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Newsflash - Corporate

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The consolidation of the Luxembourg company law

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CONTEXT

On October 10th 2017, the Council of State commented the draft Grand Ducal Regulation aimed at consolidating the Luxembourg law of August 10th 1915 on commercial companies, as amended from time to time (the **1915 Law**).

WHAT HAPPENED?

In the course of 2016, the Luxembourg Chamber of Deputy finally adopted the long awaited bill of law 5730, which modernized the 1915 Law and amended some provisions of the Luxembourg Civil Code as well as the law of December 19th 2002 on the register of commerce and companies and accountancy and annual accounts of companies. This took place by the law of August 10th 2016 (the **2016 Law**), that came into force on August 23rd 2016. A transitory period of twenty-four months is currently running.

CONSOLIDATION?

Considering the significant amendments of the 1915 Law that have taken place over one hundred years, it became of paramount importance to reorganize the 1915 Law for a harmonious and more comprehensive reading thereof.

GROUNDINGS?

The 2016 Law adopted a provision expressly granting the Grand Duke with the necessary power to consolidate the 1915 Law and more particularly to reconsider the entire numbering of the 1915 Law.

TODAY?

On October 10th 2017, the Council of State commented the draft Grand Ducal Regulation aiming at consolidating the 1915 Law (the **Draft GDR**).

AMENDMENTS?

The Draft GDR will reconsider the entire numbering and intend to adopt an index numbering (*numérotation indiciaire*) per opposition to the continuous numbering (*numérotation continue*) prevailing until today.

The Draft GDR will as well:

- (i) reorganize the structure of the 1915 Law, for instance, by regrouping the provisions regarding the private limited liability company (Sàrl) with the other forms of companies; and
- (ii) correct grammatical mistakes and typos.

For the sake of ease, the Council of State has suggested the preparation and publication of a concordance table between old and new article numbers.

IMPACT ON ARTICLES OF ASSOCIATION

Considering the significant work that is pending, we would strongly recommend avoiding referring, as much as possible, to specific articles of the 1915 Law in articles of association and related documents to avoid any possible confusion in the future.

Should you need any further information, please do not hesitate to contact us.



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