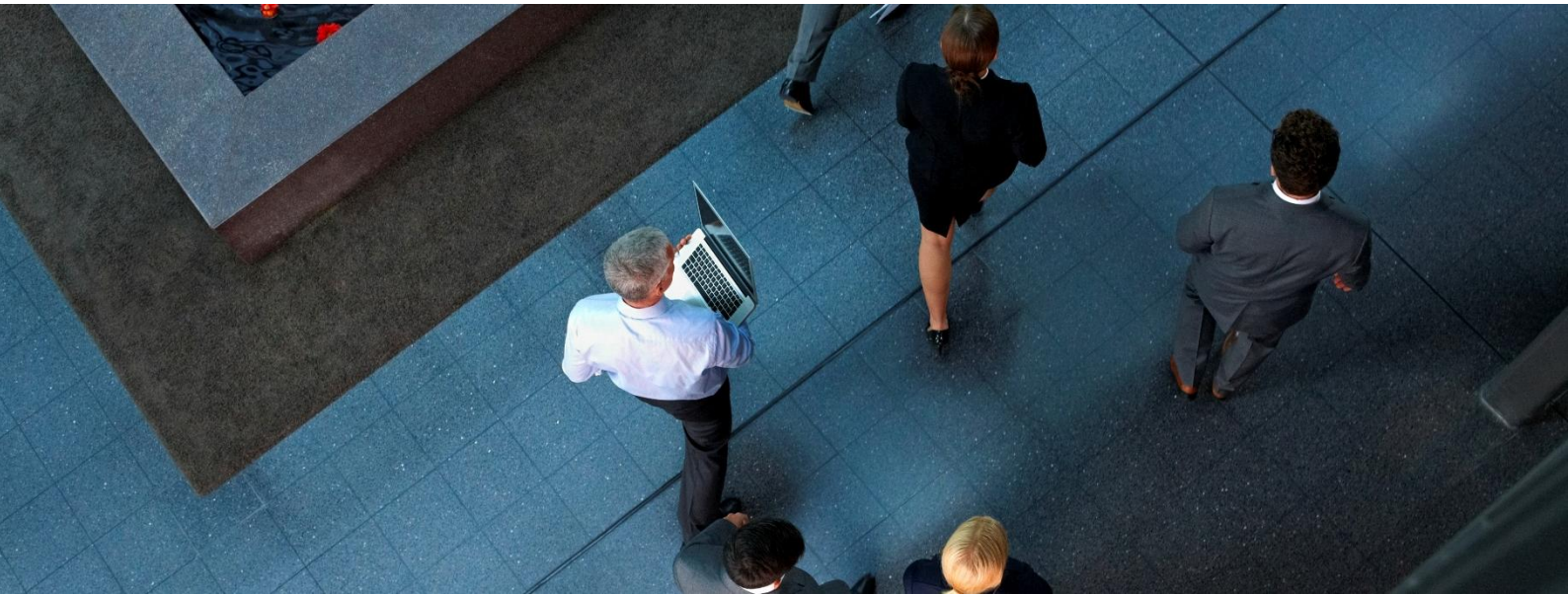




Newsletter

Companies affected by the earthquake: until August 19, 2027, to reorganize and raise capital under exceptional corporate rules

Temporary measures for corporate reorganization and recovery. Legislative Decree 1418 of September 17, 2026 temporarily relaxes several rules of the Commercial Code for companies whose principal place of business is in the municipalities covered by the economic emergency declared through Decree 1261 of 2026, provided they demonstrate that the August 10 earthquake directly affected their economic activity, assets, commercial establishment, income, employment, or operating capacity. Evidence of the impact must be submitted to the Chamber of Commerce, while the Ministry of Commerce, Industry and Tourism regulates the procedure.

What does this decree allow?

1. Short-form merger (Art. 10).

If your company owns more than **90%** of the capital of another corporation, limited liability company, or simplified joint-stock company, **it may absorb that company by decision of the boards of directors or legal representatives, without convening shareholders' meetings.** Until now, this route was available only when the absorbed company was a simplified joint-stock company (S.A.S.). Absent and dissenting shareholders retain their withdrawal rights, and third parties may challenge the merger in court.

2. Sale of significant assets (Art. 11).

The sale of assets, or of assets and liabilities as a block, representing **50%** or more of net equity **requires an extraordinary shareholders' meeting, with the matter expressly included on the agenda and financial support for the transaction.** Shareholders whose ownership interest loses value have withdrawal rights, and the merger rules apply, including creditors' right to oppose the transaction.

3. Capital reduction with return of contributions (Art. 12).

Companies that currently require prior authorization from the Superintendence of Companies to reduce capital by returning contributions are exempt from obtaining it. Instead, **the legal representative must certify that the company has no external liabilities,** that its assets after the reduction are at least twice those liabilities, or that the creditors have agreed in writing. If these requirements are not met, **the amendment is ineffective and will not be registered in the commercial registry.**

4. New classes of shares (Art. 13).

On a one-time basis, the company may create fixed-dividend shares and payment shares with the approval of **70%** of subscribed shares. If payment shares are used to satisfy employment obligations, each employee's written consent is required, **and such shares may never replace salary or minimum statutory employment benefits.**

5. Stock dividends (Art. 15).

With respect to profits for fiscal year 2026, and on a one-time basis, **the shareholders' meeting may pay dividends in shares, quotas, or ownership interests of the same company** with the approval of one-half plus one of the ownership interests represented at the meeting, unless otherwise agreed. The decision also binds absent and dissenting shareholders, who will have withdrawal rights.

6. Issuance without preemptive rights (Art. 16).

To attract new investors, **the shareholders' meeting may issue common shares without first offering them to existing shareholders,** with the approval of one-half plus one of the shares represented at the meeting, unless the bylaws require a higher majority. The price must be supported by a valuation performed by an independent third party, and **the proceeds must be used to replace assets, fund working capital, or restore operations.**

7. New companies (Art. 14).

Companies established in the affected area by impacted individuals or legal entities may freely set in their bylaws the percentages for subscription and payment of capital, with up to five years to pay for subscribed shares. [Currently, that term is limited to two years for a simplified joint-stock company \(S.A.S.\).](#)

Our recommendation: none of these measures applies unless the impact is demonstrated, and most expire on August 19, 2027. [If your company is located in the affected area, begin with that procedure and review its bylaws before convening a meeting:](#) for several of these decisions, higher majorities established in the bylaws prevail over those set by the decree.

Please note: Decree 1418 has the force of law because it was issued during the state of emergency and is therefore subject to automatic review by the Constitutional Court. If the Court declares the emergency declaration (Decree 1261 of 2026) or this decree unconstitutional, [the measures would cease to apply. Before carrying out a transaction, verify its status.](#)

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