

## Virtual Shareholder Meetings for Republic of Marshall Islands Nonresident Domestic Corporations

In recognition of the COVID-19 global pandemic, the Registrar of Corporations for nonresident domestic corporations formed in the Republic of the Marshall Islands has adopted new regulations addressing the conduct of shareholder meetings by means of remote communications. The Marshall Islands Business Corporations Act is silent on this issue. Accordingly, unless otherwise prohibited by the corporation's articles of incorporation or bylaws, and upon authorization by the board of directors, the regulations officially sanction virtual shareholder meetings conducted in a manner consistent with the regulations. The regulations now provide a corporation's board with express authority to authorize the meeting of shareholders and proxyholders by means of remote communications. In addition, the board has authority to conduct a shareholders meeting solely by remote communications.

In order to take advantage of the new regulations that became effective on May 8, 2020:

- the corporation must implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder;
- the corporation must implement reasonable measures to provide such shareholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and
- a record of any shareholder or proxyholder vote or other action taken at the meeting by means of remote communication must be maintained by the corporation.

The adoption of these regulations does not expand the rights or authority of a board of directors to establish the manner, place or conduct of any shareholder meeting. Further, these regulations do not imply shareholder and proxyholder participation in any shareholder meeting by means of remote communications was previously prohibited, nor that any meeting previously held with the use of remote communications equipment is invalid. The new regulations shall remain in force until altered or repealed by the registrar.

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For additional assistance, please contact **Geoffrey D. Ferrer**, admitted to Republic of Marshall Islands bar, at (212)-908-1201 or **Anne E. Mickey** at (202) 463-2505.



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