holding a general meeting of members in a virtual format for limited liability companies. The Draft Law proposes the introduction to the Federal Law on LLC of Art. 371 “Features of the preparation, convocation and holding of a general meeting of members in a company in the form of a meeting with remote participation”, the provisions of which, in fact, duplicate the rules listed above for holding such meetings in joint stock companies (Federal Law of 08 February 1998 N 14-FZ "On limited liability companies"). As stated in the explanatory note to the Draft Law, its adoption will improve the quality and efficiency of corporate procedures, removing obstacles and allowing meeting members to exercise the right to participate without personal (physical) presence, and will also help reduce the costs of corporations associated with training and holding a general meeting of members. Thus, if the Law is adopted, Russia will have the opportunity to hold completely virtual meetings, which will correspond to the best world practices in this area, and the legal regulation of such meetings will be one of the most advanced.

7. Conclusion

The study showed that, to one degree or another, the use of remote technologies for holding meetings of corporation members was provided for in various legal orders long before COVID-19. However, despite the obvious benefits in the form of a significant reduction in transaction costs and the development of shareholder activism, the practice of holding virtual meetings has not become widespread. At the same time, the events that took place in 2020 caused by the COVID-19 pandemic forced corporations around the world to refuse to hold general meetings of members in the usual form of personal (physical) presence. The COVID-19 pandemic has enabled corporations to forget about fears and prejudices concerning virtual meetings and has catalyzed a shift to virtual meetings around the world. Currently, many jurisdictions have already restructured the regulation of virtual meetings in the context of COVID-19 (or are in the process of rebuilding), many must do so. One thing is clear - the world will never be the same. Virtual meetings have become part of the modern corporate governance system. The ubiquity of virtual meetings will be one of the legacies of the COVID-19 pandemic.

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