

# Revision of Swiss Corporate Law

The Swiss Parliament approved a comprehensive revision of Swiss Corporate Law. While certain provisions around gender equality and transparency in the commodity trading sector entered into effect as of 1 January 2021, the remaining provisions will only become effective at a later stage.

This brochure summarizes the key topics of this revision and highlights where action is required.

## Corporate Law

Topic	Reform	Action required
<b>General Meeting of Shareholders</b>	<ul style="list-style-type: none"><li>• Possibility of electronic invitations</li><li>• Meetings can be held virtually, at several venues or abroad</li><li>• Resolutions can be taken in electronic or written form</li></ul>	<a href="#">Amend articles of incorporation to use new possibilities</a>
<b>Capital and Capital Changes</b>	<ul style="list-style-type: none"><li>• Capital may be stated in foreign (functional) currency</li><li>• Nominal value of shares can be any amount higher than zero</li><li>• Introduction of a capital band with a validity of five years (+/- 50% of registered capital)</li></ul>	<a href="#">Consider new possibilities on increased flexibility of capital and changes thereto</a>
<b>Dividends</b>	<ul style="list-style-type: none"><li>• Interim dividend distributions explicitly allowed</li></ul>	<a href="#">Consider new possibilities and enhanced legal certainty</a>

## Corporate Governance

Topic	Reform	Action required
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Resolutions can be taken in electronic form</li> <li>Codified rules on dealing with conflict of interests</li> </ul>	Amend articles of incorporation and/or organizational regulations to use new possibilities
<b>Minority Rights</b>	<ul style="list-style-type: none"> <li>Thresholds for several minority rights are lowered, with different thresholds applying for public and private companies</li> </ul>	Amend articles of incorporation to reflect new thresholds
<b>Gender Equality in large listed Companies</b>	<ul style="list-style-type: none"> <li>Gender quotas of 30% in board of directors and 20% in executive management (comply or explain)</li> </ul>	If applicable, take measures to implement and/or disclose
<b>Transparency for Commodity Trading Companies</b>	<ul style="list-style-type: none"> <li>Obligation to publish contributions to governmental entities over CHF 100,000</li> </ul>	If applicable, publish contributions annually in separate report
<b>Independent Proxy</b>	<ul style="list-style-type: none"> <li>Independent proxy must keep instructions confidential (information on trends at the earliest 3 days prior to general meeting)</li> </ul>	Comply with confidentiality obligations and disclosure deadline

## Restructuring and Insolvency

Topic	Reform	Action required
<b>Insolvency – Liquidity Test</b>	<ul style="list-style-type: none"> <li>Explicit obligation of board to monitor the liquidity of the company and, in case of imminent illiquidity, to take measures to ensure liquidity.</li> </ul>	Monitor liquidity of the company and take measures, if required
<b>Over-indebtedness</b>	<ul style="list-style-type: none"> <li>In case of over-indebtedness, maximum duration of 90 days to implement remedy measures regarding over-indebtedness situation before the competent court must be notified.</li> </ul>	Bear time limits in mind and properly document measures implemented and assessment of economic situation

## Other Changes

Topic	Reform	Action required
<b>Executive Compensation (listed entities only)</b>	<ul style="list-style-type: none"> <li>Incorporation of the provisions contained in the Ordinance against Excessive Compensation, with certain minor changes, in particular on signing bonuses (only permitted in case they compensate a demonstrated financial disadvantage), post-contractual non-compete arrangements.</li> </ul>	Check compliance with new regulations governing executive compensation
<b>Liability and Shareholder Suits</b>	<ul style="list-style-type: none"> <li>General meeting may decide that the company must file lawsuits for a breach of duties against shareholders, directors, and managers (including their related persons)</li> </ul>	Bear new possibilities and pitfalls in mind, especially in dealing with related persons

## Your Contacts

### Marco Toni

Partner – Attorney at law

T +41 43 434 67 15

M +41 79 557 62 15

E marco.toni@loyensloeff.com



### Andreas Hinsen

Local Partner – Attorney at law

T +41 43 434 67 40

M +41 79 792 78 12

E andreas.hinsen@loyensloeff.com



### Jana Bieli

Associate – Attorney at law

T +41 43 434 67 27

M +41 79 838 93 85

E jana.bieli@loyensloeff.com



### Valérie Schräml

Associate – Attorney at law

T +41 43 434 67 29

M +41 79 243 13 18

E valerie.schraemli@loyensloeff.com



### Gilles Pitschen

Associate – Attorney at law

T +41 43 434 67 44

M +41 79 478 35 53

E gilles.pitschen@loyensloeff.com



### Giulia Campbell

Paralegal

T +41 43 434 67 30

E giulia.campbell@loyensloeff.com



### Nathalie Vainio

Junior Associate

T +41 43 434 67 57

E nathalie.vainio@loyensloeff.com



### Philipp Ruchti

Junior Associate

T +41 43 434 67 39

E philipp.ruchti@loyensloeff.com



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