

COVID-19 PARIS: LEGAL IMPLICATIONS UPDATE

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Legal Briefings

President Emmanuel Macron has announced to the French people that "massive and exceptional" measures will be taken "to respond to the most serious public health crisis that France has faced in a century", in a national address given on 12 March 2020.

Thus far, French health authorities have placed the country in a stage 2 public health emergency. [A decree issued by the Health Ministry on 9 March 2020](#) prohibited all gatherings of more than 1,000 people in closed or open spaces until 15 April 2020.

Although he did not proclaim a shift to a stage 3 health emergency, the President did announce new restrictive measures: day care centres, schools, and universities will be closed starting on March 16. He also encouraged the French to work from home. It should be noted that there are no time limits on these measures.

On 13 March 2020, the Prime Minister Edouard Philippe announced that the limitation of authorised gatherings is lowered to 100 people.

Unprecedented in its scope, the health crisis has shaken financial markets and has consequences for companies and their employees.

WHAT MIGHT THE IMPACT BE ON CONTRACTUAL RELATIONSHIPS AND THE ASSOCIATED RISK OF DISPUTES?

Any company affected by COVID-19 should be considering the impact on its contractual relationships and the associated risk of disputes.

[Read more](#)

WHAT MIGHT THE IMPACT BE ON EMPLOYERS AND THEIR EMPLOYEES?

Employers have an obligation to ensure the health and safety of their workforce – in many European countries this is a strict liability duty, rather than a "reasonable efforts" test.

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WHAT MIGHT THE IMPACT BE ON M&A DEALS?

Companies now face a worldwide health crisis with effects for their business increasing daily. In any share deal, participants must anticipate (or already take into account) the consequences of COVID-19 at all stages of the transaction.

[Read more](#)

WHAT MIGHT THE IMPACT BE ON LISTED COMPANIES GOVERNANCE HOLDING OF BOARD MEETINGS AND SHAREHOLDERS MEETINGS?

In the event that mandatory confinement measures are ordered between now and the end of April, the first issue facing board members will be how to validly close the annual accounts and convene the shareholders meeting.

[Read more](#)

WHAT MIGHT THE IMPACT BE ON FINANCIAL COMMUNICATION OF LISTED COMPANIES AND INSIDER TRADING AND INSIDER OFFENCE PREVENTION?

Careful consideration should be given to the COVID-19 crisis and its consequences on the company's financial results, particularly in terms of the regulated information issued by listed companies

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WHAT MIGHT THE IMPACT BE ON DISTRESSED COMPANIES?

COVID-19 is likely to be the final blow for companies that are already on shaky ground. The most heavily affected sectors will certainly be retail, tourism, air travel and events.

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WHAT MIGHT THE IMPACT BE ON REAL ESTATE PROJECTS CURRENTLY UNDER CONSTRUCTION?

The spread of the COVID-19 epidemic is likely to have an operational impact on construction projects. The epidemic may cause for example delays in construction and property development contracts.

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Your usual contacts at [Herbert Smith Freehills Paris](#) remain at your disposal should you need any further assistance.

[More on navigating the COVID-19 outbreak](#)

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