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**ANNUAL CORPORATE PARTNERS MEETING**

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The annual meetings are the means by which the law obliges the Companies to provide its partners with the opportunity of analyzing the economical results of each fiscal year and approve or discuss them with other partners or administrators.

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Brazilian legislation determines that, annually, partners in corporate associations, like corporations<sup>1</sup> and limited liability companies<sup>2</sup>, as well as members of civil associations and organizations shall mandatorily meet in order to discuss and deliberate on the financial statements and economical results elaborated by the accountants over the last fiscal year in which the Administration exercised its duties on behalf of the companies and organizations in general.

This meeting shall occur every year within four months counted from the end of the last fiscal year<sup>3</sup>, which, most of the times, is the same as the civil year itself. In other words, these

meetings and, as a consequence, the approval of the administration's accounts, are usually made until April of each year.

The drafts of the minutes corresponding to these meetings shall be registered, in the case of companies or corporations, at the Board of Trade of their headquarters and, in the case of civil associations or organizations, at the pertinent Notary's Office where their articles of association have been duly registered.

Corporation's Law also requires the corporations to publish their meeting's minutes in a newspaper of general circulation and in the Official Daily Government Newspaper at the state where their headquarters are located.

Also, before holding such meeting and registering its minutes, the Corporation's Law also imposes the necessity to publish the financial statements in the same newspapers previously mentioned, then registering both the publications and the minutes at the Board of Trade.

At last, with regard to the corporations, it is important to mention the fact that there are exceptions made by the law, which dismisses the closely-held corporation counting with less than 20 shareholders and a net worth of less

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<sup>1</sup> Art. 176, Law 6.404/76: "At the end of each fiscal year, the board of officers will cause the elaboration, based on the company's mercantile bookkeeping, the following financial statements (...): I – balance sheet; II – profit or losses statements; III – fiscal year results statement; IV – cash flow statement; (...)"

<sup>2</sup> Art. 1.072, Law 10.406/02: "The quotaholders deliberations, obeying article 1.010, shall be taken in meetings, in accordance with whatever is disposed at the company's articles of association. It is the administrators' responsibility to summon the quotaholders, observed the text of the law".

<sup>3</sup> Art. 1.078, Law 10.406/02: "The quotaholders meeting must be held at least once a year, within the four months following the end of the fiscal year, with the objective of: I – deliberate on the administrators' accounts and the company's financial statements and balance sheet; II – elect or reelect administrators, whenever the case may be; (...)"

than R\$ 1.000.000,00 (approximately US\$ 400,000.00) from publishing their financial statements.

The law does not establish any kind of sanctions to those who do not timely comply with it. Nevertheless, third parties and minor partners may allege they have been damaged by the lack of the pertinent registries and of the opportunity to analyze the financial statements belonging to the company they take part in. Also, not complying with this obligation may cause the administrators to be civilly liable in reason of any damage caused to the company and to the partners due to the lack of the financial statements' approval and publishing whenever needed.

Given the aforementioned explanations, we inform that Almeida Advogados counts on a team of lawyers who are all experts in corporate law, being duly capacitated to elaborate the minutes of such meetings and analyze and attach the due documents to it, with the objective of registering it before the competent department, regularizing the company's situation under the terms of the law.