

COVID-19: The French Government issues orders extending procedural deadlines and limitation periods and adapting proceedings before civil and commercial courts

26/03/2020

On Monday March 23, 2020, the French Parliament adopted an emergency law establishing a “health state of emergency,” declared for a period of two months from March 24, 2020 to May 24, 2020 (Emergency Law No. 2020-290 of March 23, 2020 to deal with the Covid-19 epidemic) (the “**Emergency Law**”). This initial period may be extended or shortened by law.

The Emergency Law empowers the Government to take general measures by order to combat the effects of Covid-19, as well as a number of specific measures to ensure the continued functioning of the economy and the State during the crisis.

In particular, the Emergency Law authorizes the Government to adapt procedural deadlines, limitation periods, and certain contractual deadlines during the health state of emergency, with retroactive effect to March 12, 2020.¹ The Government may also amend the rules governing administrative and judicial procedures for the duration of the crisis.²

These provisions are the subject of a series of 25 orders, adopted by the French Government on March 25, 2020 and officially published on March 26, 2020. These orders provide, *inter alia*, an extension of most procedural deadlines and certain contractual time limits, as well as measures aimed at facilitating legal proceedings during the health state of emergency.

This note addresses civil and commercial matters. There are special provisions on administrative, tax, customs, criminal, and labor matters.

If you have any questions concerning this memorandum, please reach out to your regular firm contact, the following authors or our [COVID-19 task force](#) directly by clicking here.

For more information, please consult the [COVID-19 Resource Center](#).

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¹ Article 11 specifies that these measures may not exceed a period of three months after the end of the health state of emergency.

² Art. 11.



- **Order No. 2020-306 of March 25, 2020 on the extension of deadlines expiring during the health state of emergency and on the adaptation of procedures during that same period**

1. Deadlines that expire during the covered period:

The order modifies some deadlines, identified below, which expire between March 12, 2020 and the end of the health state of emergency plus one month following that period (the “Covered Period”).

If the health state of emergency were to be maintained until May 24, 2020, as provided for in the Emergency Act, the Covered Period would therefore end on June 24, 2020.

Deadlines that expired before March 12, 2020 or that expire after the end of the Covered Period are unaffected.

2. Type of deadlines involved and impact:

- **Interruption of procedural deadlines and limitation periods:** acts, which are required by law or regulation to be performed before the expiry of the original time period or deadline are deemed valid if they are performed within the legal deadline to act starting at the end of the Covered Period and up to a two-month time limit.³

In practice, the starting point of the initial procedural deadline or limitation period is shifted to the end of the Covered Period and its duration remains unchanged unless it is longer than two months.

For example, if an appeal of a first instance judgment were to be filed at any time during the Covered Period, the time for filing an appeal being one month, it would have to be filed within one month of the end of the Covered Period (*i.e.* an appeal before July 24, 2020 if the end of the

health state of emergency were to be May 24, 2020, as currently provided for in the Emergency Law).

This provision applies to all deadlines in proceedings before courts in non-criminal matters⁴ as well as to statutory or regulatory limitation periods for payments “*prescribed for the acquisition or retention of a right.*”

- **Extension of certain measures ordered by administrative (such as the French competition authority or market authority) and jurisdictional authorities which expire during the Covered Period:** interim, investigative, conciliation or mediation measures, prohibition or suspension measures that have not been pronounced as a sanction, and authorizations, permits or approvals. These measures remain in force for a period of three months following the end of the health state of emergency (two months following the end of the Covered Period).⁵
- **In contractual matters:**
 - **Suspension of penalty payments (*astreintes*) and penalty clauses** that took effect before March 12, 2020 until the end of the Covered Period.⁶
 - **Penalty payments, penalty clauses, termination clauses, and forfeiture clauses**, when aimed at sanctioning the non-performance of an obligation within a given period of time that would have taken effect during the Covered Period, do not take effect until the end of a two-month period following the health state of emergency (one month following the end of the Covered Period).⁷
 - **Deadlines for terminating and withdrawing from contracts** are extended for a three-month period following the health state of emergency (two months following the end of the Covered Period).⁸

³ Art. 2.

⁴ Order No 2020-304 of 25 March 2020 adapting the rules applicable to the courts of the judicial order ruling in non-criminal matters and to contracts of co-ownership trustee, Art. 1.

⁵ Art. 3.

⁶ Art. 4.

⁷ Art. 4.

⁸ Art. 5.

! Caution with regard to contractual obligations: apart from the above-mentioned provisions, contractual obligations are not modified by the ordinance. In principle, performance of contractual obligations must always take place on the date specified in the contract except when provisions of statutory law supersede (*force majeure*, suspension of the statute of limitations due to frustration) if the legal conditions are met.

- **The ordinance does not apply to financial obligations and their guarantees within the meaning of Article L. 211-36 of the Monetary and Financial Code,**⁹ including financial obligations arising from transactions in financial instruments when one at least of the parties to the transaction is a public or regulated entity (credit institution, investment service provider, etc.), which notably includes financial futures and financial contracts, and those resulting from a contract between two public or regulated entities giving rise to a cash settlement or the delivery of financial instruments, which covers most interbank transactions.

- **Order No. 2020-304 of March 25, 2020 adapting the procedural rules applicable for non-criminal matters and matters related to property management and homeowner association contracts (*contrats de syndic de copropriété*)**

The order adapting the rules applicable to the judiciary ruling in non-criminal matters relaxes some of the procedural requirements during the Covered Period (*i.e.* during the full period of the health state of emergency plus one month).

The order provides for a number of measures aimed at ensuring the continued operations of the courts in civil, labor, and commercial matters, whose

operations were limited on March 16, 2020 to emergency cases:

- **Filter for applications for interim measures.** If an application for interim measures is inadmissible or unjustified, the judge may dismiss it by a non-adversarial order - *i.e.* without any debate between the parties.¹⁰
- **Rulings may be rendered by a single judge¹¹ and judges may hear the parties by videoconference,** or by any electronic or telephonic means, providing that the parties can be identified.¹²
- **Rulings may be rendered without a hearing, or with closed court hearings.** In proceedings involving lawyers (*i.e.* almost all proceedings), the judge may decide to rule without a hearing and parties would have 15 days in which to object, except in summary proceedings, expedited proceedings on the merits and proceedings in which the judge must rule within a specified time period.¹³ As regards hearings that are maintained, they may be subject to restricted publicity, or may be held in chambers (without an audience except for journalists).¹⁴
- **More flexibility for communications between the parties and with the courts.**
 - Communications by courts about the postponement of hearings which are not held during the Covered Period (until now all hearings have been canceled since March 16,

⁹ The order specifically excludes the financial and guaranteed obligations mentioned in Articles L. 211-36 of the French Monetary and Financial Code (Article 1, II, 4°).

¹⁰ Art. 7.

¹¹ Article 5: The provision concerns courts of first instance and appeal. The judge appointed must be a magistrate of the bench or a member of the bench at

the Commercial Court. For industrial tribunals, the hearing may be held by two counsellors - an employer and an employee.

¹² Art. 7.

¹³ Art. 8.

¹⁴ Art. 9.

2020)¹⁵ and court decisions¹⁶ may be done by any means, including by (i) electronic means when parties are represented, or (ii) ordinary letter, which will be the case, for example, when the first procedural hearing has not yet been held.

! Defendants still need to attend or be represented at hearings which are maintained. If they do not appear, a decision may be rendered by default.

- Exchange of briefs and exhibits between the parties may be done by any means, under the control of the court.¹⁷

— **Transfer of jurisdiction between courts.** Where a court is totally or partially unable to operate, the order gives the first president of the court of appeal, within the same jurisdiction, the opportunity to arrange for a transfer of jurisdiction to another court of the same nature to hear all or part of its cases.¹⁸

We will continue to keep you informed of these new developments as they occur and are available to answer any questions you may have.

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¹⁵ Art. 4: for court registries, concerning the postponement of hearings only when the parties “are assisted or represented by a lawyer or when they have consented to the receipt of documents on the “Portal of the litigant” of the Ministry of Justice in

accordance with Article 748-8 of the Code of Civil Procedure”.

¹⁶ Art. 10.

¹⁷ Art. 6.

¹⁸ Art. 3.