



Amendment of the “Ley de Sociedades de Capital”, regarding people linked to directors and intra-group transactions

The “Ley de Sociedades de Capital” (hereinafter, LSC) has been recently amended regarding, among others, article 231 concerning people related to directors, and article 231 bis which regulates conflict of interest situations in intra-group transactions.

About article 231 of the LSC, it clarifies that those companies in which the directors have shares in the share capital that gives them a significant influence, or hold a position, on the board of directors or in senior management, in them or in their parent company, are also considered people linked to the administrators. Significant influence means any participation or share, equal to or greater than 10% of the share capital, the voting rights or by virtue of which representation on the management body of the company has been obtained.

Regarding the new article 231 bis, it is established that the approval of the operations carried out by a company with its parent company or with other Group companies subject to conflict of interest, will be the responsibility of the Shareholders' Meeting, when it was expressly attributed to them, and, in any case, when the amount of the transaction is greater than 10% of the total assets of the company.

The approval of the rest of the operations described above, subject to conflict of interest, will correspond to the management body. However, if their votes are decisive for the approval, it will be up to the company or the affected administrators, prove that the adopted resolution is not contrary to the company's interests and that they employed due diligence and loyalty.

Furthermore, the approval of such operations may be delegated by the management body to delegated bodies or to members of senior management, provided that they are transactions entered into the ordinary course of business and must implement an internal procedure for the periodic evaluation of compliance.

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As an exception, operations with a Group company, subject to conflict of interests, shall not be considered as intra-group transactions, except when there is in them a partner or significant shareholder who is a person with whom the company could not carry out the transaction directly without applying the regime for intra-group transactions.

You can consult Law 5/2021, of 12th April at the following link: [Consult BOE](#)

