BMA ADVOGADOS

# CVM Resolution 204 and Remote Voting at the General Shareholders' Meetings of 2025

26.12.2024 3 min read


**Authors**

**Amanda Morais**


**Related areas**

Corporate and M&A

**Topics**

CVM Corporate and M&A BMA Review

On January 2nd, 2025, CVM Resolution 204, issued on June 4th, 2024, will come into force. The resolution amends CVM Resolutions 80 and 81, especially with respect to the rules related to remote voting by shareholders at shareholders' meetings through the Ballot. The changes introduced by CVM Resolution 204 are intended, among other purposes, to increase participation and the exercise of voting rights at shareholders' meetings, and thereby to promote greater shareholder engagement.

With the entry into force of CVM Resolution 204, **it will become mandatory to make the Ballots available for all shareholders' meetings, whether general or special, ordinary or extraordinary.** However, the Ballot requirement will be waived if the following conditions are met cumulatively: (i) the most recent annual general meeting was held timely; (ii) there was low use of the Ballot in previous meetings, representing less than 0.50% of the share capital; (iii) by the time the meeting was called, no shareholder requests have been made to include candidates or proposals in the Ballot; (iv) the meeting was called at least 30 days in advance, informing of the intention not to provide the Ballot, and the company has not received notice of any shareholder opposition; and (v) since the most recent annual general meeting, there has been no public offering of shares. Shareholders holding at least 0.50% of the share capital may oppose the waiver of the Ballot's disclosure up to 25 days prior to the meeting date, in which case the company must then provide the Ballot by at least 17 days prior to the meeting.

For (i) annual general meetings; (ii) extraordinary general meetings called to decide on the election of members to the fiscal council or board of directors (in the cases specified in CVM Resolution 81); (iii) extraordinary general meetings called to be held on the same date as the annual general meeting, the deadline for releasing the Ballots continues to be up to at least one month prior to the meeting date. For other meetings, the Ballots must be made available **up to 21 days before the date of the meeting in question.**

An important change introduced by CVM Resolution 204 is the express provision that requests made through the Ballots for the installation of the fiscal council or the adoption of multiple voting shall become ineffective if: in the first case, no candidates are proposed; and, in the second case, no candidates are proposed other than those proposed by the company's management or its controlling shareholder.

CVM Resolution 204 also changed deadlines set out in CVM Resolution 81 for certain relevant actions in the context of using Ballots, with the following key amendments: (i) the deadline for shareholders to submit Ballots to the company **has been reduced from 7 to 4 days** prior to the meeting date; (ii) the deadline for the custodian to send a voting map indicating the shareholders' voting instructions to the central securities depository where the shares are deposited for trading **has been reduced from 6 to 3 days** prior to the meeting date; and (iii) the deadline for the central securities depository to send the company a detailed voting map, compiling voting instructions and a synthetic map of the voting instructions, identifying approvals, rejections or abstentions for each matter being voted on, as well as the votes received for each candidate or per slate, has been **reduced from 5 days to 48 hours pr**ior to the meeting date.

In addition to the points highlighted above, other changes introduced by CVM Resolution 204 will also require special attention of the companies from January 2025 on. These include the compilation of voting instructions received from shareholders, the preparation and disclosure of detailed and synthetic maps of those instructions, the percentages of share capital that authorize shareholders to request the inclusion of proposals in the Ballot, as well as other operational or logistical aspects of the general meetings.

***>>> This content is part of BMA Review #85. Click here for more.***

› PROFESSIONALS

## Professionals who combine legal insight and market perspective

**Amanda Morais**