

# FURTHER DRAFT LEGISLATION ON VIRTUAL MEETINGS AND ELECTRONIC EXECUTION

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Legal Briefings - By **Timothy Stutt and Charles Pitney**

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The Federal Government has released an [exposure draft of new legislation](#) to facilitate electronic signing and the holding of hybrid meetings.

The draft legislation proposes to amend, and add to, previous reform proposals outlined in the *Treasury Laws Amendments (2021 Measures No 1.) Bill 2021*, which got stalled in Parliament due to a divergence of views on its continuous disclosure provisions. The new *Treasury Laws Amendment (Measures for Consultation) Bill 2021: Use of technology for meetings and related amendments (Bill)* has a narrower focus which is hoped to expedite its adoption in time for the main 2021 AGM season.

Under the proposed amendments put forward in the Bill, companies are still proposed to be able to sign documents electronically and thus continue their shift towards paperless commerce. They will also be able to send meeting-related materials and hold meetings with the use of technology. Unlike the previous bill, which had a sunset period, the reforms under the Bill would be permanent. If the earlier draft legislation is passed, companies will be required to give shareholders a one-off notification of their right to opt-in to receive hard copy notices.

The new law confirms the ability of companies to hold hybrid general meetings. However, while it also authorises wholly virtual meetings, they can only be held if they are expressly permitted by the company's constitution. Unfortunately several proxy advisers are opposed to wholly virtual meetings and have demonstrated that they will oppose any amendments to constitutions that would facilitate wholly virtual meetings (even where it is just to introduce the flexibility) - which makes fully virtual meetings unlikely in the near term for most existing listed companies.

If the Bill is passed at Parliament's sitting over August-September, ASIC's [current no action position](#) on AGMs will fall away. If the legislation is not passed, the no action position will stay on foot until October.

Submissions in relation to the exposure draft are open until 16 July 2021. A media release from the Treasurer is available [here](#).

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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