

More flexible requirements for dissolving a company due to losses

Royal Decree-Law 27/2021, of November 23

November, 26th 2021

To relieve the negative effects that the pandemic derived from COVID-19 is producing to the Spanish economy, the **Royal Decree-Law 27/2021, of November 23, which has come into force on November 25, 2021**, has made flexible the requirements to dissolve a company due to the economic losses.

With the purpose of informing our dearest clients and collaborators of the new regulations in the context of the pandemic, we have prepared the present informative note summarizing the following most important measures:

Exclusion of the losses of the tax years 2020 and 2021 for the purposes of the dissolution cause

For the sole purpose of determining the concurrence of the legal cause for dissolution established under Article 363 e) of the Companies Act, the Decree-Law has established that the losses of the tax years 2020 and 2021, which may reduce the net equity to an amount less than half of the share capital, will not be computed.

With respect to the tax year 2022, if the results for the tax year 2022 appear the losses that could reduce the net equity to an amount less than half of the share capital, the Directors must call a Shareholders Meeting or any shareholder may request, within two months from the end of the tax year in accordance with Article 365 of the Companies Act, a meeting to dissolve the company, unless the share capital is increased or reduced sufficiently.

Therefore, with respect to the tax years 2020 and 2021, the losses will not be computed. And in relation to the tax year 2022, it appears that the time at which the Shareholders Meeting must be called to proceed with the company dissolution has been modified to be two months after the closing date of the tax year instead of having to be called within two months from when equity imbalance situation was known or could have been known.

This measure is especially significant in relation to the liability of the Directors for the obligations incurred by the company after the occurrence of the legal cause for dissolution if they do not call the Shareholders Meeting or do not request the judicial company dissolution or the insolvency proceeding when applicable.

COMMERCIAL AND CORPORATE AREA

Our commercial area provides legal advice on corporate and contractual matters as well as on M&A transactions.

The team is made up of highly experienced professionals of recognized prestige in the market and offers high standards of efficiency and qualification, having experienced a notable growth in recent years with the incorporation of top level professionals, to reinforce the firm's firm commitment to its future.

We combine our values to offer a high added value service, highly appreciated by our clients, complemented by the other areas of the firm.

- Capacity, quality and ad hoc solutions
- Expertise and experience
- Competitive pricing
- Agility

ABOUT US

We are a law firm specialized in the key areas of business law.

Founded in 1973, Ceca Magán Abogados has more than 45 years of history and has been considered one of the top 20 national law firms.

Our lawyers specialized in different areas have been recognized by the most prestigious **international directories** such as Legal 500, Best Lawyers, Chambers & Partners and Leaders League.

From our **offices in Spain**, the firm is committed to continuous improvement to achieve excellence in advising clients.

info@cecamagan.com





CECA MAGÁN
ABOGADOS

(+34) 91 345 48 25
info@cecamagan.com

#EstiloCeca