

Summary

TELEMATIC LEGALIZATION OF OFFICIAL BOOKS

On February 16th 2015 was published in the Official Gazette (BOE) the Instruction of February 12th of General Directorate of Registries and Notaries, about the legalization of official books in concordance with article 18 of the Law 14/2013 to support the entrepreneurs and internationalization.

The article 18 of the law 14/2013 establishes the obligation of telematic legalization of the official books in the Commercial Registry in concordance with the applicable laws, including in it the minute books of boards and other corporate bodies, or log books of members and registered shares, legalization to be done within four months from the date of the end of financial year. In most cases this legalization cannot be later than April 30th.

The published Instruction will unify different criteria in this issue and establishes the principles under which this legalization must be carried out. Moreover, it will strengthen legal certainty by exclusive and uniform procedural criteria for the legalization of official books of all kinds of entrepreneurs.

It is established a new method which could package in an archive the files that make up the legalization, providing simplicity, saving size and decreasing the telematic processing time, which is set in the published Instruction set.

The most important points of the Instruction

are described below:

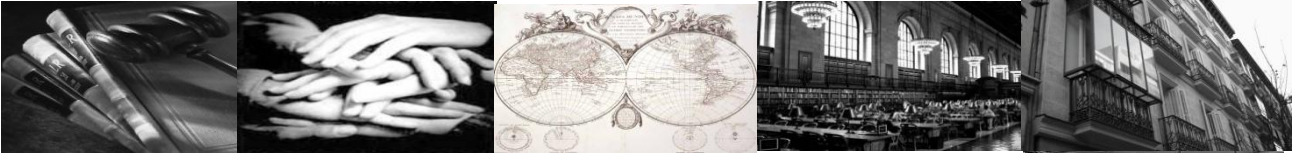
It is applicable to all obligatory books, whatever class, in relation to those books related with financial years open from September 29th 2013.

All obligatory books must be exclusively completed in electronic form.

The presentation of these books for their legalization in the Commercial Registry shall be in electronic means within four months from the date of closing of the financial year (generally no later than April 30th).

For those exercises beginning after September 29th 2013 books in paper will not be available, nor be possible the legalization of books in paper or electronic form of any kind which are not submitted electronically.

Paper Books already legalized may be used only for periods open before September 29th 2013. Once this financial year is closed, the obligated subjects shall proceed to close the books through the appropriate diligence in the first telematic delivery of the books, with the addition of a file that must include a certification of the administrative record to do so. If these books have been transcribed after the close of the financial year which it is said before (2013), with accounting records, contracts or any kind of records of a later period, these books must be also closed,



moving those records to the new electronic book.

- All minutes of board meetings of collective bodies of capital companies, including the decisions taken by the sole member, in relation to financial years beginning on or after September 29th 2013, shall be reflected in electronic form and must be presented by telematic means within four months from the close of the financial year.

- Each exercise the minutes of the previous exercise must be legalized. This book may be unique for the minutes of all collective bodies of the company, or may be a book for each of the bodies. It is mandatory to include in each book the opening and closing date of the financial year.

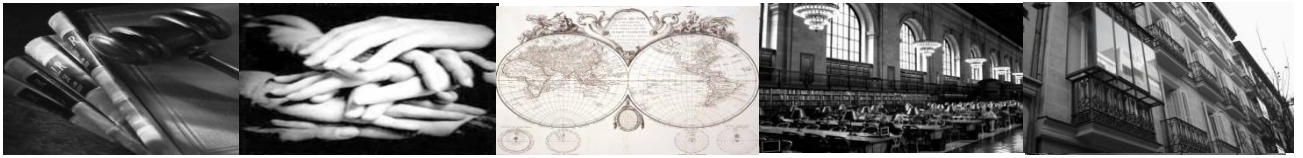
- The books of records of members or shares, which are already legalized in paper, may be used for legal transactions about shares, which are held prior to September 29th 2013. After that date it is mandatory the electronic format. If the Books are corrected, lost, stolen, destroyed and/or subtracted, the Instruction provides a specific Procedural.

- The Instruction provides the technical requirements to be met by the electronic form as well as the format and content of the files and their protection system.

- It is established a qualification procedure which will be done by the Commercial Register, as well as the negative effects about that qualification.

- Instruction includes those cases in which exceptionally are allowed the presentation through storage devices or even in paper and not telematic way.

Finally, take note that the above obligations are not limited to capital companies but also applies to joint ventures, joint property, associations of any kind, foundations or other physical and legal entity required to keep accountancy records or books accordingly to Commercial Code.



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