STUDY ON DIGITALISATION OF COMPANY LAW

By everis for the European Commission – DG Justice and Consumers
The information and views set out in this presentation are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this presentation. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.

© European Union, 2017

Prepared By everis Brussels and Company Law experts:
- Dr. Antigoni Alexandropoulou
- Enrica Senini
- Geert Somers
MEMBER STATES REPORT

1 GLOSSARY

1.1 BELGIUM 8
1.2 CYPRUS 22
1.3 CZECH REPUBLIC 41
1.4 DENMARK 59
1.5 ESTONIA 72
1.6 FINLAND 93
1.7 FRANCE 118
1.8 GERMANY 132
1.9 GREECE 158
1.10 HUNGARY 176
1.11 POLAND 192
1.12 PORTUGAL 206
1.13 SPAIN 225
1.14 UNITED KINGDOM 248
<table>
<thead>
<tr>
<th>Property</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release date</td>
<td>13.12.2017</td>
</tr>
<tr>
<td>Status:</td>
<td>Final</td>
</tr>
<tr>
<td>Version</td>
<td>3.2</td>
</tr>
<tr>
<td>Authors:</td>
<td>everis</td>
</tr>
<tr>
<td>Reviewed by:</td>
<td>DG – JUST</td>
</tr>
<tr>
<td>Approved by:</td>
<td></td>
</tr>
</tbody>
</table>
1 GLOSSARY

**Business registers** – central, commercial and companies’ registers established in all EU Member States in accordance with Directive 2009/101/EC.

**Company Law** – legislation that regulates the creation, registration or incorporation, operation, governance, and dissolution of companies.

**Digitalisation of Company Law** – changes in the Company law related procedures to move from paper-based processes where a physical presence before an authority is required, to end-to-end direct online ones;

**Registration** – procedures for the registration of companies with the national authority in charge (usually the business register).

**Filing** – procedures associated with the organisation and filing of company information and documents (e.g. instrument of constitution and any amendments to it, appointment, and termination of office and particulars of representatives, the amount of capital subscribed) by companies or their representatives with the national authority in charge (usually the business register).

**Dissolution** – procedures associated with the dissolution of a company, conducted by a national competent authority. Mergers, Acquisitions and Insolvency cases are outside of the scope of this study.

**Publication** – procedures associated with the publication of company documents (e.g. information on company’s organs, articles of association, and amendments to such documents) in the national official publications such as national gazettes.

**Online procedures and steps** – company law related procedures and/or steps of a process that can be fully (or partially) conducted online through web services made available to end-users (entrepreneurs or company owners).

**Direct online procedure**: This refers to an online procedure that can be done directly by the stakeholder, i.e. without the intervention of any other intermediary or authority.

**End-to-end online procedure**: An online procedure that can be fully conducted online end-to-end, i.e. there is no step in the process that needs to be done off-line and no need for physical presence before an authority.

**Mandatory online procedures** – company law related procedures and/or steps of a process that are mandatory to be conducted online in compliance with a Member State company law.

**Mandatory face-to-face procedures** – company law related procedures and/or steps of a process that require physical presence both from the public authority and the entrepreneur or company representatives in compliance with a Member State company law.
Optional online procedures – company law related procedures and/or steps of a process that can be conducted online according to the will of the entrepreneurs or company representatives but that are not imposed by the Member State company law.

Optional face-to-face procedures – company law related procedures and/or steps of a process that can be conducted face-to-face according to the will of the entrepreneurs or company representatives but that are not imposed by the Member State company law.
1.1 BELGIUM

Belgian company law is implemented by three central actors, notaries, the commercial courts (Rechtbanken van Koophandel / Tribunaux de Commerce) and the Crossroads Bank of Companies (Belgian Business Register). For ten years now, digital tools have been designed and implemented by the Belgian government, and company law has been deeply modernised and simplified, which reduced registration time, costs and administrative fees (e-depot online tool). However, Belgian company law still mandates that company owners – or company administrators – of companies incorporated with limited liability need to physically present themselves in front of notaries in order to obtain notarial deeds at any stage of the company life-cycle, from registration to voluntary dissolution, with the exception of the filing of the annual accounts.

One of the major advances towards the digitalisation of company law in Belgium is the effective online interconnection between notaries and the business register for the creation of companies where the intervention of notaries is mandatory. In this context, notaries have created a single secure gateway (www.e-notariat.be). This intranet, although only used by notaries, allows secure access the e-depot online tool with a direct access to the business register. Notaries can access their shared platform through an electronic certificate which enables them to directly access all other actors involved in short term procedure (one day).

Within the online registration procedure created by Belgian law, a one-time face-to-face procedure is mandatory for the identification of the founder when drawing up and signing the authentic act of constitution of the company (single procedure), to reduce the possibilities for identity theft and to verify the capacity (legal and otherwise) of the founder. Moreover, and while in principle Belgian company law mandates that company owners – or company administrators– need to physically present themselves in front of notaries in order to obtain notarial deeds at any stage of the company life-cycle, from registration to voluntary dissolution, with the exception of the filing of the annual accounts, the Company Code does open up the possibility to all companies incorporated with limited liability to include a procedure in the bylaws to organise their general meetings electronically, so that the shareholders can participate and vote from a distance, even for decisions that require a presence notarial deed.

The yearly filing of annual accounts can be conducted online by companies directly through the National Bank of Belgium website.

The following chapter details a step-by-step overview on registration, filing and voluntary dissolution, and offers a cost analysis and benefits, focused on the company owner perspective.
1.1.1 REGISTRATION OF COMPANIES

1.1.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Belgium. It explains who are the actors involved in each of the stages and which stages can be conducted online.

As the figure shows, almost all the processes have to be conducted face-to-face except the publication of registration which can be done online.

The Belgian authorities involved in the process of registration of companies are: the Belgian Business Register (KBO – Kruispuntbank van Ondernemingen / BCE – Banque-Carrefour des Entreprises) and the Commercial Courts (Rechtbanken van Koophandel / Tribunaux de Commerce). The first entity belongs to the Ministry of Economy and its main function is to make information available in various ways to public administration and the public. The latter one is managed by the Ministry of Justice and precedes the whole registration process (after a submission of all the necessary documents).
1.1.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details the step by step process that has to be conducted in order to register a new company in Belgium. The following table offers a description of each step, actors involved, their roles, whether or not each step can/must be conducted on-line, and the tools used.

<table>
<thead>
<tr>
<th>1. Verification of the identity of the founders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td><strong>Actors Involved</strong></td>
</tr>
<tr>
<td><strong>Online vs. Paper based</strong></td>
</tr>
<tr>
<td><strong>Platform</strong></td>
</tr>
<tr>
<td><strong>Storage</strong></td>
</tr>
<tr>
<td><strong>Required information</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Checking the availability/appropriateness of company name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td><strong>Actors Involved</strong></td>
</tr>
<tr>
<td><strong>Online vs. Paper based</strong></td>
</tr>
<tr>
<td><strong>Platform</strong></td>
</tr>
<tr>
<td><strong>Storage</strong></td>
</tr>
<tr>
<td><strong>Required information</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Confirmation of the share capital deposit fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
</tbody>
</table>
minimum share capital is €18,550. The stated capital must be fully subscribed upon formation and at least one-third of the minimum capital, namely €6,200, must be paid up on the day of the creation.

**Actors Involved**
- Bank
- Company founders

**Online vs. Paper based**
- Paper-based

**Platform**
- N/A

**Storage**
- N/A

**Required information**
- N/A

### 4. Drawing up, signing and certifying the documents required for creation

**Description**
Deposit a financial plan with the notary, sign the deed of incorporation and the by-laws in the presence of a notary, who authenticates the documents and registers the deed of incorporation. The authentic act (which includes the initial version of the by-laws) must be drawn up in French, Dutch or German, and must be signed by the parties involved or their representative. Notaries have access to the online e-depot system through www.e-notariat.be. All steps combined take less than one day. Face-to-face meeting with notary remains mandatory.

**Actors Involved**
- Company founders
- Notary

**Online vs. Paper based**
- Mandatory face-to-face

**Platform**
- ITP software for notaries

**Storage**
- Notarial virtual archive system

**Required information**
- The minimum information to incorporate or form a company in Belgium is mostly as follows:
  - The identification of the founders
  - The name of the company
  - The address of the registered office
  - The duration of the company, unless it is unlimited
  - The management structure
  - The share capital
  - The company purpose

### 5. Company registration (in Business register)

**Description**
The e-notariat system allows notaries to electronically file the authentic act through the e-depot online tool toward the various data banks (Crossroads Bank for Enterprises, Official Gazette, and clerk’s office). After the filing of the authentic act, the notary’s office will automatically register the company in the Commercial Courts. The company will be given a single identification number, the
The online legal procedure makes it possible for company founders to instantly address the guichets d'entreprises or ondernemingsloketten and subsequently to start up **economic** activities of the company.

It is important that all official corporate documents must be drawn up in the language of the region in which given company has its registered office or a centre of operation. For subsidiaries or branches established in Brussels, the documents can be submitted in Dutch, in French, or in both languages.

**Aactors Involved**
- Notary (legal creation and registration)
- Ondernemingsloketten (start of economic activities)

**Online vs. Paper based**
- Face to face before the notary
- E-depot system through notary : online
- Guichet d’entreprise : partially online

**Platform**
E-depot system through notary

**Storage**
Webservice (fully automated)

**Required information**
- Copy of the constitution documents (authentic act)
- Enterprise number which enables the economical start-up of the company

### 6. Publication of company registration

**Description**
This is a single continuous flow with the company registration from the previous step. Through electronic filing of the authentic act through the e-depot online tool, the notary ensures the publication of the registration in the annexes to the Moniteur Belge (Belgian Official Gazette) within 2 days.

This reflects in reduction of processing time and costs for publication of company registration in the Moniteur Belge.

**Actors Involved**
- Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts)
- Moniteur Belge / Belgisch Staatsblad (official national gazette)

**Online vs. Paper based**
Online

**Platform**
- E-depot system

**Storage**
Webservice

**Required information**
Extract of the constitution document (authentic act)
1.1.2 FILING OF COMPANY INFORMATION

1.1.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

In most cases of filing of company information, company founders need to attest the legitimacy of the changes at the notary and then it is the notary who will file it in the Business register.

As stated earlier, the Company Code gives the possibility to all companies to work out a procedure in the bylaws to organise their general meetings electronically, so that the shareholders can participate and vote from a distance, even for amendments that require a notarial deed. For those companies that choose to use such a system, the physical presence of the shareholders will no longer be required for the amendments to instruments of constitution or foundational statutes. However, at least one person still will need to be present physically to sign the deed.

The accounting documents can be submitted online to the Business register through a consolidated template.
1.1.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Belgium. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

### 7. Amendments to the instruments of constitution or statutes

<table>
<thead>
<tr>
<th>Description</th>
<th>Any amendment or change to the instruments of constitution or statutes – including changes of company name, address, subscribed capital increase or decrease, object of the company, directors or board members and disclosure of those – follows the same procedures. Following the type of change or company, the associates need to attest the legitimacy of the changes at the notary and then it is the notary who will file it in the Business Registers. For changes limited to certain economic aspects of the company, the associates have to address the ‘guichet d’entreprise’. Amendments to the Articles of Association must be filed with the local trade registry (register de commerce). The filing in the Business Register is encouraged to be made electronically although not mandatory. Face-to-face meeting with the notary is mandatory, although the notary will use an online procedure in any case. However, in some cases, shareholders will not need to hold a physical meeting to agree on the amendments.</th>
</tr>
</thead>
</table>
| Actors Involved | - Company founders  
- Rechtbanken van Koophandel / Tribunals de Commerce (Commercial Courts)  
- Notary |
| Online vs. Paper based | Mandatory face-to-face at the notary |
| Platform | E-depot system and ITP software for notaries |
| Storage | Webservice, Commercial courts |
| Required information | Articles of Association and their amendments |

### 8. Submission of annual accounts

| Description | Submission of annual accounts by the founders is done to the National Bank of Belgium. The annual accounts must be filed with the Central balance Sheet Office within seven months after the end of the financial year. To file annual accounts via the Internet, a valid digital certificate is required. The following entities may still file on paper:  
- A foreign partnership or a European Economic Interest Grouping established under international law.  
- An enterprise, whose turnover during the last accounting year, excluding value added tax, does not exceed the threshold of €500,000. If the last accounting year runs for |

---

14
more or less than twelve months, the above-mentioned threshold figure is calculated on a pro rata basis (i.e. multiplied by a fraction whose denominator is 12 and whose numerator is the number of months in the actual accounting year in question, where each month that has already started will be counted as a whole month).

- An association or foundation.

Within eleven working days since the acceptance date of filing of the documents, the National Bank of Belgium sends a notice of filing of the annual accounts, which counts as proof of filing and serves as an evidence for the relevant tax authorities.

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Founders</td>
</tr>
<tr>
<td>- National Bank of Belgium</td>
</tr>
</tbody>
</table>

### Online vs. Paper based

- Online or paper-based

### Platform


### Storage

- Pdf
- Web form

### Required information

Belgian eID (online procedure)

### 9. Company changes' publication

#### Description

When filing is finalised by the notaries through e-Depot, the Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts) publishes in the annexes of the Moniteur Belge (Belgian Official Gazette).

#### Actors Involved

- Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts)
- Moniteur Belge - Belgisch Staatsblad (official national gazette)

#### Online vs. Paper based

- Partially online

#### Platform

Moniteur Belge – Belgisch Staatsblad: http://www.ejustice.just.fgov.be/cgi/welcome.pl

#### Storage

- XML

#### Required information

- Extract of the amendments

1.1.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.1.3.1 Description of the process associated with the dissolution of companies
The following figure illustrates the different steps to conduct a voluntary dissolution process in Belgium, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

1.1.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

The filing and publication procedure for the dissolution of a company is still a paper-based procedure.

10. Filing of the dissolution agreement/resolution and other documents related to winding-up

| Description | The company needs to attest any change at the notary and then is the notary who will file the documents, including the dissolution agreement, to the Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts) via online procedures. |
### 11. Striking off the company

**Description**
After submission and verification of the documents filled the Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts) strikes off the company from the business registry.

**Actors Involved**
- Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts)

**Online vs. Paper based**
Paper based

**Platform**
N/A

**Storage**
Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts)

**Required information**
Copy of the dissolution agreement

### 12. Publication of a notice regarding liquidation

**Description**
Both the dissolution and act of liquidation must be published in the national gazette.

**Actors Involved**
- Rechtbanken van Koophandel / Tribunaux de Commerce (Commercial Courts)
- Moniteur Belge / Belgisch Staatsblad (official national gazette)

**Online vs. Paper based**
Online

**Platform**
Moniteur Belge / Belgisch Staatsblad: http://www.ejustice.just.fgov.be/cgi/welcome.pl

**Storage**
XML

**Required Information**
N/A
1.1.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies towards registration, filing and dissolution, and its evolution over time.

1.1.4.1 Main Trend Analysis
This section intends to highlight statistical data associated with the company law procedures in Belgium and to illustrate its major trends and evolution over time. The data presented below was retrieved from the contacted competent authorities in Belgium.

The following figure compares the online submission of documents to the different authorities via the notarial online tool to the traditional paper-based submission by notaries, from January 2014 to March 2016. Following the graphic below, there is a large increase from July-August of 2014 (38-40%) to February of 2015 (82%) on eDeposits. Additionally, from 2015 onwards, this trend keeps growing slightly over time till it reaches 91% on eDeposits on March of 2016.
1.1.5 COSTS AND SAVINGS ANALYSIS

1.1.5.1 Cost Analysis

### 1.1.5.1.1 Main costs (Administrative Fees)

Public Administrations of European Member States or whatsoever other entities holding responsibilities in company law processes generally work under a cost covering principle\(^1\). The table demonstrates different types of fees charged by the Belgian authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution).

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notarial fees</strong></td>
<td>Notarial fees need to be paid for the notary’s intellectual and administrative work when registering the company. Notary fees are around €120 + € 25 VAT.</td>
<td>€145</td>
<td>€145</td>
</tr>
<tr>
<td><strong>General administrative costs and taxes collected by the notary</strong></td>
<td>Administrative costs and taxes need to be paid to the notary when registering the company. These include a fixed registration duty of €50, a federal tax on written documents (€ 95 ) plus the notary fees around €1,000 and other various costs for access to authentic databases etc., that have to be collected by the notary and forwarded to the competent administrations, which makes a total amount about €1,263 (VAT included). This excludes the file and administrative costs of about €300 – 500.</td>
<td>€300 + 1,263</td>
<td>€500 + 1,263</td>
</tr>
<tr>
<td><strong>Business register registration fees</strong></td>
<td>Business register registration fees need to be paid when registering the company. The fee for registering a company is €82.5 for the main business entity and €82.5 for every additional business unit to be registered with the Crossroads Bank for Enterprises. Therefore there is a basic fee of €82.5 and other optional fees.</td>
<td>€82.5 - 165</td>
<td>€82.5 - 165</td>
</tr>
<tr>
<td><strong>Publication fees (Official National Gazette)</strong></td>
<td>Publication fees need to be paid in order that the Business Register could publish within 15 days the registration announcement in the annexes to the Moniteur Belge (Belgian Official Gazette).</td>
<td>€241.41</td>
<td>€265.47</td>
</tr>
<tr>
<td><strong>Notarial fees</strong></td>
<td>Notarial fees need to be paid for the notary’s intellectual and administrative work when filing changes of company information. Notary fees are around €120 + € 25 VAT.</td>
<td>€145</td>
<td>€145</td>
</tr>
<tr>
<td><strong>Annual accounts filing costs</strong></td>
<td>The annual accounts must be filed with the Central balance Sheet Office within seven months after the end of the financial year and costs related to this step depend on the kind of procedure used for filing in the documents, online or paper-based.</td>
<td>a) Pdf: - Full model: €482,37 - Abbreviated model: €155,67</td>
<td>By post: - Full model: €489,51 - Abbreviated model: €226,34</td>
</tr>
</tbody>
</table>

\(^1\) The cost-covering principle implies that the amount of administrative fees public administrations charge to companies are intended to cover the costs associated with the services provided.
<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publication costs</td>
<td>Registration fees are paid to the Business Register in order to publish the filing in the annexes of the Moniteur Belge (Belgian Official Gazette).</td>
<td>€155.73</td>
<td>€155.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>eID Reader (only to file annual accounts)</td>
<td>In order to log-in, one needs to be a holder of an eID plus an eID reader needs to be connected to the PC and a software to read it needs to be downloaded. The eID reader cost is paid only once in the life-cycle of a company.</td>
<td>EUR 20 (only once)</td>
<td>N/A</td>
</tr>
<tr>
<td>Voluntary Dissolution</td>
<td>Dissolution agreement costs</td>
<td>€89.92</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>The company needs to attest any change at the notary and then is the notary who will file the documents to the Business Register. Dissolution agreement costs must be paid for the preparation and filing of announcements. This step is only conducted electronically.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publication fees</td>
<td>In order to conclude a voluntary dissolution, company founders need to cover cost of publication in the Official National Gazette. This step is only conducted electronically.</td>
<td>€155.73</td>
<td>N/A</td>
</tr>
</tbody>
</table>

1.1.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS
The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure:

1.1.6.1 Main Challenges
Since 2004, big efforts have been made in Belgium towards digitalisation of registration procedures. Also, filing of amendments and dissolution procedures are currently being prepared for its digitalisation.

The limited face-to-face procedures are part of these online procedures in Belgium. In the view of the Belgian legislator such approach remains essential in any digitalized procedure in company law and cannot be altered as long as there is no full guarantee that ID theft can be made impossible in an online procedure.
In this context three main challenges were identified, both by Belgian companies and public authorities that needed to be faced in the context of the evolution from paper-based to online procedures for the registration of companies:

- **Simplify complex legislation into digital**: prior the conceptualisation and development of online tools for the registration of companies, an exercise of simplification of complex Belgian legislation needs to be performed.

- **Offer secure online tools**: as a major concern for any digitalisation of the public administration, online tools need to be secure, not only against attacks, but also in order to be trusted to be used.

- **Lacking skills**: to provide help and get users familiarised with the online tools and to convince both company founders and registrars to use the online tools.

1.1.6.2 Main Benefits
Digitalisation of company law in Belgium has changed fundamentally the way how companies register and communicate with the public authorities. The main benefits identified by Belgian authorities are as follows:

- **Reduction of time**: Belgian digitalisation of company law has shortened timing of company procedures, both to companies and to public authorities from weeks to few days or hours, depending on the phase of procedure.

- **Information management**: the introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.
1.2 CYPRUS

The main authority responsible for ensuring company law and managing company information in Cyprus is the Registrar of Companies and Official Register that can be defined as Cypriot Business Register. Today, most of the administrative procedures can be conducted either by physical presence or online by company founders. The online company law methods in Cyprus are supported by the eFiling platform, and although the figure of Cypriot Legal representative is required for certifying company documentation such as articles of association, such certification can be performed through electronic methods. The legal representative, needs to be a lawyer/advocate registered at the Cyprus Bar Association; although not mandatory legal representatives also have direct access to the eFiling platform if entitled to, and can act on behalf of companies.

Although the traditional paper-based notifications methods are still maintained, company law processes may take a little longer. Online methods are considered by Cypriot administrations as accelerated procedures and company representatives may be requested to pay higher administrative fees, mainly the application of company name. Also, in order to support company founders to use online tools and make easier for them to register, a one-stop-shop service (OSS) can be contacted or visited²; however, any procedure conducted through the OSS is considered and charged as an accelerated procedure.

Regarding the evolution of companies’ registration between years 2000 – 2016, the number of registered companies in Cyprus evolved, reaching 2.5 times more than 15 years ago and it is expected to reach 3 times more by the end of 2016.

The information on the official website of the Registrar of Companies and Official Register is provided in Greek, English and partially in Turkish.

1.2.1 REGISTRATION OF COMPANIES

1.2.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Cyprus. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

The main actor involved in the company registration process in Cyprus is the Department of Registrar of Companies and Official Receiver which is ruled by the Ministry of Energy, Trade and Tourism.

In this sense, the Registrar of Companies and Official Receiver acts as National Business Register in Cyprus and is responsible for the managing and maintaining of all the information regarding businesses and companies.

To launch the company registration process, founders need to conduct two actions in parallel: apply for a valid company name, and submit to the Registrar of Companies and Official Receiver all needed documentation to register a company, taking into consideration that the documents required for registration, including the articles of association, must be certified by a legal representative,
registered in the Cyprus Bar Association, and that such participation can be conducted using online methods.

Still online methods using the eFiling platform are considered as accelerated procedures and the time it requires to be completed differs; online procedures can take up to 3 working ways, whether paper-based procedures can last 1 month.

1.2.1.2 Step-by-step analysis of the process associated with the registration of companies

This part offers a detailed description of all the essential steps to be conducted in order to register a company. For each step, the respective table illustrates the actors involved and their obligations; the method under which the step is realized (online, traditional paper-based, or both); the specific platform used; the way the information is managed; and the information/documents needed.

---

1. Verification of the identity of the founders

<table>
<thead>
<tr>
<th>Description</th>
<th>The validation of the founders’ identity is performed by the Registrar of Companies and Official Receiver through Bank identification Codes.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In case the application is conducted by physical presence, the information is kept both in a paper-based copy in the department stores and electronically in the electronic company file. If the application is submitted online via the portal, the information is kept electronically only.</td>
</tr>
<tr>
<td></td>
<td>This step can be conducted by physical presence or via the official portal of the Registrar of Companies and Official Receiver and also via the One Stop Shop.</td>
</tr>
</tbody>
</table>
| Actors Involved | - Company founders  
- eFiling System  
- Registrar of Companies and Official Receiver |
| Online vs. Paper based | Online or paper-based |
| Platform | eFiling System |
| Storage | - Web forms  
- Digital documents  
- Hard copy |
| Required information | Bank Identification Codes |

---

2. Checking the availability/appropriateness of company name

| Description | The company name must be officially approved by the Registrar of Companies. When applying to the Registrar for the approval of a name, it is recommended that two or three possible names ending with the word "limited" are submitted as this may avoid unnecessary delays. The name |
approval is examined within one month or one to two working days under accelerated procedure. The results of the name examination of the applications submitted are provided online.

The company found should first go to the website of the Registrar where he can check whether or not the company name already belongs to another company. Then a name application form needs to be filled, available at the websites of both the Registrar and the Point of Single Contact.

This form must be submitted to the Registrar or the OSS by hand or via the portal of the Registrar together with payment of the relevant fees, although online submission is possible if the applicant maintains an account with the Registrar containing a minimum credit balance of €800.00. The payment fees are the same in all cases. Once submission and payment is effected, the applicant can follow the status of his application from the Registrar's website and obtain the result of his application online.

### Actors Involved
- Company founders
- eFiling System
- Registrar of Companies and Official Receiver

### Online vs. Paper based
- Online or paper-based

### Platform
- eFiling System

### Storage
- Web forms
- Digital documents
- Hard copy

### Required information
- Intended name

### 3. Confirmation of the share capital deposit fee

The necessary bank account for the deposit of the corporation's share capital must be opened by company founders and then, the deposit must be communicated to the Registrar of Companies and Official Receiver.

When the incorporation is carried out electronically then based on the share capital to be declared: 1) if the currency is in Euro then the system automatically calculates the payment fees; 2) If the currency is not in Euro, then the payment fees is calculated and recorded by the applicant based on the international exchange rate.

The distribution of the capital to the shareholders is presented in memorandum of association.

This step can either be conducted online or paper-based. The online method is still only available in Greek.

### Actors Involved
- Company founders
- Bank entity
- eFiling System
- Registrar of Company and Official Receiver

### Online vs. Paper based
- Online or paper-based

### Platform
- eFiling System
4. Drawing up, signing and certifying the documents required for registration

After securing the name approval, the required registration documents should be submitted, in respect to the legal form of the entity/business.

A name approval is valid for six (6) months. If during this period of time (six months from the date of the name approval) a company (business name, partnership etc.) is not registered, the name approval has to be renewed by following the same procedure.

The formation of the limited liability company is reported to the Registrar of Companies and official receiver (via the eFiling System or at the Registration office). The necessary forms are available in Greek.

Once the company is established and its creation notified, all this information is stored both electronically in the Registration's office database and in hard copy at the Registration Office.

Important remarks:

Notably, there is no minimum capital in registering a company. Also, take into consideration that using paper-based methods, company registration is completed within approximately one month, whereas using online methods or accelerated procedures, the registration can be completed in three working days from the date that the application was duly submitted.

Required information

1. Declaration form (ΗΕ1 See in Appendix form 2, an affidavit (sworn) statement of the lawyer and signature from the Registrar of the District Court);
2. Declaration Form concerning the registered office address (HE2 Appendix form 3);
3. Form containing Details regarding the directors and secretary (HE3 Appendix form4);
4. List of persons who consent to act as directors of the public company (HE5, in case of a public company);
5. Original Memorandum and Articles of Association (by law must be written by an approved/registered lawyer); The Registrar of Companies has no standard form for the Memorandum and Articles of association. The Companies Law provides a general template applicable for any kind of activities. It is a statutory requirement to have lawyers prepare the Memorandum and Articles of Association, who must also sign the relevant declaration.
6. One Stop Shop Application Cover for Legal Entities Registration (applicable for submission to One Stop Shop);
7. Fee of €105,00, plus 0.6% subscription tax on nominal capital, plus €60,00 for filing the accompanied documents, plus an optional €100,00 for accelerated procedure (payable in cash, check or via bank transfer). Please note that One Stop Shop accepts only applications with acceleration fees and the One Stop Shop Application Cover for Legal Entities Registration is to accompany the above-mentioned application.

The Memorandum must state, among other things, the following:

1. The name of the company with “Limited” as the last word.
2. The situation of the registered office.
3. The objects of the company, which it is advisable that they should be as wide as possible so as to enable the company to engage in any kind of business or activity, without this being “ultra vires” (beyond the powers of) the company and, therefore voided.
4. A statement that the liability of the members is limited by shares or by guarantee, when applicable.
5. The amount of the share capital and details of the shares authorized to be issued, and
6. The subscribers to the memorandum together with the number of shares for which they have subscribed. A list of the directors and the secretary's name and details must be specified. A minimum of one director is required, but there is no maximum.

5. Company registration

A process is set in motion, which in the absence of any problems results in the issuance of the Registration certificate.

More precisely, as a first step of the procedure, a desk officer at the Registrar uses the four paper forms submitted to enter the data contained in an electronic system. In case of online submission, the necessary control is done via the eFiling System and the company founders pay to the Registrar fees by credit card. Then, an examiner will examine the data to ensure accuracy and completeness. If errors or omissions are detected, then the application cannot proceed until all shortcomings are addressed. If the application successfully passes the above step, the company is issued a Certificate of Incorporation which indicates the Company name, Registration Number and date of incorporation, thus bringing the company into existence as a legal entity.

Afterwards, the Registrar prepares the company dossier, containing at least the Registration Certificate (documents relating to Memorandum & Articles ownership, directorship, secretary, registered office). Optionally (and at an extra fees), the company dossier also contain any number of certified copies of some or all of these documents, or the Registration Certificate in English. Subsequently, the Registrar delivers the certificates to the applicant or places the certificates in the lawyers’ or service provider’s tray kept at the Registrar, or sends them to a physical address, depending on the applicant's preference. The lawyer or service provider will then arrange with his client the sending of the dossier (together with anything additional that the latter may request, i.e., certified English translation of certain documents) to the client and the payment of any remaining sums due to the lawyer or service provider for his services.

In order to proceed with the registration and the Issue of Certified Copies for the Company, company founders have to submit the above mentioned documents and forms. Besides this, company founders will also have to pay a handling fee and to prove such payment by providing a receipt. The handling fee value is the same in all cases. After that, each company's file is available for public inspection at the office of The Registrar of Companies (details of directors, company secretary, registered office, charges, shareholders annual returns - required to be submitted once a year accompanied by the financial statements - Memorandum & Articles of Incorporation etc.)

Upon completion of the registration, the "Certificate of Incorporation" is issued. Upon request, and payment of the amount of €220.00, the following certificates and/or certified copies can be issued:

(1) A certificate of the Shareholders;
(2) A certificate of the Directors and Secretaries;
(3) A certificate of the Registered Office;
(4) A certified true copy of the Memorandum and Articles of Association;
(5) A certified copy of the Certificate of Incorporation.

### Actors Involved
- Company founders
- eFiling System
- Registrar of Companies and official Receiver

### Online vs. Paper based
Online or paper-based

### Platform
eFiling System

### Storage
- Web forms
- Digital documents
- Hard copy

### Required information
- All documents described in the above process
- Proof of deposit of corporation’s share capital (as described in above process)
- Receipt proofing the payment of handling fee

### 6. Publication of company registration

**Description**
The publication of a notice of incorporation of the company is the duty of the Registrar of Companies and Official Receiver. Moreover, the notice of incorporation is also published in the online Cyprus Government Gazette. Once such notification is issued, the information on this publication is stored online in the eFiling System.

This is an internal step performed by the Registry Office. It is performed electronically only.

### Actors Involved
- Registrar of Companies and Official Receiver

### Online vs. Paper based
Online

### Platform
eFiling System

### Storage
- Web forms
- Digital documents

### Required information
N/A

### 1.2.2 FILING OF COMPANY INFORMATION

#### 1.2.2.1 Description of the process associated with the filing of company information
The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

Businesses have to notify the Registrar of Companies and the Official Receiver or the One Stop Shop of any changes in their registered details. Limited Liability Companies must submit their financial statements (annual accounts) to the register. Notifications can be filed using both paper-based and electronic notification forms. The financial statements should be enclosed for each year separately and paid accordingly if they are timely or late. For private liability companies annual accounts are submitted electronically for the years 2014 onwards. However, for all the public liability companies of companies (e.g.: public) annual accounts should be presented in hard copy at the Registrar Department.

Notifications must be signed by a person who is liable to file the notification, or by an authorised representative (e.g. in the case of limited liability companies the notification is signed by a member of the board of directors, or, if changes are filed, by a member of the board of directors or the managing director). If an authorised person signs the paper notification, the original power of attorney or a certified copy of the power of attorney must be enclosed.
The Registry of companies is a public register, hence all submitted notifications, together with accompanying documents, can be publically accessed.

1.2.2.2 Step-by-step analysis of the process associated with the filing of company information

This section illustrates the most common type of changes to the instruments of constitution or foundational statutes of a company (e.g.: change in Business Name details; Change in the kind of work; change of a company address; increase/decrease or amount of capital subscribed) and the way the implementation of such changes should be conducted by company directors. This section also offers a description of all the necessary steps to be conducted by company directors in order to file company's annual accounts and/or financial statements.

7. Submission of annual accounts

According to the Article 121 (1) of the Companies Act, the annual report copies of all the documents presented to the company in general meetings in accordance with Article 152 (1) of the Law, should be enclosed in the closing documents for each financial year. Thus, public limited companies must submit once a year their financial statements (Annual accounts/company books) for publication by the Registrar of Companies and Official Receiver. The annual documents have to be submitted via traditional paper-based notifications to the Registrar’s Office. In case of private limited liability companies, submission of financial statements can be accomplished electronically since 2014.

The filing of accounting documents for each financial year / update of company books financial statements is completed upon the payment of a fee.

When financial statements are submitted, the Registrar of Companies and Official Receiver carries out a series of formalities-checks before registration. Contents of the documents are not checked, as they are filed when registered. The registration is added to the business’ Trade Register entries, and the documents become publicly available in PDF format.

The purpose of the registration of financial statements is making the information public. Anyone can order or view such documents through several services.

This step is conducted only by physical presence for public limited liability companies or electronically for private limited liability companies. However, the company founder may ask for a different submission but this depends on the Registrar of companies and Official Receiver.

**A.ctors Involved**
- Company Directors
- Registrar of Companies and Official Receiver

**Online vs. Paper based**
Online or paper-based

**Platform**
Registrar’s department Storage in case of Public companies/ eFiling System in case of Private companies

**Storage**
- Hard copy
- Digital Documents
### 8. Amendments to the instruments of constitution or statutes and respective certification

| Description | When a person with a responsible position in a business wants to report changes in business details, he/she must submit a notification of the change:  
- By using paper notification forms to the Registrar of Companies and Official Receiver.  
- By using paper notification to the One Stop Shop.  
The application procedure cannot be conducted online but by a physical presence. However, an application form can be downloaded through the website.  
After fulfilling the application form, the payment should be issued and an invoice is created. Then, the applicant receives the document with the changes and checks for any inconsistencies. In case one identifies an error in the information, he or she informs the responsible employee to perform all the necessary corrections.  
This step can either be conducted online or paper-based. The online method is still only available in Greek. |
|---|---|
| Actors Involved | - Company directors  
- eFiling System |
| Online vs. Paper based | Online or paper-based |
| Platform | N/A |
| Storage | - Web forms  
- Digital Documents |

**Paper Notification Forms:**  
When applying for a change there is a specific form that must be filled in: Form EE2 (See Appendix Form 6): This form must be filled in Greek.

**Deadlines:**  
After a change has taken place one should notify the Registrar of Companies and Official Receiver, within 7 days.

**Required information:**  
The following enclosures (documents) should be submitted with online notifications or with paper notification forms:  
- The decision which the amendment is based on (e.g. general meeting’s decision to change the articles of association or to appoint a board of directors, or a decision of the board of directors to appoint a chairperson).  
- The receipt for the handling fee if the notification is filed on paper.
The registration is added to the Registrar of the companies and Official Receiver entries and the documents become publicly available in a pdf format. Once the change is effective, the information will be updated electronically on the website of the Registrar of Companies and Official Receiver. This is an internal step performed by the Registrar Office. It is performed electronically only.

**Actors Involved**
Registrar of Companies and Official Receiver.

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Online</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
<th>eFiling System</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
<th>Web forms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Digital documents</td>
</tr>
</tbody>
</table>

**Required information**
N/A

### 1.2.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.2.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Cyprus, which are filing of the dissolution agreement, striking off the company and publication of winding-up.
The dissolution of a company and termination of business has to be reported to the Registrar of Companies and Official Receiver. As soon as the company is deleted from the Trade Register, the protection of registered company names is no longer in force.

A limited liability company when closed voluntarily, i.e. dissolved, goes into liquidation by decision of the General Meeting.

1.2.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company representatives and/or shareholders.
10. Filing of the dissolution agreement/resolution and other documents related to winding-up

As introduced, the dissolution of a company and termination of business has to be reported to the Registrar of Companies and Official Receiver.

The procedure for a simple Members’ Voluntary Liquidation costs €4,165 (i.e. €3,500 + 19% VAT) and takes approximately one year for the liquidation to be completed.

In most cases, the procedures to be conducted by the Registrar of Companies and Official Receiver in order to proceed with the liquidation of a company are as follows:

1. Notification of liquidation and liquidators
2. Application for public summons
3. Notification of dissolution
4. Notification of final accounts

The procedure is as follows:

Voluntary winding up is initiated provided the members pass on a resolution.

Upon concluding and mutually agreeing that it would be in their best interests to cease the existence of the Company, its directors convene a General Meeting with the purpose of passing a resolution so as to place the Company into voluntary liquidation. The Company may vote for liquidation by an ordinary resolution provided its Articles of Association encompass a fixed period as regards the Company’s lifetime or specify that it may be wound up in a certain event.

The members of the Company appoint the liquidator and the creditors have no say in his appointment. Such voluntary liquidation commences if the Company is able to settle all its incurred debts within a year and provided that the directors covenant by way of declaration to that effect before the passing of the resolution. (s.266 Companies Law, Cap 113).

The accountants need to prepare financial statements as close as possible to the liquidation date and the directors should prepare and sign a statement of solvency. The statement of solvency is a declaration to the effect that the company can pay all its debts. A fundamental aspect of the voluntary liquidation by shareholders is the fact that the company is in a position to pay all its debts. If at any stage it appears that this is not possible then a voluntary liquidation by shareholders is by operation of law transformed to a voluntary liquidation by the creditors. This means that the creditors come into the picture as well. If the company adopts a resolution for voluntary winding up, it should deliver to the Registrar of Companies a copy of the resolution, within fifteen (15) days of adoption of the resolution. Then, the statement of solvency must be made within five weeks immediately preceding the passing of the resolution for winding up the company and is delivered to the Registrar of Companies for registration before that date. The directors must prepare a statement of the company’s assets and liabilities as at the latest practicable date before the making of the declaration, showing values at the statement date amounts estimated to realize. The statement of assets and liabilities must be embodied in the declaration of solvency made by the directors of the company.

The financial statements and a statement of the company’s assets and liabilities must be presented to the Registrar of the Court for stamping and signing and the relevant fees should be paid. Proceeding, the secretary of the company must prepare a special resolution of an extraordinary general meeting, resolving that the company be wound up voluntarily and appointing liquidator. Afterwards, the secretary or the lawyers of the company shall complete and file form H41 (appointment of a liquidator See Appendix for) with the Registrar of Companies. The liquidator must also notify the Commissioner of Income Tax enclosing copy of the publication of his appointment. It is imperative that a company that goes under voluntary liquidation must have settled all its tax liabilities. The liquidator then calls for a final meeting where he presents a winding up statement, providing details to shareholders as to how the property and assets of the company were disposed of and creditors settled.
Upon liquidation, the assets of the Company will be distributed in the following order:
- The overall costs of liquidation;
- The Preferential debts (every local and government tax due, any unpaid wages and social security contributions due);
- The secured creditors;
- The unsecured ordinary creditors; and
- The deferred debts.
Any surplus will be distributed among the members according to their rights. (s.300 Companies Law, Cap 113)

**Actors Involved**
- Company directors and/or shareholders
- The liquidator or authorised representative (in the case of applying for a public summons)
- eFiling System

**Online vs. Paper based**
Online or paper-based

**Platform**
eFiling System

**Storage**
- Web forms
- Digital documents
- Hard copy

**Required information**
- Resolution of the shareholders: €20.
- Application for public summons: €80.

### 11. Striking off the company

**Description**
As described in the previous step, the dissolution of a company and termination of business has to be reported to the Registrar of Companies and Official Receiver. Once the four procedures described in the previous step are conducted, the Registrar’s Department can effectively proceed with the company strike off.

After the company strike off, all information is stored both electronically and in hard copy in the Registrar’s Department Storage.

**Actors Involved**
eFiling System

**Online vs. Paper based**
Online or paper-based

**Platform**
eFiling System

**Storage**
- Web forms
- Digital documents
- Hard copy
### 12. Publication of winding-up

**Description**

After the Final Assembly of Shareholders in accordance with Article 273 of the Companies Law, Chapter 113, the company’s dissolution should be published at least one month prior to the meeting, in the Official Gazette of the Cypriot Republic.

The liquidator must, within fourteen days after his appointment, publish in the Cyprus Government Gazette and deliver to the Registrar of Companies for registration a notice of his appointment. The company dissolutions are published in the first part of the Fifth Annex of the Official Gazette of the Republic.

After a company’s dissolution, all information is stored electronically and in hard copy in Registrar’s Department.

**Akers Involved**

- Registrar of Companies and Official Receiver

**Online vs. Paper based**

- Online or paper-based

**Platform**

- eFiling System

**Storage**

- Web forms
- Digital documents
- Hard copy

**Required information**

N/A

### 1.2.4 COMPANY PROCEDURES - OVERALL TRENDS

The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

#### 1.2.4.1 Main Trends Analysis

This section intends to highlight the statistical data associated with company law procedures in Cyprus and to illustrate major trends and evolution over time. The data presented below were retrieved from the contacted competent authorities in Cyprus.³

As the next figure shows, it is possible to see how the number of companies evolved during the last years, reaching 2.5 times more than 15 years ago and it is expected to reach 3 times more by the end of 2016.

---

³ Source:
The next figure shows the evolution of new registrations and applications for name approval, which follow the same trend due to both of them are required in the registration process, although the applications for name approval is higher than new registrations which is consequence of the rate of name approval.

*Figure 1 Evolution of registered companies and certified copies, Cyprus, 2000-2016*

*Figure 2 Evolution of new registrations and applications for name approval, Cyprus, 2000-2016*
It is possible to appreciate on the figure below the differences between searches, annual returns and filing of other documents with some peaks and large increases the recent days, although it is expected to decrease during the current year according to the information gathered till 31/08/2016.

![Figure 3 Evolution of searches, annual returns/reports, and filing of other documents, Cyprus, 2000-2016](image)

**1.2.5 COSTS AND SAVINGS ANALYSIS**

**1.2.5.1 Cost Analysis**

**1.2.5.1.1 Main costs (Administrative Fees)**

Public Administrations of European Member States or whatsoever other entities holding responsibilities in company law processes generally work under a cost covering principle. This means that the amount of administrative fees charged to company representatives are intended to cover the costs associated with the services provided. In the table below, it is possible to see the different types of fees charged by the Cypriot authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution).

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>Application for Name Approval</td>
<td>€30</td>
<td>€10</td>
</tr>
<tr>
<td></td>
<td>The fee for the Application for Name Approval needs to be submitted prior to the submission for registration. Online applications are considered as accelerated procedures and the fee is higher.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>Fee of €105,00, plus 0,6% subscription tax on nominal capital, plus €60,00 for filing the accompanied documents, plus an optional €100,00 for accelerated procedure (payable in cash, check or via bank transfer).</td>
<td>€165 - 265</td>
<td>€165 - 265</td>
</tr>
</tbody>
</table>
| Certificates / Certified copies | Upon request, and payment of the amount of €220.00, the following certificates and/or certified copies can be issued:  
- A certificate of the Shareholders.  
- A certificate of the Directors and Secretaries.  
- A certificate of the Registered Office.  
- A certified true copy of the Memorandum and Articles of Association.  
- A certified copy of the Certificate of Incorporation. | €220                  | €220                           |
| Annual accounts filing fees | Filing of financial statements costs €350.00 and is paid to the Registrar of Companies and Official Receiver or paid electronically in case of private limited liability companies | €350                  | €350                           |
| Amendments filing fees   | Handling fees are €40.00, when the procedure’s duration is between 2-3 weeks. In case one chooses an accelerated procedure, the fee is €60.00.                                                                 | €40 - 60              | €40 - 60                       |
| Voluntary Dissolution    | The procedure for a simple Members’ Voluntary Liquidation costs €4,165 (i.e. €3,500 + 19% VAT), where:  
- Resolution of the shareholders: €20.  
- Application for public summons: €80. | €4,165                | €4,165                          |

### 1.2.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

#### 1.2.6.1 Main Challenges

The main challenges identified:

- **Simplify complex legislation into digital**: Prior the conceptualisation and development of online tools for the registration of companies, an exercise of simplification of complex legislation needs to be performed.
Lacking skills: In the case of Cypriot company law, users to become familiarised with company law online tools are entrepreneurs and company owners and representatives, and registers.

Cross-border digitalisation: The major challenges have been identified and need to be tackled in order to develop online tools/languages/standard procedures for registration that can be used in a cross-border context. In Cyprus, the online registration company method is still only available in Greek, which implies an obstacle for creating a company.

Reduction of time: Cypriot digitalisation of company law has not significantly shorten timing of company procedures, therefore it is a challenge to face in order to improve this processes.

Reduction of costs: In Cyprus, the dissolution costs are too high even when the process is done through an e-Filing System.

1.2.6.2 Main Benefits

Digitalisation of company law in Cyprus has changed fundamentally how companies register and communicate with the public authorities. In this context, this section describes the main benefits identified by Cypriot authorities brought by the digitalisation of company law:

Information management: The introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.
1.3 CZECH REPUBLIC

In Czech Republic, the process associated with the registration of companies is conducted by regional courts and assisted by notaries when required. When establishing a company online, company founders are guided through the Ministry of Justice website (hosted within www.justice.cz) in order to choose and validate the options they want in every step of the process. Also, the notary prepares the articles of association according to company founders' requirements, and the notary is responsible as well for the compliance of the contents of the company’s articles of association with Czech law.

Digital tools have been designed and implemented by the Czech government, and company law has been modernised and simplified, which reduced registration time, costs and administrative fees. The introduction of an online method for the registration of companies has also accelerated the process of establishing a new corporation. Today, there is just one compulsory paper-based step for the registration of companies that involves notaries and requires physical presence of company founders and company representatives in order to obtain notarial deeds.

One of the major advances towards the digitalisation of company law in Czech Republic is the effective online system for companies’ dissolution, which is done through electronic means. In this context, the Ministry of Justice has created a single secure website (www.justice.cz).
1.3.1 REGISTRATION OF COMPANIES

1.3.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Czech Republic. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

The process of registration of a company in Czech Republic has to be performed at regional courts. Notaries are in charge of certifying all the documents provided by company founders and of certifying the founder's identity.

Company founders can verify the uniqueness of their company's name themselves in the Commercial Register (Obchodní rejstřík) which is available online on the Ministry of Justice's website.

Once the confirmation of the share capital deposit fee is paid and all documents and information are collected, if the documents satisfy all the appropriate examination checks, the notary prepares the articles of association according to the founders’ requirements, and the notary is responsible for the compliance of the contents of the company’s articles of association with Czech law. This part of the procedure is conducted at the notary face to face.
Afterwards, company founders have to conduct the company registration which is divided in 2 main phases: obtaining a business license and registration in the Commercial Register.

1.3.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in Czech Republic. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform every procedure.

<table>
<thead>
<tr>
<th>1. Checking the availability/appropriateness of company name</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
</tbody>
</table>
| **Actors Involved** | - Company founders  
- Ministry of Justice |
| **Online vs. Paper based** | Online |
| **Platform** | - Justice's Website: www.justice.cz  
Although the website is only available in Czech |
| **Storage** | Web forms |
| **Required Information** | N/A |

<table>
<thead>
<tr>
<th>2. Confirmation of the share capital deposit fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
</tbody>
</table>
| **Actors Involved** | - Company founders  
- Bank |
| **Online vs. Paper based** | Online or paper based |
| **Platform** | N/A |
| **Storage** | N/A |
| **Required Information** | N/A |
### 3. Drawing up, signing and certifying the documents required for registration

**Description**

The notary prepares the articles of association according to the founders’ requirements, the verification of the identity of the company founder is performed at this moment of the registration procedure; also the notary is responsible for the compliance of the contents of the company’s articles of association with Czech law. This process lasts one day.

For the articles of association, total notarization fee is assessed by percentage cost of start-up capital, as set out by the decree no. 432/2013 Coll, effective from January 1, 2014. For the initial 100,000 CZK in start-up capital, the notary fee is 2% or 2000 CZK; for the subsequent capital up to 500,000 CZK the notary fee is 1.2% (or 4,800 CZK at full amount); for the subsequent capital up to 1,000,000 CZK the notary fee is 0.6% (or 3,000 CZK at full amount); for the subsequent capital up to 3,000,000 CZK the notary fee is 0.3% (or 6,000 CZK at full amount); and for the subsequent capital up to 20,000,000 CZK the notary fee is 0.2% (or 895 CZK at full amount). The fees do not include VAT (21%). In addition, if each founder wants their own original copy, then the cost is CZK 100 per page. Alternatively, instead of original copy a founder can ask for a certified copy and the cost would be 30 CZK per page. These costs are optional, and up to each founder to incur. The company must also certify its building lease agreement by a public notary. The cost to certify the lease agreement is CKZ 30 +21% VAT with a notary.

**Actors Involved**

- Company founders
- Notary

**Online vs. Paper based**

Mandatory face-to-face

**Platform**

N/A

**Storage**

N/A

**Required Information**

- The company’s trade name and objects or activity
- The amount of registered capital
- The number of shares, their par value, specification of whether and how many shares will be registered shares or bearer shares, and/or whether they will be issued as book-entry securities or, as appropriate, information about any restrictions of the transferability of the shares or, as appropriate, information on whether the shares are immobilized (where multiple types of shares are to be issued, their names and a description of the rights attached to these shares)
- The number of votes attached to one share and the method of voting at the general meeting; where shares of different par values are to be issued, the articles of association shall also include the number of votes related to each respective par value of the shares as well as the total number of shares in the company
- Information about the selected internal structure system of the company and the rules to determine the number of members of the board of directors or of the supervisory board

At the time of the company’s establishment, the articles of association shall also include:

- Information about how many shares are subscribed by each of the founders and at what issue price, the method of payment and the period in which the issue price is to be paid, and
the contribution to be made in order to pay the issue price
- The level in which the registered capital must be paid up at the time of the company’s incorporation
- Where the issue price is to be paid by contributions in kind, the name of the contributor(s), description of the contributions in kind, as well as the number, par value and type of shares to be issued for such contribution in kind, their form or an indication that they will be issued as book-entry securities, and the appointment of an expert for the valuation of the contribution in kind
- The price of the contributions in kind at the time of the company’s establishment
- At least an estimate of costs to be incurred in connection with the company’s establishment
- Information about the person(s) appointed by the founders to act as members of the company bodies who, under the articles of association, are to be elected by the general meeting
- Appointment of the contribution administrator (where the shares are to be issued as book-entry securities, the numbers of asset accounts to which the book-entry shares are to be issued)

The information referred to the last seven bullet points may be deleted from the articles of association once the company is incorporated and the contribution obligation is fulfilled.

Certain notaries require the following documents before executing the articles of association:
- An affidavit from the company managers.
- Building lease agreement, or ownership extract from the Real Estate Register, for the premises of the company’s headquarters.

### 4. Company registration

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>This step is divided in 2 main phases: Obtaining a business license and Registration in the Commercial Register.</td>
</tr>
<tr>
<td><strong>1. Obtaining a business license:</strong></td>
</tr>
<tr>
<td>The company must register its business activities with the Trade License Office (or to Czech Point) to obtain an extract of its trade license. These offices act as a contact point between businesses and public administration.</td>
</tr>
<tr>
<td>Within a maximum of five days, the Trade Licensing Office will enter the company’s application in the Trade Licensing Register (Živnostenský rejstřík) and provide the confirmation of registration. This document will be appended the company’s trade licence or concession (concessions without confirmation documents are not valid).</td>
</tr>
<tr>
<td>Trade authorisations may still not be considered valid at this stage as companies still have to register in the Commercial Register. Once completed, companies and cooperatives become legal persons, with all the rights and obligations associated with this.</td>
</tr>
<tr>
<td>After the completion of the registration process, the Trade License Office issues the excerpt of the trade license register which is either picked-up personally by the applicant at the Trade License Office, delivered by post mail, or delivered to an electronic data box. The fees of this part of the process are CZK 1,000 (€37).</td>
</tr>
<tr>
<td>From 01/10/2008 business community has a tool for creating electronic filing (EPO) in the format of Unified Registration Form (JRF).</td>
</tr>
</tbody>
</table>
Electronic filing can be created using the application JRF. Once downloaded and installed successfully JRF application on the companies’ founders and representatives computers, they can create administering EPO and send the instructions given by right on the electronic registry of the Trade Licensing Register or via the IS data boxes in the data box office (DS). Serving also has an option from an application completed form to print:

- Send the completed application to the electronic registry: Requires recognized electronic signature (§ 11 of Act no. 227/2000 Coll., The Electronic Signatures Act). Company founders can use these qualified certificates accredited certification authorities (in alphabetical order list is valid on September 10, 2009): Czech Post, eID as, First Certification Authority, Inc.
- Sending a completed submission to the data box office: Requires the filing had activated its data box within the meaning of the Act no. 300/2008 Coll., on electronic acts and authorized document conversion.

2. Registration in the Commercial Register

Once the company founders own the extract of the trade license from the Trade License Office, they have to register the company in the Commercial Register. They must submit an application to the relevant regional court administering the register. This application must be completed on a standard form and signed by all first directors of the company before a notary. The time limit for the court to decide on registration is 5 business days, which stretches to 7 calendar days in the event application is filed after Monday. Every company may choose whether to register through a notary or in court.

It is possible to submit this application and all of the required documents via electronic data box instead of required physical presence.

Starting May 15, 2015, in accordance with a new amendment number 306 to Law no. 304/2013 Coll., “Public Registers Act” enacted 1 January 2014, notaries are able to enter limited liability company (s.r.o.) information into the commercial register online, at the cost of CZK 2,700 (€99.91). The cost of notary services is about CZK 300 for this procedure. Every company may choose whether to register through a notary or in court, at the cost of CZK 6,000 (€222.03). At this point the legislation is very new, and software is yet to be tested in wide application.

This step is mandatory at the notary although company founders can send all the required documents via electronic data box to the notary.

Actors Involved
- Company founders
- Trade License Office
- Notary/Court
- Commercial Register

Online vs. Paper based
Mandatory face-to-face

Platform
- Czech Point: http://www.czechpoint.cz/web/

Although these website are only available in Czech

Storage
Commercial Register

Required Information
The required documents are as follows:
- Application for registration.
- Memorandum of association if the company has been founded but not yet established (i.e. registered with the Commercial Register).
5. Publication of company registration

**Description**
In view of the fact that § 21 of the Public Registers Act does not mandate the Ministry of Justice to publish a list of annexes to attach to applications, the list of these annexes cannot be found on the Internet. It is therefore necessary to refer the matter to a law office or notary public.

**Actors Involved**
- Company founders
- Notary/Law office

**Online vs. Paper based**
Online or paper-based

**Platform**
N/A

**Storage**
N/A

**Required Information**
N/A

1.3.2 FILING OF COMPANY INFORMATION

1.3.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.
In the Czech case, the process associated with the filing of company information is conducted by the Commercial Register.

Regarding the amendments to the instruments of constitution or statutes, proposals must be submitted for registration, modification or cancellation of the registration in the commercial register, exclusively through an electronic form on the website of the Ministry of Justice.

Regarding the filing of annual accounts, company founders are required to prepare annual financial statements and file these with the Commercial Register online (www.justice.cz). They are required to prepare full financial statements comprising a balance sheet, an income statement and explanatory notes to the financial statements.

1.3.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Czech Republic. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

<table>
<thead>
<tr>
<th>Description</th>
<th>In accordance with § 18 et seq. Act no. 304/2013 Coll., on public registers of legal and natural persons and § 17 of Government Decree no. 351/2013 Coll., proposals must be submitted for registration, modification or cancellation of the registration in a public register and electronically completed on the website of the Ministry of Justice. In case of any amendment or change to the contents of the articles of association, the board of directors shall draw up the full text of the articles of association without undue delay after any of its members became aware of the amendment or change. Applications to amend existing registrations may be submitted only on the specific forms. Samples of these forms for all types of company may be found on the Ministry of Justice website.</th>
</tr>
</thead>
</table>
| Actors Involved | - Company founders  
- Commercial Register |
| Online vs. Paper based | Online |
| Platform | - Justice's Website: www.justice.cz  
Although the website is only available in Czech |
| Storage | Web forms |
| Required Information | N/A |

7. Submission of annual accounts
**Description**

Company founders are required to prepare annual financial statements and file these with the Commercial Register (www.justice.cz). They are required to prepare full financial statements comprising a balance sheet, an income statement and explanatory notes to the financial statements.

Companies can adopt a different fiscal year-end, provided that they inform the Financial Office at least three months in advance (Act on Accounting, Article 3, paragraph 5). The financial statements must be submitted electronically, together with the income tax return, to the Financial Office within the first three months of the next fiscal year. This deadline is extended to six months for all companies that require an audit or use the services of a registered tax adviser.

** Actors Involved **

- Company founders
- Commercial Register

**Online vs. Paper based**

Online

**Platform**

- Justice's Website: www.justice.cz

Although the website is only available in Czech

**Storage**

Web forms

**Required Information**

N/A

8. Publication of changes of company information

**Description**

In view of the fact that § 21 of the Public Registers Act, unlike § 32 paragraph 4 of the Commercial Code, does not mandate the Ministry of Justice to publish a list of annexes to attach to applications, the list of these annexes cannot be found on the Internet.

It is therefore mandatory to refer the matter to a law office or notary.

** Actors Involved **

- Company founders
- Notary/Law office

**Online vs. Paper based**

Online or paper-based

**Platform**

N/A

**Storage**

N/A

**Required Information**

N/A
1.3.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.3.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Czech Republic, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

The dissolution of a company depends whether permitted by the articles of association, if the company is liquidated it is decided by the General Assembly, the adoption of such a decision requires the consent of two-thirds majority.

Procedures can be initiated only on a proposal from a shareholder, unless necessary to take evidence, the court shall not order the hearing and decide by resolution.

The decision on a company dissolution must be entered in the Commercial Register and all the future actions must be made under the name of the company followed by the termination “in liquidation”. The powers of the management structure are passed to a liquidator or a committee of liquidators.

A report regarding the course of the company dissolution must be drawn up by the liquidator and also a plan for distributing the remaining assets among the members of the company. The plan must be signed by the competent company’s authority, depending on articles of association. After drawing the plan of dissolution, a financial statement must be filled by the liquidator.
After distributing the remaining assets between the entitled members, a liquidation reminder is sent among the creditors and debtors in order to notify the termination of the company. Within 30 days after the Czech company liquidation is completed, the liquidator must submit a request for erasing the company from the Commercial Register.

### 1.3.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

### 9. Filing of the dissolution agreement/resolution and other documents related to winding-up

If permitted by the articles of association, the company’s liquidation is decided by the General Assembly, the adoption of such a decision requires the consent of two-thirds majority.

Company founders can also agree to dissolve the company in the form of a notarial deed, which has the character of a public document. Company founders also may seek dissolution of the company in court on the grounds and under conditions determined by articles of association. Procedures can be initiated only on a proposal from a shareholder, unless necessary to take evidence, the court shall not order the hearing and decide by resolution.

The decision on a company dissolution must be entered in the Commercial Register and all the future actions must be made under the name of the company followed by “in liquidation”. The powers of the management structure are passed to a liquidator or a committee of liquidators.

The liquidator appointed for the Czech company liquidation is entitled to receive a remuneration settled by the Court or by the company (depending on the organ that has appointed the liquidator). He has a major role in performing activities designed to help the liquidation of the Czech company. New contracts may be signed only if are related to the liquidation.

A balance sheet and a list with all the company’s assets must be elaborated in the same day the liquidation decision was taken. The company must also elaborate a financial statement a day before the meeting when the decision is taken. If not, the liquidator must also elaborate a financial statement. The list with all the assets must be send to all the creditors.

After distributing the remaining assets between the entitled members, a liquidation reminder is sent among the creditors and debtors in order to notify the termination of the company. Within 30 days after the Czech company liquidation is completed, the liquidator must submit a request for erasing the company from the Commercial Register.

Note: In accordance with § 18 et seq. Act no. 304/2013 Coll., on public registers of legal and natural persons and § 17 of Government Decree no. 351/2013 Coll., proposals must be submitted for registration, modification or cancellation of the registration in a public register, which carries out the court made exclusively through electronically completed form on the website of the Ministry of justice (hereinafter referred to as “smart forms”).
One of the major advances towards the digitalisation of company law in Czech Republic is the effective online system for companies’ dissolution, which is done through electronic means. In this context, the Ministry of Justice has created a single secure website (www.justice.cz).

### Actors Involved
- Company founders
- Liquidator or committee of liquidators
- Commercial Register

### Online vs. Paper based
Online

### Platform
https://or.justice.cz/ias/ui/podani

### Storage
Web forms

### Required information
- Balance sheet
- Financial statement

### 10. Striking off the company

**Description**
After distributing the remaining assets between the entitled members, a liquidation reminder is sent among the creditors and debtors in order to notify the termination of the company. Within 30 days after the Czech company liquidation is completed, the liquidator must submit a request for erasing the company from the Commercial Register.

Within 30 days after the Czech company liquidation is completed, the liquidator must submit a request for erasing the company from the Commercial Register.

**Actors Involved**
- Liquidator or committee of liquidators
- Commercial Register

**Online vs. Paper based**
Online

**Platform**
https://or.justice.cz/ias/ui/podani

**Storage**
Web forms

**Required information**
N/A

### 11. Publication of winding-up

**Description**
An announcement regarding the Czech company liquidation process must be stated at least twice and all the creditors must be announced regarding the way they can elaborate their claims and the maximum term they can deposit it (cannot be shorter than 3 months since the last announcement). The publication of entry of the company into liquidation must be in the Commercial Gazette (Obchodní věstník).

**Actors Involved**
- Publishing house Economia, a.s. (private operator who administers the Commercial Gazette)

**Online vs. Paper based**
Online
1.3.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies' registration, filing and dissolution, and its evolution over time.

1.3.4.1 Main Trends Analysis
This section intends to highlight statistical data associated with the company law procedures in Czech Republic and to illustrate its major trends and evolution over time. The data presented below was retrieved from the contacted competent authorities in Czech Republic.

The figure below shows how the number of trade licenses registered in Czech Republic has increased over time, although there was a large decrease from 2007 to 2008, which is explained due to the financial crisis in Europe faced and played a significant role in the failure of key businesses, declines in consumer wealth estimated in trillions of euros, and a downturn in economic activity leading to the Great Recession of 2008–2012 and contributing to the European sovereign-debt crisis.

It is possible to appreciate that the number of trade licenses registered is still lower than the period pre-crisis and it will need several years to reach that level. Additionally, it should be mentioned that most of trade licenses registered are owned by individuals and only a very small percentage belongs to legal entities forms.
Figure 1 Proportion of Trade licenses for individuals and Trade licenses for legal entities registered, Czech Republic, 1992-2015

As Figure 2 shows how the number of entrepreneurs has increased during the last years following a soft trend and it had not suffered a drop during the crisis years which contrasts with the number of trade licenses; also, having a look at the ratio of the number of trade licenses over number of entrepreneurs, it has decreased largely, from 1.93 to 1.33 in the period 2007-08, which means that, in 2007, every entrepreneur owned almost 2 companies on average and it decreased 31% in one year.

Figure 2 Proportion of Number of entrepreneurs as individuals and Number of entrepreneurs as legal entities registered, Czech Republic, 1993-2015
The following figure shows the evolution of the trade licenses and entrepreneurs per inhabitants. The last two trends are not significantly correlated to the evolution of the population in Czech Republic in the whole period studied, although it could be a similar trend in all of them from 2008 onwards, where the rate growth is quite similar.

Figure 3 Proportion of Number of entrepreneurs as individuals and Number of entrepreneurs as legal entities registered, Czech Republic, 1992-2015

1.3.5 COSTS AND SAVINGS ANALYSIS
1.3.5.1 Cost Analysis

1.3.5.1.1 Main costs (Administrative Fees)
Public Administrations of Member States with responsibilities in company law processes generally work under a cost covering principle\(^5\). The table below shows the different types of fees charged by the Czech authorities for registration, filing of changes and/or dissolution. The administrative fees represent the most reliable way of quantifying the main costs associated with the different procedures.

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Cost online</th>
<th>Cost Face-to-face</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^5\) I.e. the amount of administrative fees they charge to company representatives are intended to cover the costs associated with the services provided.
## Type of Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost online</th>
<th>Cost Face-to-face</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening a special bank account</td>
<td>N/A</td>
<td>CZK 5,000 (€185.02)</td>
</tr>
<tr>
<td>Notary’s fees</td>
<td>N/A</td>
<td>CZK 30 (€1.11)</td>
</tr>
<tr>
<td>Lease agreement</td>
<td>N/A</td>
<td>CZK 1,000 (€37)</td>
</tr>
<tr>
<td>Obtaining a business license</td>
<td>N/A</td>
<td>CZK 6,000 (€222.03)</td>
</tr>
<tr>
<td>Registration in the Commercial Register</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

### Registration

- **Opening a special bank account**
  Until the company is registered, the paid-in capital is typically blocked in the special bank account. Opening a special bank account can cost as much as CZK 5,000 (€185.02), though most banks open special accounts for free on the condition that the company will continue to bank with them after the incorporation.

- **Notary’s fees**
  For the initial 100,000 CZK in start-up capital, the notary fee is 2% or 2,000 CZK; for the subsequent capital up to 500,000 CZK the notary fee is 1.2% (or 4,800 CZK at full amount); for the subsequent capital up to 1,000,000 CZK the notary fee is 0.6% (or 3,000 CZK at full amount); for the subsequent capital up to 3,000,000 CZK the notary fee is 0.3% (or 6,000 CZK at full amount); and for the subsequent capital up to 20,000,000 CZK the notary fee is 0.2% (or 895 CZK at full amount). The fees do not include VAT (21%). In addition, if each founder wants their own original copy, then the cost is CZK 100 per page. Alternatively, instead of original copy a founder can ask for a certified copy and the cost would be 30 CZK per page. These costs are optional, and up to each founder to incur. This step is only conducted electronically.

- **Lease agreement**
  The company must also certify its building lease agreement by a public notary. The cost to certify the lease agreement is CKZ 30 +21% VAT with a notary. This step is only conducted electronically.

- **Obtaining a business license**
  The company must register its business activities with the Trade License Office (or to Czech Point) to obtain an extract of its trade license. These offices act as a contact point between businesses and public administration. This step is only conducted electronically.

- **Registration in the Commercial Register**
  Once company founders own the extract of its trade license from the Trade License Office, they have to register the company in the Commercial Register. This step is only conducted electronically.

### 1.3.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Czech Republic when digitalising the registration procedure:

#### 1.3.6.1 Main Challenges
The main challenges were identified, both by companies and public authorities that needed to be faced prior to the evolution from paper-based procedures to digital tools implementation for the registration of companies:

- **Simplify complex legislation before going digital**: prior the conceptualisation and development of online tools for the registration of companies, an exercise of simplification of complex legislation needs to be performed.

- **Lacking IT infrastructure**: Although the Ministry of Justice has created a single secure website (www.justice.cz), there is still a lack of IT infrastructure since this website is mainly used for filing and dissolution procedures and not for registration.

- **Offer secure online tools**: as a major concern for any digitalisation of the public administration, online tools need to be secure, not only against attacks, but also in order to be trusted to be used. One of the major advances towards the digitalisation of company law in Czech Republic is the effective online system for companies’ dissolution, which is done through electronic means. In this context, the Ministry of Justice has created a single secure website (www.justice.cz).

- **Lacking skills**: help get users familiarised with the online tools is a challenge that any digital improvement needs to face. The steering actors in this process of digitalisation need to convince both company founders and registrars to use the online tools implemented for them to use.

- **Cross-border digitalisation**: insufficient availability of online tools/languages/standard procedures for registration that can be used in a cross-border context. In Czech Republic, the online registration company method is still only available in Czech, which implies an obstacle for creating a company for foreign founders.

- **Reduction of time**: Czech digitalisation of company law has not significantly shortened timing of company procedures, therefore it is a challenge to face in order to improve this processes.

1.3.6.2 Main Benefits

The main benefits identified by Czech authorities are as follows:
Information management: the introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.
1.4 DENMARK

The central authority responsible for company law in Denmark is the Danish Business Authority that manages the Central Business Register. The digitalisation process of company law in Denmark started at the end of the 1990s and reached a turning point in mid-2016. Currently more than 90% of the transactions conducted with the Central Business Register are done by electronic means. In this sense, company law procedures in Denmark are mandatory to be conducted online.

Danish company law contemplates the figure of the reporter. The reporter can be anyone able to conduct registration of companies and provide company information on behalf of the company, such as company founders or directors, lawyers or accountants. The company gives an authorization to the reporter in order to build the report on behalf of the company.

The Danish Business Authority will not require any documentation for this authorization unless any doubts about the legality of the registration appear. In this sense, the reporter is presumed to have such authorization and to acknowledge the consequences of not having the authorization. There is no need for any notarial deed nor legal services, since the reporter can be fined or be sentenced by the court for illegal registration.

The main benefits from digitalisation of company have been published by Danish parliament, the Folketingstidende, through a business case in 2013\(^6\) that calculated that the expected savings resulting from the digitalisation of the Central Business Register. The estimations of the business case stated that approximately €55 million could be saved between 2009 and 2023.

1.4.1 REGISTRATION OF COMPANIES

1.4.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Denmark. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

1.4.1.2 Step-by-step analysis of the process associated with the registration of companies

This section offers a description of all the necessary steps to be conducted in order to register a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company founders.

1. Verification of the identity of the founders

**Description**

Danish citizens can log into the Danish Business Authority with their Danish eID-card; the verification of the reporter’s identity is done automatically at this moment.

In this sense, unlike in other Member States, the identity of the founders is not verified as such. The founders are identified by CPR-number (or other information if they do not have a CPR-
number), and following registration of the company, the founders receive a message regarding their involvement in the company which to notify the DBA in case they have any objections. The founders have to sign the founding document, which is uploaded to the registration solution.

### Actors Involved
- Company Founders / Reporter
- Danish Business Authority

### Online vs. Paper based
Online

### Platform
https://erst.virk.dk/virksomhedsregistrering

Some functions require that the founder is logged in using NemID, which is a digital signature for Danish enterprises and people

### Storage
Web forms

### Required information
NemID, which is a digital signature for Danish enterprises and people

## 2. Checking the availability/ of company name appropriateness

<table>
<thead>
<tr>
<th>Description</th>
<th>Company founders can check the availability of the company name online (optional), but double check is done by the registrar before making an entry (mandatory).</th>
</tr>
</thead>
</table>
| Actors Involved | - Company Founders / Reporter  
- Danish Business Authority |
| Online vs. Paper based | Online |
| Platform | https://erst.virk.dk/virksomhedsregistrering |
| Storage | N/A |
| Required information | N/A |

## 3. Confirmation of the share capital deposit fee

| Description | The capital should be documented either by a bank notice, a statement from a lawyer’s client account, a statement from a lawyer, a statement from an accountant or in certain situations a statement from the founders. These checks are made automatically by the system. It lasts one day.  
If the capital is paid in assets other than cash, there must be issued a valuation report or a declaration from the central governing body of the company.  
A private limited company (ApS) must have a start-up capital of at least DKK 50,000.00 (€6,735.94). An amount equal to 25% of the share capital, but not less than DKK 50,000.00, is required as paid-in minimum capital. According to the Danish Companies Act section 33, (1), as of March 15, 2015, upon registration, companies may deposit partial paid-in minimum capital with the bank, rather than making the lump sum deposit. |
| Actors Involved | - Company Founders / Reporter  
- Lawyer / Accountant |
4. Drawing up, signing and certifying the documents required for registration

**Description**
Most of the procedures can be done in the Central Business Register, although information regarding the company needs to be registered in the registration solution (website), but documents which are to be uploaded in the registration solution, must be drafted.

Company founders have to sign the founding document either physically or digitally. The founding document is made and signed before registration of the company, so the process of registration does not have to await the company founders’ signature. The registration itself is signed by the reporter with NemID. The state fee can also be paid directly via e-banking.

**Akers Involved**
- Company Founders / Reporter
- Danish Business Authority

**Online vs. Paper based**
Online

**Platform**
https://erst.virk.dk/virksomhedsregistrering

Some functions require that the founder is logged in using NemID, which is a digital signature for Danish enterprises and people.

**Storage**
https://erst.virk.dk/virksomhedsregistrering

Web services: web form with attachments. Attachments might be submitted in pdf, Word or other types.

**Information required registered in the registration solution:**
- The business name of the private limited company.
- The registered office and address of the private limited company.
- The amount of share capital, the way the capital is paid (in cash, assets etc.) and the subscription price.
- The date of conclusion of the memorandum of association.
- The names and personal identification codes of the members of the management board.
- The members of the management board entitled to represent the private limited company differently than provided in the law.
- The beginning and end of the financial year of the private limited company.
- Founders’ information, the company’s registered object(s) and accounting information.

5. Company registration
Relevant documents have to be submitted by the reporter, and the system checks and validates the registered information. If for some reason the automatic registration system refuses any of the documentation submitted, then the registration needs to be confirmed directly by the register (e.g. by a registrar), but always respecting an online method, e.g. emailing.

### Actors Involved
- Company Founders / Reporter
- Danish Business Authority

### Online vs. Paper based
Online

### Platform
https://erst.virk.dk/virksomhedsregistrering

Some functions require that the founder is logged in using NemID, which is a digital signature for Danish enterprises and people.

### Storage
N/A

### Required information
N/A

---

## 6. Publication of company registration

Once the registration is finalised, the free data about the company (a person’s identification number is for example never made available, but it can be disclosed the business name of the private limited company, the registered office and address of the private limited company, the amount of share capital, the way the capital is paid (in cash, assets etc.) and the subscription price, etc.) is immediately and automatically made available in Central Business Register.

### Actors Involved
Central Business Register

### Online vs. Paper based
Online

### Platform
Central Business Register: https://datacvr.virk.dk/data/

Navigation and headings are in English, however still a lot of content remains available only in Danish. Data and documents in the Central Business Register are generally in Danish. Also, some functions require that the founder is logged in using NemID, which is a digital signature for Danish enterprises and people.

### Storage
XML

### Required information
N/A
1.4.2 FILING OF COMPANY INFORMATION

1.4.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the information registered in the instruments of constitution or registered information, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

1.4.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Denmark. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

### 7. Amendments to the instruments of constitution or statutes

<table>
<thead>
<tr>
<th>Description</th>
<th>Any amendment to the articles of association of a limited liability company or changes to any other information registered with the Danish Business Authority must be registered directly in the Agency’s IT system.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The documentation required depends on the kind of change decided and it should be taken into account that the foundation document cannot be changed or amended.</td>
</tr>
</tbody>
</table>

Legend

- Procedures conducted online
- Procedures conducted by physical presence

in the object of the company.
<table>
<thead>
<tr>
<th><strong>Actors Involved</strong></th>
<th>Online or paper-based. The vast majority of all changes to articles of association and changes in the registered information are mandatory electronic.</th>
</tr>
</thead>
</table>
|                     | - Reporter  
|                     | - Danish Business Authority |

| **Online vs. Paper based** | Online or paper-based, depending on the amendment |

| **Platform** | https://erst.virk.dk/virksomhedsregistrering  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Some functions require that the representative is logged in using NemID, which is a digital signature for Danish enterprises and people</td>
</tr>
</tbody>
</table>

| **Storage** | N/A |

| **Required information** | - The resolution of the board of directors/shareholders  
|--------------------------|-------------------------------------------------|
|                          | - The minutes of the meeting or record of voting  
|                          | - Other documentation can be required in particular cases |

### 8. Submission of annual accounts

| **Description** | The annual general meeting must be held in time for the adopted annual report to reach the Danish Business Authority within the time limit specified in the Financial Statements Act. The annual report must be submitted to the general meeting.  
|-----------------|----------------------------------------------------------------------------------------------------------------------------------|
|                 | There are no fees for the entry of annual accounts. The submission of the annual report is done through one of DBA’s annual report solutions – “Regnskab 2.0 basis”, “Regnskab special” or the system-to-system-solution.  
|                 | It is done through one of DBA’s annual report solutions – “Regnskab 2.0 basis”, “Regnskab special” or the system-to-system-solution. |

| **Actors Involved** | - Reporter  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Danish Business Authority</td>
</tr>
</tbody>
</table>

| **Online vs. Paper based** | Online |

| **Platform** | DBA’s annual report solutions:  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Regnskab 2.0 basis”, “Regnskab special” or the system-to-system-solution.</td>
</tr>
</tbody>
</table>

| **Storage** | XBRL and PDF |

| **Required information** | Annual accounts |
1.4.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.4.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Denmark, which are filing of the dissolution agreement, striking off the company and publication.

9. Filing of the dissolution agreement/resolution and other documents related to winding-up

Voluntary dissolution needs to be resolved in a shareholders’ meeting. Once approved, the management board must submit a request of dissolution, the shareholders’ resolution of dissolution and the minutes of the general meeting.
### 10. Striking off the company

**Description**
The general meeting elects one or more liquidators to liquidate the company. The liquidator must ensure that any application for registration of a resolution whereby the company enters into liquidation reaches the Danish Business Authority no later than two weeks after the date of the resolution.

The liquidator need to file a closing balance, audited by an accountant and file this to The Danish Business Authority. The closing balance should only be audited if the company’s annual reports are audited.

**Actors Involved**
- The liquidator
- Danish Business Authority

**Online vs. Paper based**
Online

**Platform**
https://erst.virk.dk/virksomhedsregistrering

**Storage**
N/A

**Required information**
- Closing balance, audited by an accountant (the closing balance should only be audited if the company’s annual reports are audited).

### 11. Publication of a notice regarding liquidation

**Description**
Registration and publication in the Danish Business Authority’s IT system. The company is dissolved when it has been removed from the Danish Business Authority’s register of active companies.

Notice of the resolution of the dissolution must be sent to all known creditors at the same time as the application for registration is sent to the Danish Business Authority.

**Actors Involved**
Danish Business Authority

**Online vs. Paper based**
Online

**Platform**
Central Business Register: https://datacvr.virk.dk/data/
1.4.4 COMPANY PROCEDURES - OVERALL TRENDS

The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.4.4.1 Main Trends Analysis

This section intends to highlight the statistical data associated with company law procedures in Denmark and to illustrate major trends and evolution over time. The data presented below were retrieved from the contacted competent authorities in Denmark.

The following figure gives an overview of the trends in the registration and dissolution of companies that are covered by company law which in Denmark is ApS and A/S.7 It is expected a decrease on the number of companies dissolved for the next two year and increase on the number of companies created, which can be possible due to an increase of the GDP in Denmark for the next years8 and the implementation of the online tools for companies’ procedures.

![Graph showing the evolution and forecast of the number of companies registered and dissolved, Denmark, 2007-2015](image-url)

**Source:**
1.4.5 COSTS AND SAVINGS ANALYSIS

1.4.5.1 Cost Analysis

1.4.5.1.1 Main costs (Administrative Fees)

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online / paper Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company registration</td>
<td>Business register registration fees</td>
<td>€90.06⁹</td>
</tr>
<tr>
<td></td>
<td>Registration fees need to be paid at the Danish Business Authority when</td>
<td></td>
</tr>
<tr>
<td></td>
<td>registering the company. The fee is DKK 670 for the online registration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and also for registration sent in by mail.</td>
<td></td>
</tr>
<tr>
<td>Filing of company</td>
<td>Business register fees for change of company information</td>
<td></td>
</tr>
<tr>
<td>information</td>
<td>Including voluntary dissolution</td>
<td>€24.20¹⁰</td>
</tr>
<tr>
<td></td>
<td>An administrative fee shall be paid for the entry of an amendment or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>change to the company information.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Voluntary dissolution</strong> is seen as a change of the company information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>in Denmark</td>
<td></td>
</tr>
</tbody>
</table>

1.4.5.1.2 Main investments regarding an improvement of the company registrations face to face to an online procedures

The publication authority of the Danish parliament, the Folketingstidende, published a business case in 2013¹¹ that presented costs of the digitalisation of the Central Business Register. **The calculations of the business case stated that the digitalisation had an approximately cost of €33 million between 2009 and 2015.**

The analysis of the business case included all the steps in company life cycle, registration, filing, publication and dissolution. Note that the project also included solvency proceedings and publication of limited liability companies’ annual accounts.

1.4.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

---

⁹ 670 DKK
¹⁰ 180 DKK
1.4.6.1 Main Challenges

Three main challenges were identified, both by companies and public authorities that needed to be faced prior to the evolution from paper-based procedures to digital tools implementation for the registration of companies:

- **Simplify complex legislation into digital**: prior the conceptualisation and development of online tools for the registration of companies, an exercise of simplification of complex legislation needs to be performed.

- **Offer secure online tools**: as a major concern for any digitalisation of the public administration, online tools need to be secure, not only against attacks, but also in order to be trusted to be used.

- **Lacking skills**: help get users familiarised with the online tools is a challenge that any digital improvement needs to face. The steering actors in this process of digitalisation need to convince both company founders and registrars to use the online tools implemented for them to use.

1.4.6.2 Main Benefits

Digitalisation of company law in Denmark has changed fundamentally how companies register and communicate with the public authorities. In this context, this section describes the main benefits identified by Danish authorities brought by the digitalisation of company law:

- **Cost saving**: The publication authority of the Danish parliament, the Folketingstidende, published a business case in 2013\(^\text{12}\) that calculated that the expected savings as result of the digitalisation of the Central Business Register. The estimations of the business case stated that approximately €55 million could be saved between 2009 and 2023.

  The analysis of the business case included all the steps in company life cycle, registration, filing, publication and dissolution. Note that the project also included solvency proceedings and publication of limited liability companies’ annual accounts.

\(^{12}\) Source: Folketingstidende: http://www.folketingstidende.dk/Rlpdf/samling/20131/aktstykke/aktstk2/20131_Aktstk_afgjort2.pdf
- **Reduction of time:** Danish digitalisation of company law has shorten timing of company procedures from some days to **only 3 days**, both to companies and to public authorities.

- **Information management:** the introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals. This has been improved thanks to safeguards such as *NemID* (a digital signature for Danish enterprises and physical persons), which is directly linked to Danish government database.
1.5 ESTONIA

The central actor in the digitalised Estonian company law is the Centre of Registers and Information Systems (RIK), who acts as a designer and developer of the three main tools through which entrepreneurs, company owners and representatives communicate with the Registration Department of Tartu County Court (the registrar): (1) the Company Registration Portal\(^{13}\), which includes the XBRL Annual Reporting System\(^{14}\), (2) the e-Business Register and (3) the Visualized Business Register\(^{15}\).

The Company Registration Portal is the Estonian single-point for entrepreneurs aiming at registering a company. The Company Registration Portal also hosts the XBRL Annual Reporting System that enables company owners and company representatives to submit annual accounts online.

The Visualised Business Register provides the best overview of associations between companies and individuals. The Visualized Business Register helps Estonian authorities to undertake queries about individuals related to companies and displays the results as an image.

Prior to the development of the Company Registration Portal in 2007 by the Centre of Registers and Information Systems, the procedures needed to establish a company in Estonia, regardless whether the founder was of Estonian or foreign background, included the notary's intervention.

To begin, an appointment with the notary needed to take place, and once at the notary’s office, it was the notary who prepared the necessary documentation and subsequently sent it to an Assistant Judge in the Court for review was necessary. Only after the before-mentioned steps, the company was finally established and added to the Commercial Register. The whole procedure took approximately 5 days and involved two additional actors – the notary and the Assistant Judge in the Court. In comparison, currently in Estonia, the whole registration process may be concluded within approximately 20 minutes.

Furthermore, once the company established, in order to amend or to delete registry data and/or to liquidate the company, the previously mentioned procedure involving both the notary and the Assistant Judge in the Court needed also to be done, carrying both more administrative costs and taking more time from entrepreneurs.

\(^{13}\) Source: http://www.rik.ee/en/international/e-business-register
\(^{14}\) Source: http://www.rik.ee/en/international/e-annual-reporting
\(^{15}\) Source: http://www.rik.ee/en/international/visualization-tool
In the process of developing the various solutions of e-Business Register, to the leading RIK, other stakeholders were involved in the design and implementation of the e-Business Register’s, including the Ministry of Justice of Estonia, Ministry of Finance of Estonia, Statistics Estonia, the Estonian Accounting Standards Board, Estonian Tax and Customs Board, The Estonian Board of Auditors, Bank of Estonia, Ministry Of Social Affairs, Network of Estonian Non-Profit Organisations, Ministry of Agriculture, Ministry of Economic Affairs and Communications and the Estonian Chamber of Commerce and Industry.

In 2014, Estonia became to oblige entrepreneurs, company owners and representatives to conduct all the procedures of the company life-cycle, from registration to dissolution, **online**, if it is possible to submit the digitally signed petition directly into the information system of the commercial register. 100% of the interaction can be done electronically in through step-by-step procedure with no need of additional documentation nor a visit at the notary's office. Also, since 2010, the law stipulates that annual reports must be submitted through the Portal in Estonia (currently nearly 100% of the annual reports are submitted through this system). According to the XBRL Annual Reporting satisfaction survey, in 2014 over 85% of the respondents were satisfied with new taxonomy based report forms.

---

16 Source: http://www.rik.ee/en/international/e-business-register
1.5.1 REGISTRATION OF COMPANIES

1.5.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Estonia. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

1.5.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in Estonia. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method and the tools used in order to perform every procedure.

1. Verification of the identity of the founders

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonian citizens can log into the Company Registration Portal with their Estonian eID-card; the verification of the founder’s identity is done automatically at this moment. The Portal also accepts Portuguese, Belgian, Finnish and Latvian ID-cards and Lithuanian Mobile-ID. Estonian is also giving out e-resident cards. e-Residency provides secure access to e-services offered by Estonian state and municipal institutions. Holders of e-resident’s card can sign documents digitally and log into every portal and access every information system that accepts Estonian ID-card.</td>
</tr>
</tbody>
</table>
### 2. Checking the availability of company name appropriateness

**Description**
Company founders can check the availability of the company name online (optional), but double check is done by the registrar before making an entry (mandatory).

Online by company founders or by Business Register before making an entry

**Actors Involved**
- Company founders
- Registration Department of Tartu County Court (the registrar)

**Online vs. Paper based**
Online

**Platform**
- Company Registration Portal
- Registration department’s procedure management software

**Storage**
e-Business Register (Web services)

**Required information**
N/A

### 3. Confirmation of the share capital deposit fee

**Description**
A bank notice concerning the payment of share capital (at least €2,500) has to be added to the entry petition, but these checks are made automatically by the system also, if the contributions have been transferred as deposit to the account of the registrar or the account specified in subsection 15 (41) of the Money Laundering and Terrorist Financing Prevention Act, excluding the case when the foundation without making contributions was chosen.

**Actors Involved**
- Company founders
- Registration Department of Tartu County Court (the registrar)
- Bank

**Online vs. Paper based**
Online

**Platform**
Company Registration Portal

**Storage**
e-Business Register (Web services and web forms with attachment)

17 Source: [https://www.eid-stork.eu/](https://www.eid-stork.eu/)
4. Drawing up, signing and certifying the documents required for registration

There are two ways of doing so:

- Electronic registration via the Company Registration Portal:

  In order to log in to the Company Registration Portal, also available in English, and perform the registration procedure, citizens need an ID-card or Mobile-ID, and the digital signature software.

  A business can be electronically registered in the Company Registration Portal only in the case all persons related to the establishment (members of the management board, founding members, members of the supervisory board etc.) are able to sign the initial entry application and establishment documents digitally.

  All the information is introduced online into forms, enabling direct and automatic data checks. It is also possible to fill in the articles of association in the Portal through a ready-made template.

  Once the data is introduced, checked and confirmed, the founders and the management board can digitally sign the petition for the entry. The state fee can also be paid directly via e-banking.

  In the best case, electronic registration will take only 20 minutes but still it is advisable to budget one business day when an expedited processing is chosen or up to 5 days with a regular processing.

- Through a notary.

  The notary prepares the necessary documents for the company founders and the documents are sent to the Business Register directly through e-Notary System. The registrar will make an entry within 1-5 business days depending what processing time has been chosen by the company founders.

  Documents in a foreign language shall be submitted to the registrar together with translations into Estonian certified by a sworn translator or a notary or translations into Estonian where a notary certified the authenticity of a translator’s signature.

**Actors Involved**
- Company founders, management board
- Notary
- Registration Department of Tartu County Court (the registrar)

**Online vs. Paper based**
- Online

**Platform**
- e-Business Register
- Company Registration Portal
- e-Notary System, the registration department's procedure management software

**Storage**
- e-Business Register (Web services, web forms and XML)

**Required information**
- ID-card or Mobile-ID, and the digital signature software.
  The information the articles of association need to contain is the following:
- the business name of the private limited company
- the registered office and address of the private limited company
- the amount of share capital
- the foundation without making the contribution
- the date of conclusion of the memorandum of association
- the names and personal identification codes of the members of the management board
- the members of the management board entitled to represent the private limited company differently than provided in the law
- the beginning and end of the financial year of the private limited company

The following shall be appended to the petition:
- the memorandum of association
- only the articles of association if the ready-made template is used
- a bank notice concerning the payment of share capital if pursuant to the memorandum of association the contributions shall be made before the entry of the private limited company in the commercial register
- names, personal identification codes or registry codes and addresses of shareholders, and the nominal value of the share of each shareholder
- the names and personal identification codes of the members of the supervisory board, and of auditors, if the company has auditors
- consent of all members of the management board to becoming a member of the management board
- the information on the planned principal activity
- upon payment of a non-monetary contribution – if pursuant to the memorandum of association the contributions shall be made before the entry of the private limited company in the commercial register, the agreement for transfer of the contribution to the private limited company and the certification of the management board regarding the fact that the contribution has been transferred to the private limited company and its value covers the nominal value of the share, and also, in stated by the law, a sworn auditor’s report concerning the verification of the valuation of the sufficiency of the value of the non-monetary contribution
- data on the telecommunications of the private limited company (telephone and fax numbers, e-mail and Internet home page address, etc.)

5. Publication of company registration

<table>
<thead>
<tr>
<th>Description</th>
<th>After the entry is made, a notice of registration and a copy of the registry card is sent to the company electronically. The data about the company is immediately and automatically made available in e-Business Register. It is also possible to find the data in Visualised Business register as well, but this is just an additional tool.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors Involved</td>
<td>e-Business Register</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>Online</td>
</tr>
</tbody>
</table>
| Platform | - e-Business Register  
- Visualised Business register |
1.5.2 FILING OF COMPANY INFORMATION
1.5.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

Before the introduction of a new feature to the Company Registration Portal in 2010, that of the XBRL (Extensible Business Reporting Language) Annual Reporting System, the procedure of filing and submitting annual reports in Estonia was heavy and time-consuming. The reports had to be prepared by the companies “in-house”, were then sent for scanning, after which the registrar checked the data. Only then could the data be manually input and added to the e-Business Register. The whole procedure took around three months and its mechanism often did not fulfil the standards of certainty and comparability.
1.5.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Estonia. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

### 6. Amendments to the instruments of constitution or statutes

<table>
<thead>
<tr>
<th>Description</th>
<th>Any filing of amendments to the instruments of constitution or statutes can be done in the Company Registration Portal, including the annual accounts. To make changes in the company information, the management board must submit a petition to the Business Register. Additionally, regarding the appointment or revocation of board members and the capital increase or decrease or change amount of capital subscribed needs to be always submitted with the resolution of the supervisory board and minutes of the meeting or, if no supervisory board exists, the resolution of the meeting of shareholders and the minutes of the meeting or record of voting. Note that, any filing of amendments to the instruments of constitution or statutes will also need to be published in the e-Business Register.</th>
</tr>
</thead>
</table>
| Actors Involved | - Management board  
- Supervisory board / Shareholders  
- Company Registration Portal  
- e-Business Register  
- Registration Department of Tartu County Court (the registrar) |
| Online vs. Paper based | Online |
| Platform |  
- e-Business Register  
- Company Registration Portal  
- e-Notary System, the registration department’s procedure management software |
| Storage | e-Business Register (XML, web services and web form with attachment) |
| Required information | N/A |

### 7. Appointment/Revocation of board members

| Description | The members of the management board shall be elected and removed by the shareholders. If the private limited company has a supervisory board, the members of the management board shall be elected and removed by the supervisory board. The resolution of the supervisory board and minutes of the meeting or, if no supervisory board exists, the resolution of the meeting of shareholders and the minutes of the meeting or record of voting, shall be appended to a petition for entry of the termination of the authority of a member of the management board, or for entry of a new member of the management board in the register. In order to elect a member of the management board, his or her consent is required. If a private limited company has a supervisory board, the chairman of the supervisory board or a person authorised by the chairman shall sign a petition for deletion of a member of the |
management board from the register or entry of a new member of the management board in the register.

**Actors Involved**
- Management board
- Supervisory board / Shareholders
- Company Registration Portal
- e-Business Register
- Registration Department of Tartu County Court (the registrar)

**Online vs. Paper based**
- Online

**Platform**
- e-Business Register
- Company Registration Portal
- e-Notary System, the registration department’s procedure management software

**Storage**
- e-Business Register (XML, web services and web form with attachment)

**Required information**
- N/A

---

**8. Capital increase/decrease or change amount of capital subscribed**

In case of capital increase, the management board shall submit a petition to the Business Register for entry of the increase of share capital in the commercial register. The following shall be appended to the petition:
- the resolution of the shareholders;
- the new text of the articles of association if the articles of association are amended;
- the minutes of the meeting of shareholders or the record of voting;
- upon increase of share capital by new contributions, a bank notice concerning payment of the share capital;
- upon a bonus issue, the annual report or interim balance sheet on which it is based;
- upon payment by a non-monetary contribution, documents certifying the value of the contribution and its transfer;
- if the shares are entered in the Estonian Central Register of Securities, a notice from the Estonian Central Register of Securities confirming that the management board has notified the register of the increase in share capital.

The members of the management board shall certify the transfer of a non-monetary contribution to the private limited company by their signatures. If the non-monetary contribution is an immovable, an extract from the land register shall be appended to the petition.

In the case of increase of share capital by a bonus issue, the petition submitted to the registrar shall include a confirmation that the members of the management board who signed the petition are not aware of a decrease to the assets of the private limited company, during the time between the date of preparation of the balance sheet which was the basis for the increase of the share capital and the date of submission of the petition to the registrar, to an extent which could hinder the adoption of the resolution on the increase of the share capital on the date of submission of the petition.

In case of capital decrease, the management board shall submit a petition for entry of a reduction of share capital in the Business Register not earlier than three months after publication of the notice of share capital reduction, unless a notice on reduction of the share
capital need not be published. The following shall be appended to the petition:

- The resolution of the shareholders.
- The new text of the articles of association if the articles of association are amended.
- The minutes of the meeting of shareholders or the record of voting.
- If the shares are entered in the Estonian Central Register of Securities, a notice from the Estonian Central Register of Securities confirming that the management board has notified the register of the reduction of share capital.
- Reference to the dates on which notices to the creditors were published in the Ametlikud Teadaanded.

In the petition, the members of the management board shall confirm that the claims of creditors who submitted their claims during the term or who opposed the reduction are secured or satisfied.

**Actors Involved**

- Management board
- Supervisory board / Shareholders
- Company Registration Portal
- e-Business Register
- Registration Department of Tartu County Court (the registrar)

**Online vs. Paper based**

Online

**Platform**

- e-Business Register
- Company Registration Portal
- e-Notary System, the registration department’s procedure management software

**Storage**

e-Business Register (XML, web services and web form with attachment)

**Required information**

N/A

---

### 9. Submission of annual accounts

**Description**

The annual report must be submitted by the company using Company Registration Portal’s Annual Reporting System in XBRL. At least one member of the management of the company shall sign the annual report.

**Actors Involved**

- Management board
- e-Business Register
- Company Registration Portal (annual reporting system)
- Registration Department of Tartu County Court (the registrar)

**Online vs. Paper based**

Online

**Platform**

- e-Business Register
- Company Registration Portal
- e-Notary System, the registration department’s procedure management software

**Storage**

e-Business Register (XML, web services and web form with attachment)
1.5.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.5.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Estonia, which are filing of the dissolution agreement and appointment of the liquidators, publication and striking off the company.

The dissolution resolution and submission of application is followed by liquidation, which consists of the following stages:

- Appointment of liquidators and entry of their names into the Business Register.
- Publication of a notice regarding liquidation of a public limited company in the “Ametlikud Teadaanded” and notification of all known creditors.
- Preparation of the final balance sheet of the private limited company and distribution of assets.
- Organizing the accounting of the private limited company being liquidated and payment of taxes.
After the private limited company has been liquidated as required, the company management board will have to submit an application to the Business Register for the deletion of the company from the Business Register. The final balance sheet and asset distribution plan has to be added to the request for deletion from register.

1.5.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

10. Filing of the dissolution agreement/resolution and other documents related to winding-up

<table>
<thead>
<tr>
<th>Description</th>
<th>Voluntary dissolution needs to be resolved in a shareholders’ meeting, and approved by at least 2/3 of the shareholders participating in the meeting. If approved, the management board must submit a request of dissolution, the shareholders’ resolution of dissolution and the minutes of the general meeting to the Business Register.</th>
</tr>
</thead>
</table>
| Actors Involved | - Management board  
- Supervisory board / Shareholders  
- Company Registration Portal  
- e-Business Register  
- Registration Department of Tartu County Court (the registrar) |
| Online vs. Paper based | Online |
| Platform | - e-Business Register  
- Company Registration Portal  
- e-Notary System, the registration department’s procedure management software |
| Storage | e-Business Register (web services and web form) |
| Required information | N/A |

11. Filing of appointment of the liquidators

| Description | The liquidator is a central figure in the dissolution procedure in Estonia, once the dissolution is approved by the management board or shareholders, liquidators need to be appointed and their names introduced into the Business Register. After their appointment, liquidators are responsible of the liquidation phase that includes:  
- Publication of a notice regarding liquidation in case of a public limited company in the “Ametlikud Teadaanded” and notification of all known creditors.  
- Preparation of the final balance sheet in case of the private limited company and |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
### Distribution of Assets
- Organisation of the accounting of the private limited company being liquidated and payment of taxes.

**Actors Involved**
- Management board
- Liquidators
- e-Business Register
- Registration Department of Tartu County Court (the registrar)

**Online vs. Paper based**
- Online

**Platform**
- e-Business Register
- Company Registration Portal
- e-Notary System, the registration department’s procedure management software

**Storage**
e-Business Register (web services and web form with attachment)

**Required information**
N/A

### 12. Publication of a Notice Regarding Liquidation

**Description**
After their appointment, liquidators initiate the liquidation phase by publishing a notice of liquidation of the company in the “Ametlikud Teadaanded” and notification of all known creditors.

**Actors Involved**
- Liquidators
- Creditors
- Ametlikud Teadaanded

**Online vs. Paper based**
- Online

**Platform**
*Ametlikud Teadaanded* (The Official Announcements, administrated by RIK)

**Storage**
Web services and web forms with attachment

**Required information**
N/A

### 13. Striking off the Company

**Description**
Once the company has been liquidated as required, the company management board have to submit an application to the Business Register for the deletion of the company from the Business Register. The final balance sheet and asset distribution plan prepared by liquidators has to be added to the request for deletion from register.

**Actors Involved**
- Management board
- Company Registration Portal
- e-Business Register
- Registration Department of Tartu County Court (the registrar)
Table 1.1

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Online</th>
</tr>
</thead>
</table>
| Platform               | - e-Business Register  
|                        | - Company Registration Portal  
|                        | - e-Notary System, the registration department's procedure management software |
| Storage                | e-Business Register (web services and web form with attachment) |
| Required information   | N/A |

1.5.4 COMPANY PROCEDURES - OVERALL TRENDS

The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution and its evolution over time.

1.5.4.1 Main Trend Analysis

This section intends to highlight statistical data associated with the company law procedures in Estonia and to illustrate its major trends and evolution over time. The data presented below was retrieved from the contacted competent authorities in Estonia.

The figure below shows how the number of new companies registered has followed a flat trend during almost the whole period excluding a peak from 2008 to 2009 and during the last year where it has decreased. Also, taking into account the current trend, it is expected that it decreases slightly during the following two years, although it should be taken in consideration that Estonian government is now giving out the e-residency cards to foreigners, who can also use Estonian e-services and start a company in Estonia. The same occurs with the companies deleted which number has decreased and it is expected that they decrease even more till 2018, resulting a higher difference with new companies registered, meaning a higher number of company created. On other hand, the number of changes of company information has varied differently during this period, reaching a peak in 2008 and it can be divided into two categories, one of them which includes those years where the number of changes is near to 60,000 and other which include those years where it is close to 40,000 changes in company information.
Figure 1 Evolution and forecast of new companies registered, deleted and changes of company information, Estonia, 2008 - 2018

Regarding the next figure, it is possible to appreciate there is a threshold of 1.5M user sessions per year which is directly proportional to the number of companies registered and dissolved each year, due to there is an online mandatory procedure in Estonia.

Figure 2 Evolution of the number of user sessions in the company registration portal, Estonia, 2013 - 2016

1.5.5 COSTS AND SAVINGS ANALYSIS
1.5.5.1 Cost Analysis
1.5.5.1.1 Main costs (Administrative Fees)

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td><strong>Business register registration fees</strong></td>
<td>State fees need to be paid when registering the company. The Business register offers a normal registration and an expedited registration; in the normal registration, the entry is made within 5 days, whether in the expedited registration the time of entry is reduced to 1 day.</td>
</tr>
<tr>
<td></td>
<td><strong>Notarial registration fees (optional)</strong></td>
<td>Notarial involvement in Estonia is optional. However, some entrepreneurs may demand notary support for the preparation of the registration; it may involve preparation of a draft application to be submitted to the land registry department or registration department of a court, certification of the signature of the person submitting the application and issue of a digital copy of the application.</td>
</tr>
<tr>
<td></td>
<td><strong>eID Reader</strong></td>
<td>In order to log-in, one needs to be a holder of an eID in addition an eID reader needs to be connected to the PC and a software to read it needs to be downloaded.</td>
</tr>
<tr>
<td><strong>Filing of company information</strong></td>
<td><strong>Business register fees for change of company information</strong></td>
<td>A state fee shall be paid for the entry of an amendment concerning a private limited company.</td>
</tr>
<tr>
<td></td>
<td><strong>Annual Accounts filing cost</strong></td>
<td>No state fee shall be paid for the entry of the annual accounts in the e-Annual Reporting environment.</td>
</tr>
<tr>
<td></td>
<td><strong>eID Reader</strong></td>
<td>In order to log-in, one needs to be a holder of an eID in addition an eID reader needs to be connected to the PC and a software to read it needs to be downloaded. The eID reader needs to be paid only once in the life-cycle of a company.</td>
</tr>
<tr>
<td><strong>Voluntary Dissolution</strong></td>
<td><strong>Publication fees</strong></td>
<td>In order to conclude a voluntary dissolution, the company founder doesn’t have to pay the publication of it</td>
</tr>
</tbody>
</table>

1.5.5.2 Main investments regarding an improvement of the company registrations face to face to an online procedures

This section describes the resources used to develop the three tools of the e-Business Register: (1) Company Registration Portal, (2) the XBRL Annual Reporting System, and (3) the Visualized Business Register.

---

18 Source: http://www.rik.ee/en/international/e-business-register
19 Source: http://www.rik.ee/en/international/e-annual-reporting
The overall initial investments needed to develop the three online tools, enclosed a budget of €832,400. The data described is based on the benchmark shared for the purpose of this study by the Estonian Ministry of Justice, *e-Business Register_development*²¹.

1.5.5.2.1 e-Business Register's Company Registration Portal

The development of the e-Business Register's Company Registration Portal was conducted by a five person development team and two legal experts from the Centre of Registers (RIK) and Information Systems and the Ministry of Justice. The team worked on the Company Registration Portal project for half a year to ensure that both the necessary legislation and the technical solution was aligned and delivered by the deadline time foreseen, this is by the begging of 2007.

Since the project was fully conducted by the personnel of RIK and the Ministry of Justice, the overall cost equalled the labour costs of the project. The exact labour costs can unfortunately not be isolated from RIK's and Ministry of Justice overall labour costs but the estimated overall cost of the project reaches €120,000 plus hardware costs.

1.5.5.2.2 Visualized Business Register

The Visualized Business Register had initially no budget. To tackle the problem of financing, the RIK foresaw the inclusion of a trainee who would be responsible for the development of the online tool. The development team of the Visualized Business Register hence consisted of only two experts of RIK, a trainee and a supervisor who guided the trainee in his work. The project lasted a period of six months.

The final outcome of that period resulted on the Visualized Business Register solution developed by the trainee. Although the solution was initially conceived to help the banking sector, it proved to be so successful that it was also made available to the wide public.

Taking into account the labour costs associated with the project, the overall cost, funded from RIK’s own funds, is estimated to be around €10,000 plus hardware costs.

1.5.5.2.3 XBRL Annual Reporting

The XBRL e-Annual Reporting project is to a great extent a European Union Structural Funds’ funded project. The overall cost of the XBRL Annual Reporting project reaches €682,400, excluding human resources’ and system’s maintenance costs. The previous costs can unfortunately not be isolated from RIK’s overall labour and systems’ maintenance costs. The XBRL Annual Reporting project consisted of three stages, the first two of which were financed from European Union funds, €554,700, and the third stage from RIK’s own funds, €127,700.

1.5.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS
The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.5.6.1 Main Challenges

The main challenges encountered in the Estonian digitalisation of company law are developed in this section and include different topics. The obstacles described include (1) negotiations with notaries, (2) mutual authentication of foreigner eIDs, (3) situations of lack of funding, (4) organisation of trainings to align the online tools with the skills of the users, and (5) overcome the language barrier.

The challenges were identified by the Estonian authorities in the benchmark shared for the purpose of this study by the Estonian Ministry of Justice, e-Business Register_development22.

New responsibilities for notaries: development of the Company Registration Portal induced the withdrawal of notaries from the procedure of establishing a company. To overcome the resistance encountered, negotiations with notaries were carried out and new functions were assigned.

Authenticate investors without an Estonian ID-card: with the purpose of attracting foreign investors who need to be authenticated without an Estonian ID-card. Since mutual acceptance of electronic signatures had never been done before, it was perceived as more difficult than eID authentication. To solve the problem of mutually accepted secure authentication methods, a sub-project between Estonia and Portugal was created. Through bilateral and national collaborations, technically and legally feasible solutions were found. The process took a year, during which other Member States joined the mutual secure

authentication initiative, including Belgium, Finland and Latvia, to be authenticated with their ID-cards, and Lithuania to be authenticated with their Mobile-ID.

- **People and culture – Organisation of trainings**: in order to persuade end-users of the efficiency of the new annual reporting system, trainings were organised. Over 30,000 entrepreneurs, accountants, auditors were trained by RIK in collaboration with the Estonian Chamber of Commerce and Industry.

- **Language barrier – English**: In order to both be aligned with the business environment that uses English as main common language, and to involve foreign investors the English language as an option to be added to the Portal was seen as a must by Estonian authorities. Further than offering the information on company registration in English, the challenge was rather in offering the possibility to register companies online, this is, to introduce the information in English. It needed to be implemented as free text entry in the Portal, thus bringing to very simplified and standard forms and templates in the two languages. As a result, the registrars can continue working in Estonian, despite the fact data has been entered by users in English.

1.5.6.2 Main Benefits

The e-Business Register's project changed fundamentally how companies are established and communicate with the Estonian authorities. The e-Business Register's Company Registration Portal is perceived by Estonian public authorities as a success and extremely beneficial both for the private as well as for the public sector.

In this context, this section describes the main benefits identified by the Estonian authorities in the benchmark shared for the purpose of this study by the Estonian Ministry of Justice, *e-Business Register_development*:

- **Remote operation for entrepreneurs and company owners**: One of the main benefits of the use of digital tools in company law is the possibility of conducting a procedure from a remote location. Company registration or liquidation can be done 100% electronically in an easy step-by-step procedure needing no additional documentation nor a visit to the notary. The data on a company can also be amended electronically. Annual reports can easily be prepared, automatically checked by the system, audited by the auditor and submitted through the Company Registration Portal. Already in the first year into the launch of the

---

Portal, 30% of the companies were established online, confirming that the new services had been very well received by the public.

- **Removal of administrative burden:** the overall administrative burden was substantially reduced. Both the company owners, or company representatives, and the reporting entity submit the data and figures required by the public authorities only once in the agreed format and in one-single entry point.
  The data thus submitted is then quickly available and comparable. Thanks to the improved quality the number of warnings and fines issued every year to reporting entities for their reporting mistakes have also decreased. As a result, the proceeding times became more efficient and shortened, less human resources were needed, since there was no longer a need to enter data manually, and paper files were eliminated saving archive space and on transportation. **While the number of reporting entities has roughly doubled from 80 000 to 160 000 entities compared to the pre XBRL Annual Reporting System era, the human resources needed to control the reports have not changed.**

- **Information management:** the introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes.
  Indeed, the Visualized Business Register introduced in 2011, strongly improves the possibility to easily track relationships between different companies and individuals, through management and supervisory board members and shareholders.

- **Reduction of time and cost saving:** the easy-to-use e-services save time and money to entrepreneurs. Indeed, since all the procedures are 100% electronic, cutting out notaries from company registration and allowing automatic checks by the system to detect possible errors, **the time spent on administrative tasks and reporting was considerably reduced.** 60% of the respondents to a survey indicated that the time spent on reporting had decreased in 2010 compared to 2008. **According to a survey conducted by Estonian Ministry of Finance, the system has helped to reduce annual private sector spending on reporting by € 4.5 million.**

- **Recognition of foreign electronic signatures:** the acceptance of foreign electronic signatures increased the number of potential users up to 20 million. Taking into consideration the difficulties and lack of publicity abroad, in 2012, 29 companies, for which at least one of the founders was a foreign citizen of one of the four countries for which electronic signature is accepted, were founded through the Portal. In 2013 that number was 18 companies.
o **Enhancement of data quality:** the data quality improved drastically. Indeed, since data is inserted online into set forms, enabling the system to automatically check for mistakes and asking to correct the mistake directly if one was to be found, the quality of the data submitted improved with the introduction of the Company Registration Portal together with the XBRL Annual Reporting system. Data quality was even further improved thanks to the data exchange between different state registers, e.g. it became no longer possible to make mistakes when entering the names of the persons. The system automatically checks the data in real time.

o **Sustainable and transferable initiative:** in terms of financial and technical sustainability, the e-Business Register is funded by the RIK (RIK), by state financing and by foreign funds. Inquiries to the Business Register on oneself are free of charge as is the viewing of a company's registry-card, general and tax arrears data and the verifying of business and entrepreneurship prohibitions of Estonian persons. The viewing of annual reports, statutes, and personal and commercial pledge data is fee based, the fee being collected by RIK. To use the Visualized Business Register, a subscription agreement with RIK has to be concluded. However, all the data is free of charge to all the other state institutions. As a result, all the e-government systems are integrated with the Business Register and use the data directly from that register to validate companies’ data.
1.6 FINLAND

In what concerns company law processes in Finland one can conclude that this Member State has reached a quite advanced level of digitalisation. Today, most of procedures that limited liability companies must follow throughout their lifecycle can be conducted online (at least to some extend). For example, in Finland, company founders or directors do not need to present themselves physically before any authority in order to establish a new company, to update its public information, or even to voluntarily strike it off. In case company representatives do not intend to perform these procedures online, they can still process everything via traditional paper-based notifications by contacting the Finnish Patent and Registration Office (PRH) or with the Finnish Tax Authorities (VERO SKATT) customer service. PRH’s customer service is located in Helsinki and Vero has many different service points. In case company representatives decide to follow the traditional procedures they shall collect the necessary information and send it by post mail or submit the documents to the customer service. The online company law methods in Finland are supported by the Business Information System (BIS – YTJ), a platform developed and maintained by both the Finnish Patent and Registration Office (PRH) and the Finnish Tax Authorities (VERO SKATT).

As for the fees that may be charged to company representatives, Finnish authorities follow a cost covering principle i.e. the fees reflect the costs that authorities incur in keeping the system flowing. Fees are charged at the registration process of a company, may be charged whenever any change to company information is requested (depending on the requested change), and are charged again at the moment of dissolution.

The Finnish authorities have invested a significant amount of resources in making sure that their web points of information are complete, clear and easy to navigate. This has been facilitating and speeding up the processes equally for company representatives and public authorities.

All relevant information is always available in English besides Finnish and Swedish which has also contributed to a smoother process on the side of foreigners wanting to run a business in Finland.
1.6.1 REGISTRATION OF COMPANIES

1.6.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Finland. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

The process of registration of a company in Finland has to be performed at the Finnish Patent and Registration office - Trade Register. This authority is the National Business Register and is responsible for managing and maintaining all the information about businesses and companies. Every limited liability company is obliged to file a Start-up Notification with the Trade Register within three months from the signing of the memorandum of association. If the company is not reported for registration within that period of time, the formation expires.

1.6.1.2 Step-by-step analysis of the process associated with the registration of companies

This section offers a description of all the necessary steps to be conducted in order to register a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the
platforms used; the way information is managed across the different actors; and the information/documents requested from company founders.

1. Verification of the identity of the founders

**Description**

The validation of the founders’ identity is performed by the Business Information System (BIS - YTJ), which is maintained by:
- Finnish Patent and Registration Office - Trade Register (PHR); and by
- Finnish Tax Administration (VERO SKATT).

There are two possible ways to conduct this procedure:

- Through a bank account (Bank Identification Code (BIC)) – this is the most common identification method in Finland.
- Through The Population Register Centre’s certificate card with the Register Centre’s Citizen Certificate.

The information regarding the identity of the founders is stored online in the Business Information System (BIS-YTJ) database. Such information will also be added to the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish

**Actors Involved**

- Company founders
- Business Information System (BIS – YTJ)

**Online vs. Paper based**

Online or paper-based

**Platform**

Finnish Business Information System (BIS)

**Storage**

- Web forms
- Digital documents

**Required information**

- Personal Bank Identification Codes
- OR
- Population Register Centre’s certificate card (Register Centre’s Citizen Certificate)

2. Checking the availability/appropriateness of company name

**Description**

When company founders communicate the intended company name (via the Finnish Business Information System (BIS), the Finnish Tax Authority or the Finnish Patent and Registration Office itself), the Finnish Patent and Registration Office - Trade Register does not immediately validate if such name is already registered or not. Prior to the registration process, company founders cannot be totally sure if a company name can be registered. However, they can look at
registered or pending company names in the Finnish Patent and Registration Office – Trade Register's website. The actual company name examination takes place after company founders have filled and submitted the start-up notification. By registering a company name, company founders get an exclusive right to that name in Finland.

Once the company name is approved, its information is stored online in the Business Information System (BIS-YTJ) database. This information will also be added to the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service and stored there.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

| Actors Involved          | - Company founders  
|                         | - Business Information System (BIS – YTJ) |
| Online vs. Paper based   | Online or paper-based |
| Platform                 | Finnish Business Information System (BIS) |
| Storage                  | - Web forms  
|                         | - Digital documents |
| Required information     | - Intended name |

### 3. Confirmation of the share capital deposit fee

The necessary bank account for the deposit of the corporation’s share capital must be opened by company founders and then, the deposit must be communicated to the Finnish Patent and Registration Office - Trade Register (via the Finnish Business Information System (BIS), the Finnish Tax Authority or the Finnish Patent and Registration Office itself).

Once the company is established and its creation notified, the proof of the share capital deposit fee is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service, or in both of them.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

| Actors Involved          | - Company founders  
|                         | - Bank entity  
|                         | - Business Information System (BIS – YTJ) |
| Online vs. Paper based   | Online or paper-based |
### Platform
- Finnish Business Information System (BIS)

### Storage
- Web forms
- Digital documents

### Required information
- Proof of deposit of corporation’s share capital

## 4. Drawing up, signing and certifying the documents required for registration

**Description**

A limited liability company must be reported for registration within three months from the signing of the memorandum of association. If the company is not reported for registration within that period of time, the formation expires.

The formation of a limited liability company is reported to the PRH (via the BIS, the Finnish Tax Authority or the Finnish Patent and Registration Office itself) by using Forms in Finnish or in Swedish and enclosed Documents through Finnish Business Information System (BIS) platform. Bilingual forms in Finnish and in English are also available but they must be filled in Finnish or in Swedish. To help company founders filing the documents needed for the formation and registration, the Finnish Patent and Registration Office (PRH) provides a formation package in English. This package contains formation instructions, document templates and notification forms. The English document templates and notification forms can however only be used as models and cannot therefore be submitted to the Trade Register.

Once the company is established and its creation notified, all this information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office -Trade Register (PHR): Virre Information Service, or in both of them.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

**Actors Involved**
- Company founders
- Business Information System (BIS – YTJ)

**Online vs. Paper based**
- Online or paper-based

**Platform**
- Finnish Business Information System (BIS)

**Storage**
- Web forms
- Digital documents

**Forms**
- Form Y1 and Appendix Form (start-up notification)
- Personal Data Form

**Required information**
Documents (Enclosures)

- The limited liability company’s original memorandum of association
- A copy of the articles of association
- A statement of the members of the board of directors and the managing director, if any, confirming that the company has been formed in compliance with the Limited Liability Companies Act. This statement can also be submitted on Appendix Form 1
- Certificate of the auditors, in case, under the law or the articles of association, the company is obliged to elect one. It can also be submitted on Appendix Form 1. If, under the law or the articles of association, the company is not obliged to elect an auditor, company founders shall enclose some other document concerning the payment for shares. As examples:
  - a certificate from the company’s auditor, if the company has freely chosen to appoint an auditor
  - a certificate from an auditor of the transfer of assets
  - an account statement, or an equivalent certificate from a financial institution. The document can be a printout indicating the final transaction and including the bank’s archive number (‘arkistointitunnus’); a copy of company’s account statement; a receipt from a payment ATM; or the payer’s copy (with the bank’s stamp) of the credit transfer form (‘tilisiirtolomake’).
- If the board meeting elects the chairperson of the board of directors, holders of procuration or persons authorised to represent the company, or adopts an auxiliary company name, company founders must also enclose a certified copy of the minutes of the meeting by notary. The chairperson of the board of directors can also be mentioned in the memorandum of association.
- If the share capital is paid with other assets than cash, company founders have to provide also an account of an auditor.
- If a person without a Finnish personal identity code is reported for registration, company founders have to provide also a certified copy of his or her passport by notary.
- If a foreign company subscribes for shares, in other words is a share owner, company founders have to provide also an extract from the register in the company’s home country.

5. Company registration

In order to proceed with the registration with the Finnish Patent and Registration Office - Trade Register (via the Finnish Business Information System (BIS), the Finnish Tax Authority or the Finnish Patent and Registration Office itself), company founders have to submit the above mentioned documents and forms (described in step 3 and 4 of this process). Besides this, company founders will also have to pay a handling fee and to prove such payment by providing a receipt. The handling fee value depends on whether or not the process is conducted online, via the BIS, €330, or the traditional way, via paper based notifications, €380. If a limited liability company is established using the online service in Finnish or in Swedish, company founders pay the handling fee through the online service with their internet banking codes or by credit
In case, the notification is done on paper, company founders must pay the handling fee in advance and submit the receipt together with the notification within a week after payment. If they submit it later, it will delay the processing of the notification significantly.

Notification of an auxiliary company name (price per auxiliary company name): €100.

Notification of an auxiliary company name (price per auxiliary company name) / Online Start-up Notification: €65.

Once the company is established and its creation notified, all this information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service, or in both of them.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

**Actors Involved**
- Company founders
- Business Information System (BIS – YTJ)

**Online vs. Paper based**
Online or paper-based

**Platform**
Finnish Business Information System (BIS)

**Storage**
- Web forms
- Digital documents

**Required information**
- All documents described in step 3 of this process
- Proof of deposit of corporation’s share capital (as described in step 4 of this process)
- Receipt proofing the payment of handling fee

**6. Publication of company registration**

The publication of a notice of incorporation of the company is the duty of the Finnish Patent and Registration Office (PHR) – Trade Register - in order to comply with the Directive 2009/101/EC (Art.3.5.). Once the company is incorporated, the PHR will issue a notification of its establishment.

**Description**
Once such notification is issued, the information on this publication is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service, or in both of them.

This is an internal step performed by the Finnish Patent and Registration Office (PHR) – Trade Register. It is performed electronically only.

**Actors Involved**
- Finnish Patent and Registration Office (PHR) – Trade Register
### 1.6.2 FILING OF COMPANY INFORMATION

1.6.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

Businesses have to notify the Finnish Trade Register any changes in their registered data. Most businesses, including limited liability companies must also submit their financial statements (annual accounts) to the register. Notifications can be filed online (in Finnish or in Swedish) through the Business Information System (BIS – YTJ), which is maintained by the PRH and the Finnish Tax...
Administration, or using paper notification forms. The Trade Register often requires companies to submit evidence of their decision on which the notification is based on (e.g. a certified copy of the minutes of the general meeting or the board of directors meeting).

Notifications must be signed by a person who is liable or authorised to file the notification (e.g. in case of the limited liability companies the notification is signed by a member of the board of directors, or, if changes are filed, by a member of the board of directors or the managing director). If an authorised person signs the paper notification, the original power of attorney or a certified copy of the power of attorney must be enclosed.

As soon as the notification has been registered, the Trade Register will send the company or the contact person an up-to-date register extract containing all valid company details. If changes have been made to the articles of association, a copy of these updated documents will also be sent to the company, together with the register extract.

The Trade Register is a public register, hence all submitted notifications, together with accompanying documents, can be publically accessed.

1.6.2.2 Step-by-step analysis of the process associated with the filing of company information

This section illustrates the most common type of changes to the instruments of constitution or foundational statutes of a company (e.g.: change of a company name; change of a company address; increase/decrease or amount of capital subscribed; change in the object of the company) and the way the implementation of such changes should be conducted by company directors. This section also offers a description of all the necessary steps to be conducted by company directors in order to file company’s annual accounts and/or financial statements.

<table>
<thead>
<tr>
<th>7. Accounting documents for each financial year / update of company books</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>Any Limited Liability Companies in Finland is requested to submit its financial statements (annual accounts / company books) for publication by the Finnish Patent and Registration Office - Trade Register (PHR) - Trade Register. The annual documents have to be submitted online via the Business Information System (BIS – YTJ) or via traditional paper-based notifications either directly to the Finnish Patent and Registration Office - Trade Register (PHR) or to Finnish Tax Administration (VERO SKATT), which in turn will forward the documents to the Trade Register.</td>
</tr>
</tbody>
</table>

All financial statements submitted to the PHR are public documents, and can be purchased on Virre Information Service.
The filing of accounting documents for each financial year / update of company books financial statements is free of charge.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

**Actors Involved**
- Company Directors
- Business Information System (BIS – YTJ)

**Online vs. Paper based**
- Online or paper-based

**Platform**
- Finnish Business Information System (BIS)

**Storage**
- Digital documents

**Required information**
- Annual accounts / financial statements / company books

---

### 8. Amendments to the instruments of constitution or statutes and respective certification

Whenever a Company Director of a business wants to report changes in the company details, a notification of the change must be submitted:

- to the Business Information System (BIS - YTJ) for the online procedure;
- or by using paper notification forms to both the Finnish Patent and Registration Office - Trade Register (PHR) - Trade Register or to Finnish Tax Administration (VERO SKATT).

**Fees:**

Handling fees may apply and are different for online filing at BIS-YTJ and for filing on paper. For example, it is free of charge to notify the BIS-YTJ about business address or contact details. Other notifications to the Trade Register are subject to a fee (Please see Table in the end of this chapter)

**Description**

**Online Notification of Changes:**

- Notification of changes through the online service shall be paid by entering internet banking codes or by credit card
- The handling fee for changing the articles of association do not cover notifications concerning capital or changes to persons
- The handling fee for changing the articles of association covers changes to the line of business and place of registered office, and changes to the representation of the company based on position in the company;
- the handling fee for changing a limited liability company’s capital covers several changes in the same class of fees if changes are filed at the same time;
- the handling fee for notifications concerning a limited liability company’s capital or shares does not cover notifications concerning changes to persons etc.

Paper Notification Forms:
- If a notification is filed on paper, one must pay the handling fee in advance and submit the receipt together with the notification.

It should be taken into account that, with paper forms lower fees are usually included in higher fees with some exemptions. For instance, if company changes their articles of association the fee of €380 also includes changes in the company’s representatives or changes in share capital. Auxiliary names are always with their own fee that is added to any other fee when notified.

After changes are made, all information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service, or in both of them.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

### Actors Involved
- Company directors
- Business Information System (BIS – YTJ)

### Online vs. Paper based
- Online or paper-based

### Platform
- Finnish Business Information System (BIS)

### Storage
- Web forms
- Digital Documents

### Required information
Online Notification of Changes:
Changes with the following details can be reported online via the Business Information System (BIS - YTJ). Company directors will have to provide the following information:
- address and contact details
- company name, parallel company names
- auxiliary company names and their lines of business
- accounting period
- place of registered office
- persons holding responsible positions: board of directors, managing director, auditors, holders of procuration, and persons authorised to represent the company
- resignation or termination of company founders’ appointment if they have held a responsible position in a Company
• line(s) of business to be reported to the Trade Register
• capital details: share capital, shares, options and other special rights, and authorisation of the board of directors
• articles of association
• merger (absorption merger or subsidiary merger)
• main line of business to be reported to the Tax Administration
• details entered in the VAT Register, Prepayment Register and Employer Register.

Paper Notification Forms:
When using paper notification forms one needs to pay attention to the use the correct notification form, as there are separate instructions for each type of business and organization:

• Form Y4 and Appendix Form 13. This form must be filled in Finnish or in Swedish. A specific Personal Data Form shall be used for submitting identification data of natural persons. Personal identity codes or home addresses must not be filled in any other notification forms.
• Form Y4 must be signed by a member of the board of directors, or the managing director, or by a person authorised by one of them. If an authorised person signs the notification, the original general power of attorney or a certified copy of a special power of attorney must be enclosed with the notification.

The following enclosures (documents) should be submitted with online notifications or with paper notification forms:

• The decision which the amendment is based on (e.g. general meeting’s decision to change the articles of association or to appoint a board of directors, or a decision of the board of directors to appoint a chairperson);
• The receipt for the handling fee if the notification is filed on paper;

<table>
<thead>
<tr>
<th>9. Company changes publication</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>The publication of a change in company information and of company’s annual accounts is the duty of the Finnish Patent and Registration Office (PHR) – Trade Register.</td>
</tr>
<tr>
<td>Once the change is effective, the information will be updated in the Business Information System (BIS-YTJ) database and in the database of the Finnish Patent and Registration Office -Trade Register (PHR): Virre Information Service.</td>
</tr>
<tr>
<td>This is an internal step performed by the Finnish Patent and Registration Office (PHR) – Trade Register. It is performed electronically only.</td>
</tr>
</tbody>
</table>
1.6.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.6.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Finland, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

The dissolution of a company and termination of business has to be reported to the Trade Register. As soon as the company is deleted from the Trade Register, the protection of registered company names is no longer in force.

A limited liability company when closed voluntarily, i.e. dissolved, goes into liquidation by decision of the General Meeting.
Liquidation often begins once the General Meeting has made a decision to that effect. In some special cases regulated by law, the Finnish Patent and Registration Office (PRH) or a court may order a limited liability company into liquidation. In most cases, the Trade Register has the following procedure: Notification of liquidation and liquidators; Application for public summons; Notification of dissolution; and Notification of final accounts.

1.6.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

10. Filing of the dissolution agreement/resolution and other documents related to winding-up

A limited liability company can be closed, i.e. dissolved, by going through several procedures: A common way to close a limited liability company is by going into liquidation by decision of the General Meeting.

The liquidation of limited liability companies is regulated by Chapter 20 of the Finnish Limited Liability Companies Act.

Liquidation often begins once the General Meeting has made a decision to that effect. In some special cases regulated by law, the Finnish Patent and Registration Office (PRH) or a court may order a limited liability company into liquidation (more information on the latter case can be found on Chapter 23 of the Limited Liability Companies Act).

In most cases, the procedures to be conducted by the Trade Register in order to proceed with liquidation of a company are as follows:

1. Notification of liquidation and liquidators
2. Application for public summons
3. Notification of dissolution
4. Notification of final accounts

1. Notification of liquidation and liquidators:

Once the General Meeting has decided on the liquidation and the liquidators, the liquidators must register the decision without delay. Liquidation begins once this decision has been made, unless the General Meeting designates a later date for starting the liquidation.

At least one liquidator must be resident in the European Economic Area, unless the PRH grants an exemption from this requirement.

Deadlines:
The notification must be submitted without delay.
Price:
85 euros, which must be paid in advance.

2. Application for public summons:
The liquidators must apply to the PRH for a public summons to the creditors of the company. The liquidators can apply for a public summons when notifying both PRH and the tax authorities (VERO SKATT) office about the liquidation and liquidators. Public summons must be applied for even if there are no creditors known to the company. Public summons must also be applied for when the authorities have ordered the company into liquidation.

Deadlines:
There is no statutory time limit for applying for a public summons.
Price - 210 euros, which must be paid in advance.
Notes - The liquidator must inform the creditors at least one month before the due date of the public summons. After the due date, BIS will inform the liquidator or his or her representative about whether any creditors have notified BIS about their receivables.

3. Notification of dissolution
The company is deemed to have been dissolved once the liquidators have presented the final accounts to the General Meeting. The liquidators must, without delay, register the dissolution (Chapter 20, Section 17 of the Limited Liability Companies Act).

Deadlines
The notification must be submitted without delay.
Price - Free of charge

4. Notification of final accounts
The final accounts must be submitted for registration according to Chapter 8, Section 10 of the Limited Liability Companies Act.
Price - The notification is free of charge.

After the dissolution of the company, all information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service, or in both of them.
This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

Actors Involved
- Company directors and/or shareholders
- The liquidator or a person he or she has authorised (in the case of applying for a public
summons)

- Business Information System (BIS – YTJ), which is maintained by:

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Online or paper-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform</td>
<td>Finnish Business Information System (BIS)</td>
</tr>
</tbody>
</table>
| Storage                | - Web forms  
- Digital documents |

1. Notification of liquidation and liquidators:

Forms
- Form Y4 and Appendix Form 13 shall be used. In Form Y4 one shall fill the basic information and any details that have changed.
- Personal Data Form - a Personal Data Form shall be used for submitting identification data of natural persons (from Finland).

Documents (enclosures):
- Minutes of the General Meeting that decided on the liquidation and the liquidators shall be enclosed.

Notes - Appendix 13 is only available in Finnish and in Swedish.

2. Application for public summons:

Forms
- Informal application – One must indicate the company name and Business ID in the application, and apply for a public summons to the creditors of the company.
- If applying for a public summons one shall use Form Y4 and Appendix Form. The application must be signed by a liquidator, or by a person he or she has authorised. If an authorised person signs the application, the original general power of attorney or a certified copy of a special power of attorney must be enclosed.

Documents (Enclosures)
N/A

3. Notification of dissolution

Forms
Form Y4 and Appendix Form 15:
- In Form Y4 basic information and the indication that the company has been dissolved shall be filled in. Form Y4 must be signed by a liquidator, or by a
person he or she has authorised. If an authorised person signs the notification, the original general power of attorney or a certified copy of a special power of attorney must be enclosed.

- Appendix Form 15

Documents (Enclosures):

- Minutes of the General Meeting where the final accounts were presented (for example a certified copy of the minutes)

4. Notification of final accounts

Forms:

The submission of final accounts to the Trade Register and the notification of dissolution of a company are two separate procedures, but can be submitted at the same time. In this case, the same forms shall be used, indicating in Form Y4, section ‘Lisätietoja/Additional information’, that the final accounts for registration are also being submitted.

Documents (Enclosures):

The final accounts shall be enclosed.

11. Striking off the company

As described in the previous step, the dissolution of a company and termination of business has to be reported to the Trade Register. Once the four procedures described in the previous step are conducted, the Finnish Patent and Registration Office can effectively proceed with the company strike off.

After the company strike off, all information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office Trade Register (PHR): Virre Information Service, or in both of them.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

<table>
<thead>
<tr>
<th>Description</th>
<th>As described in the previous step, the dissolution of a company and termination of business has to be reported to the Trade Register. Once the four procedures described in the previous step are conducted, the Finnish Patent and Registration Office can effectively proceed with the company strike off. After the company strike off, all information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office Trade Register (PHR): Virre Information Service, or in both of them. This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors Involved</td>
<td>- Business Information System (BIS – YTJ)</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>Online or paper-based</td>
</tr>
<tr>
<td>Platform</td>
<td>Finnish Business Information System (BIS)</td>
</tr>
<tr>
<td>Storage</td>
<td>- Web forms</td>
</tr>
<tr>
<td></td>
<td>- Digital documents</td>
</tr>
<tr>
<td>Required information</td>
<td>N/A (as long as the information submitted in the 4 sub-steps of the previous step is correct)</td>
</tr>
</tbody>
</table>
12. Publication of winding-up

**Description**

As soon as the company is deleted from the Trade Register, the protection of registered company names is no longer in force.

After a company’s dissolution, all information is stored online either in the Business Information System (BIS-YTJ) database or in the database of the Finnish Patent and Registration Office - Trade Register (PHR): Virre Information Service, or in both of them.

This step can either be conducted online or paper-based. The online method is still only available in Finnish and/or Swedish.

**Autors Involved**

- Business Information System (BIS – YTJ)

**Online vs. Paper based**

Online or paper-based

**Platform**

Finnish Business Information System (BIS)

**Storage**

- Web forms
- Digital documents

**Required information**

N/A

1.6.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.24

**1.6.4.1 Registration of companies**

<table>
<thead>
<tr>
<th>Type of business</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited liability company</td>
<td>232,258</td>
<td>41.0%</td>
<td>242,363</td>
<td>41.5%</td>
</tr>
<tr>
<td>Private trader</td>
<td>195,416</td>
<td>34.5%</td>
<td>202,250</td>
<td>34.7%</td>
</tr>
<tr>
<td>Housing company</td>
<td>84,121</td>
<td>14.8%</td>
<td>85,083</td>
<td>14.6%</td>
</tr>
<tr>
<td>Limited partnership</td>
<td>35,099</td>
<td>6.2%</td>
<td>34,802</td>
<td>6.0%</td>
</tr>
<tr>
<td>General partnership</td>
<td>12,625</td>
<td>2.2%</td>
<td>12,511</td>
<td>2.1%</td>
</tr>
<tr>
<td>Co-operative</td>
<td>4,379</td>
<td>0.8%</td>
<td>4,530</td>
<td>0.8%</td>
</tr>
<tr>
<td>Branch of a foreign trader</td>
<td>1,127</td>
<td>0.2%</td>
<td>1,201</td>
<td>0.2%</td>
</tr>
<tr>
<td>Non-profit association</td>
<td>357</td>
<td>0.1%</td>
<td>384</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

The table above (Figure 1) illustrates the number of companies registered in Finland by legal form of company. Most of the established companies are Limited liability companies (LLC), representing 42.3% of all companies created in 2015. Private traders come right after accounting for 35.0% of 2015 registrations. Housing companies is the third most chosen legal form of company, summing up 14.1% of all registered companies in 2015.

According to the figure above (Figure 2) it is possible to notice the clear increase of the number of LLC and the total number of companies in Finland over time; moreover, both trends are quite similar.
Additionally, the graph shows that the weight of LLC over the total number of companies in Finland has increased from 41.0% to 42.3% in the last four years. In other hand, it is possible to notice that the number of companies in absolute values have raised from 566,995 to 616,683 in the same period; this represents an increase of 8.76%.

<table>
<thead>
<tr>
<th>Type of business</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch of a foreign trader</td>
<td>124</td>
<td>121</td>
<td>90</td>
<td>101</td>
</tr>
<tr>
<td>Co-operative</td>
<td>228</td>
<td>208</td>
<td>235</td>
<td>230</td>
</tr>
<tr>
<td>Foundation</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>General partnership</td>
<td>811</td>
<td>656</td>
<td>590</td>
<td>550</td>
</tr>
<tr>
<td>Housing company</td>
<td>1,062</td>
<td>989</td>
<td>948</td>
<td>869</td>
</tr>
<tr>
<td>Insurance company</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Limited liability company</strong></td>
<td><strong>12,504</strong></td>
<td><strong>12,441</strong></td>
<td><strong>11,964</strong></td>
<td><strong>12,624</strong></td>
</tr>
<tr>
<td>Limited partnership</td>
<td>1,006</td>
<td>900</td>
<td>767</td>
<td>673</td>
</tr>
<tr>
<td>Mutual insurance company</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Non-profit association</td>
<td>22</td>
<td>29</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Private trader</td>
<td>15,820</td>
<td>14,497</td>
<td>15,421</td>
<td>13,671</td>
</tr>
<tr>
<td>Public limited company</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Tenant-owners’ society</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total businesses</strong></td>
<td><strong>31,587</strong></td>
<td><strong>29,851</strong></td>
<td><strong>30,045</strong></td>
<td><strong>28,749</strong></td>
</tr>
</tbody>
</table>

*Figure 3 Registered new companies by type of businesses, Finland, 2012-2015*

*Figure 4 Evolution and forecast of new businesses by main types of businesses, Finland, 2012-2017*
Figure 4 shows that the number of new companies have decreased from 2012 to 2015; also, it is possible to notice that every different type of company by legal form has also decreased except Non-profit association and LLC; this last one had a constant decrease from 2012 to 2014 and a significant increase in 2015 which compensates that previous decrease and makes it raised from 12,504 in 2012 to 12,624 in 2015, which can be interpreted as an inflection point which reverses that declining trend from 2015 or a possible beginning of fluctuations; while the rest of different companies by legal form have a flat evolution and forecast.

Moreover, the Figure 5 shows a clear majority of LLC (44%) and private trader (48%) as types of businesses registered during 2015.

1.6.4.2 Registered changes, financial statements and dissolutions on businesses analysis

The following figure includes notifications and applications processed at the Finnish Patent and Registration Office (PRH); also, notifications submitted by housing companies are not included.

Moreover, the Figure 5 shows a clear majority of LLC (44%) and private trader (48%) as types of businesses registered during 2015.
changes in businesses or closed down businesses. Note that notifications submitted by housing companies are not included in the figures.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>New businesses</td>
<td>31,336</td>
<td>30,684</td>
<td>30,181</td>
<td>29,540</td>
</tr>
<tr>
<td>Financial statements</td>
<td>241,886</td>
<td>224,297</td>
<td>204,595</td>
<td>200,162</td>
</tr>
<tr>
<td>Changes in businesses</td>
<td>108,409</td>
<td>112,835</td>
<td>117,935</td>
<td>119,429</td>
</tr>
<tr>
<td>Closed down businesses</td>
<td>14,018</td>
<td>13,659</td>
<td>13,486</td>
<td>14,236</td>
</tr>
</tbody>
</table>

Figure 7 Registered and processed trade register matters, Finland, 2011 – 2014

The Figure 8, constructed according to the data of the Figure 7, shows how Financial statements registered and processed had a steep decline and it is forecasted to keep declining in the future with two possible scenarios: a probable smooth decline or a steep decline; this can arise due to that the total number of companies have decreased as the Figure 3 shows and also combined to other possible factor which is that some companies remain in the database system and they should not remain since they are not operating anymore; while changes in businesses grows a bit and according to the forecast it will grow even more. Additionally, new businesses and closed down businesses follow a flat trend.

Figure 8 Registered and processed trade register matters, Finland, 2011 – 2016
1.6.4.3 Conclusions

The total number of companies has decreased 3% from 2012 to 2015 in Finland while LLC have increased considerably taking into account that it does not follow the common trend and that it grows 1.3% in 4 years. Also, it is shown a clear declining trend and forecast of registered and processed financial statements, which is probably explained by the fact of the decrease of the total number of companies. Finally, it should be noticed a slightly increase of changes on companies, which could have different reasons related to their financial health, company structure, business model, etc.

1.6.5 COSTS AND SAVINGS ANALYSIS
1.6.5.1 Cost Analysis

1.6.5.1.1 Main Costs (Administrative Fees)

The table below, displays the different types of fees charged by the Finnish authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution):

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notifications Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notification of an auxiliary company name (price per auxiliary company name)</td>
<td>Companies have the possibility to ask for an auxiliary company name, which notification could be online or paper-based.</td>
<td>€65</td>
<td>€100</td>
</tr>
<tr>
<td>Handling fee</td>
<td>Start-up Notification of a limited liability company submitted via the online BIS Service or paper-based.</td>
<td>€330</td>
<td>€380</td>
</tr>
<tr>
<td>eID Reader</td>
<td>In order to log-in, one needs to be a holder of an eID in addition an eID reader needs to be connected to the PC and a software to read it needs to be downloaded. The eID reader needs to be paid only once in the life-cycle of a company.</td>
<td>€20</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Filing of company information</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change of the articles of association</td>
<td>Change of the articles of association of limited liability companies or the rules of co-operatives or savings banks (does not include the fee for changing the company name or parallel company name)</td>
<td>€275</td>
<td>€380</td>
</tr>
<tr>
<td>Annual Accounts filing cost</td>
<td>To file annual accounts is performed by company founders and it is free of charge.</td>
<td>Free of charge</td>
<td>Free of charge</td>
</tr>
<tr>
<td>Other costs</td>
<td>Notification of changes concerning a company’s capital, for example: decision on issue of shares, other changes relating to the number of shares, conversion of shares, increase of share capital, reduction of share capital without public notice procedure, authorisations to the board of directors in matters relating to the company’s capital or shares, decrease of legal reserve and share premium reserve, ways of increasing the co-operative contribution,</td>
<td>€40 - €380</td>
<td>€40 - €520</td>
</tr>
</tbody>
</table>
1.6.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS
The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.6.6.1 Main Challenges
The main challenges were identified, both by companies and public authorities that needed to be faced prior to the evolution from paper-based procedures to digital tools implementation for the registration of companies:

- **Information on company creation available in English:** In the case of Finland, the online registration company method is still only available in Finnish and/or Swedish, which implies an obstacle for creating a company. Although, there is a platform called www.yrityssuomi.fi where it is possible to find detailed information relative to creation of companies in English as well as Swedish and Finnish, due to the different Finnish regions which represent dialectal, cultural, and economic variations.

- **Interconnected/interoperable safeguards validating identity of founders:** In Finland, it is possible to log-in with three different identification methods through the website https://oma.yrityssuomi.fi/en/, which is a secure service that can be accessed by logging in using personal bank access codes (the identifiers granted by their bank.), mobile identification (using a mobile phone that has a SIM card equipped with mobile certificate.) or a Finnish eID card (a personal ID card containing a chip granted by the police. It is also

---

### Voluntary Dissolution

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Description</th>
<th>Fee 1</th>
<th>Fee 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Giving up an auxiliary company name</strong></td>
<td>Giving up an auxiliary company name fees varies depending on if it is conducted through the online platform or paper-based.</td>
<td>€40</td>
<td>€85</td>
</tr>
<tr>
<td><strong>Placing into liquidation</strong></td>
<td>Liquidation begins once this decision has been made, unless the General Meeting designates a later date for starting the liquidation.</td>
<td>€85</td>
<td>€85</td>
</tr>
<tr>
<td><strong>Application for public summons</strong></td>
<td>Public summons must also be applied for when the authorities have ordered the company into liquidation.</td>
<td>€210</td>
<td>€210</td>
</tr>
</tbody>
</table>
needed a card reader-equipment and software.). Therefore, this constitutes an obstacle for European citizens from other countries who would like to register a company in Finland.

1.6.6.2 Main Benefits

This section describes the main benefits identified by Finish authorities brought by the digitalisation of company law:

- **Secure and reliable safeguards:** It is possible to verify the identity of company founders and protect the payment of fees providing their personal bank identification codes or their population register centre’s certificate card (Register Centre’s Citizen Certificate) through the platform www.ytj.fi (Finnish Business Information System).

- **Template of articles of association:** The Finnish Patent and Registration Office (PHR) provides a formation package in order to help company founders to fill in the documents needed for the formation and registration. The package contains formation instructions, document templates and notification forms.
1.7 FRANCE

In French company law, the Business Register, this is les Greffes des Tribunaux du commerce, plays a central role. The figure of the greffier, not only manages and archives all the information of companies but also certifies and authenticates all the information submitted. To certain extend, the greffier plays a similar role to the notary in other Member States, but with a post-ante validation. Greffes are involved in the wide majority of the procedures of the company life-cycle. There are 134 Greffes des Tribunaux du commerce distributed across the French territory, but with centralised missions. There are also seven jurisdictions in charge of the business register in the Region of Alsace Moselle and in the overseas departments. In this sense, centralisation has played in favour of a better and quicker digitalisation of company law.

Although digitalisation of company law started approximately 30 years ago, its most mature stage was reached in 2007 with the perfection of its main portal, infogreffe.fr.

As a particularity of the French company law should be presented the obligation of publish a notice of incorporation in a local newspaper publishing legal notices. The availability and appropriateness of the company name is not a mandatory step in the strict sense of French company law, however, the company will be held responsible if an potential legal inconvenience appears with another existing company.

Regarding the articles of associations, they can be drawn up, signed by the associates and directly submitted to the Business Register. In this sense, the intervention of a notary is not compulsory in France since the registrar, is already a public officer with the mission of authenticating and certifying all the documents involved in the registration process.

Concerning the digitalisation of registration of companies, most of processes, except the publication of a notice of incorporation in the local newspaper, can be conducted online on an optional basis when it comes to procedures involving company founders. On the other hand, when it comes to procedures involving only public actors, e.g. the publication notice of incorporation of the company in a national gazette that involves the Greffes des Tribunaux du commerce and the Direction de l’Information légale et administrative, they possess mandatory online character.
1.7.1 REGISTRATION OF COMPANIES

1.7.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in France. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

1.7.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in France. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform every procedure.

### 1. Publish notice of incorporation in the local newspaper publishing legal notices

**Description**

Prior to registering their company in the Tribunaux du commerce, French company founders need to publish their notice of incorporation in any local newspaper able to publish legal notices. Since this procedure can be carried out by any local newspaper able to publish legal notices present in the French territory, the possibility of conducting it online or in a paper-based method depends on each newspaper. Potential fees equal €5.49 per line of 40 characters (assuming 30 lines, it is €164.7).
### 2. Verification of the identity of the founders

**Description**
Verification of the founder’s identity is done in the criminal record after receiving a pdf copy of the founder’s ID or passport. Any valid piece of identification from any country, either from an EU Member State or third country can be submitted for identity verification. Given the identification is done through a pdf document, no eID reader is needed, but rather a scanner device.

**Actors Involved**
- Company Founders
- **Greffes des Tribunaux du commerce**

**Online vs. Paper based**
Online and paper-based

**Platform**

**Storage**
Pdf

**Required information**
N/A

### 3. Confirmation of the share capital deposit fee

**Description**
The confirmation of the share capital deposit fee can be submitted with a notification of the bank informing that the share capital was deposited when registering the company. It takes one day.

**Actors Involved**
- Company Founders
- **Greffes des Tribunaux du commerce**

**Online vs. Paper based**
Online and paper-based

**Platform**

**Storage**
Pdf

**Required information**
N/A
4. Drawing up, signing and certifying the documents required for registration

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drawing up articles of association can be made by the company founders with no need of legal assistance. At this stage, only one official template for articles of association has been published by the government, but the Conseil National des Greffiers des Tribunaux de Commerce, has identified the need to provide official templates as part of their future concerns. The fees for the verification and the authentication of the association articles equal €49.92.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Founders</td>
</tr>
<tr>
<td>- Greffes des Tribunaux du commerce</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online and paper-based</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Type of company / legal form</td>
</tr>
<tr>
<td>- Duration (≤ 99 years)</td>
</tr>
<tr>
<td>- Company name</td>
</tr>
<tr>
<td>- Headquarters address</td>
</tr>
<tr>
<td>- Corporate purpose</td>
</tr>
<tr>
<td>- Identity of directors</td>
</tr>
<tr>
<td>- Amount of share capital</td>
</tr>
<tr>
<td>- Supporting documents (specific activities)</td>
</tr>
</tbody>
</table>

5. Company registration

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The submission of all the relevant documents for registration is done through <a href="http://www.infogreffe.fr">www.infogreffe.fr</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Founders</td>
</tr>
<tr>
<td>- Greffes des Tribunaux du commerce</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online and paper-based</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

6. Publication of company registration

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The publication of the registration is made on the national platform Infogreffe. The publication of a notice of incorporation of the company is the Direction de l’Information légale et administrative (DILA) is conducted by the Greffes des Tribunaux du commerce in order to comply with the Directive 2009/101/EC (Art.3.5.).</td>
</tr>
</tbody>
</table>
1.7.2 FILING OF COMPANY INFORMATION

1.7.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

1.7.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in France. The following table offers a description of each step, details the
actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

### 7. Amendments to the instruments of constitution or statutes

| Description | Any amendment or change to the instruments of constitution or statutes – including changes of company name, address, subscribed capital increase or decrease, object of the company, directors or board members and disclosure of those – follows the same procedures, it needs to be filled in the business register and the registrar or greffier will check its validity, register it and publish it.
| All modifications need to be published both in the local newspaper able to publish legal notices and in the Direction of de l'Information légale et administrative (DILA) in order to comply with the Directive 2009/101/EC (Art.3.5.). |
| Actors Involved | - Company Founders  
- Greffes des Tribunaux du commerce  
- Direction of de l’Information légale et administrative – DILA  
- Local newspaper publishing legal notices |
| Online vs. Paper based | Online and paper-based |
| Storage | N/A |
| Required information | N/A |

### 8. Submission of annual accounts

| Description | Submission of annual accounts needs to be filled in the business register and the registrar or greffier will register it and publish it. |
| Actors Involved | - Company Founders  
- Greffes des Tribunaux du commerce |
| Online vs. Paper based | Online and paper-based |
| Storage | Pdf |
| Required information | N/A |
1.7.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.7.3.1 Description of the process associated with the dissolution of companies

In France, the dissolution of the company is treated as an amendment to the articles of associations. In this sense, the dissolution agreements need to be published in a local newspaper, then filed in the business register and the registrar or greffier, is in charge of checking its validity, register it and publish it. Business register will also send the information to the Direction de l’information légale et administrative.

1.7.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

12. Striking off the company

**Description**

Company founders remove the company from the Business register.
1.7.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.7.4.1 Main Trend Analysis
This section intends to highlight statistical data associated with the company law procedures in France and to illustrate its major trends and evolution over time. The data presented below was retrieved from the contacted competent authorities in France.

The table below gives an overview of the number of new companies created for the period 2010-2015, which has irregularly raised till now:25

<table>
<thead>
<tr>
<th></th>
<th>Civil companies</th>
<th>Commercial companies</th>
<th>Individuals, Civil and commercial companies, GIE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>73,806</td>
<td>169,700</td>
<td>287,740</td>
<td>243,506</td>
</tr>
<tr>
<td>2011</td>
<td>85,454</td>
<td>201,484</td>
<td>327,424</td>
<td>286,938</td>
</tr>
<tr>
<td>2012</td>
<td>78,111</td>
<td>189,897</td>
<td>301,896</td>
<td>268,008</td>
</tr>
<tr>
<td>2013</td>
<td>78,097</td>
<td>190,527</td>
<td>299,991</td>
<td>268,624</td>
</tr>
<tr>
<td>2014</td>
<td>76,786</td>
<td>192,748</td>
<td>297,639</td>
<td>269,534</td>
</tr>
<tr>
<td>2015</td>
<td>80,464</td>
<td>196,346</td>
<td>383,764</td>
<td>276,810</td>
</tr>
</tbody>
</table>

Figure 1 Number of companies created by legal entities, France, 2010-2015

The following figure shows the impact of the online tool developed by the French government for company creation, modification and dissolution, called Infogreffe, and the companies which intermediate between this platform and company founders in case they decide to not do this processes by their own; information is broken down in different categories for a better understanding.

As the Figure 3 shows, the number of online company registrations and amendments have raised in the recent years. On other hand, in 2016, the number of online company registrations and amendments have suffered an important decrease. The same occurs with the dissolution of companies which follows the same trend although its amount is much lower as it is shown on the next graph and it is detailed on the Figure 2. The Graph below provides an overview of the different online changes the recent years in France.

![Figure 3 Evolution of online changes in the number of companies, France, 2012-2016](image-url)
The next figure illustrates the use of the online tool provided to company founders by the French government for company creation, modification and dissolution and its evolution over time. As it is possible to appreciate, when this online tool was launched it started on the top, reaching almost 100% of use in 2012 and decreasing considerably up to 41.28% on average in 2014; since that moment it kept growing again reaching a share of more than 90%, 50% and 40% in the registration, modification and dissolution processes, respectively, which could mean that this tool was improved in 2014 and now it is used in the registration process by most of company founders. However, it is not really used in the modification and dissolution processes, what could mean that this tool does not provide with all the different kind of procedures that company founders could undertake in their companies and/or it is not easy to use, so that is why company founders prefer to do this procedures through intermediaries. Other possible explanations to this low percentage could be that this tool does not fulfill the expectations of company founders in terms of quality, languages barriers, limited access to the internet, lack of knowledge about new technologies, etc.

Figure 4 Evolution of using the Infogreffe tool in the different processes in comparison of intermediaries (%), France, 2012-2016

1.7.5 COSTS AND SAVINGS ANALYSIS
1.7.5.1 Cost Analysis

1.7.5.1.1 Main costs (Administrative Fees)
French administrative fees, including fees for registration, filing of annual accounts and any type of changes, this is also including voluntary dissolution, are updated every year through an administrative-decree. They are calculated based on the income the Business register needs to have for its functioning, including taxes.
The following table describes the type of costs, mainly administrative fees that need to be faced by the company founders and company owners, and representatives, during the company life-cycle in France. Note that all the online steps are done through *Infogreffe*, which is the main portal for online company registration, filing, and dissolution.

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online / paper Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>Prior to registering their company, French company founders need to publish a notice of incorporation in any local newspaper able to publish legal notices. Since this procedure can be carried out by any local newspaper able to publish legal notices present in the French territory, the publication fee varies from newspaper to another. The fee offered is only approximate.</td>
<td>€5.49 / line of 40 characters (assuming 30 lines, it is €164.7)</td>
</tr>
<tr>
<td>Business register registration fees</td>
<td>Registration fees need to be paid at the <em>Greffes des Tribunaux du commerce</em> when registering the company.</td>
<td>€41.50 for the creation of a company</td>
</tr>
</tbody>
</table>
| Business register fees for change of company information Including voluntary dissolution | An administrative fee shall be paid for the entry of an amendment or change to the company information. The company provides modified articles of association, that are certified by the Business register. **Voluntary dissolution** is seen as a change of the company information in France | €198.64 Including:
- Fees of the business register: €51.87
- Administrative fees for the DILA: €115.70 |
| Annual Accounts filing cost | An administrative fee shall be paid for the entry of the annual accounts in the Business register. | €45.42 Including fees for:
- The business Register: €12.36
- Fees for the DILA: €24.20 |

1.7.5.2 Main investments regarding an improvement of the company registrations face to face to an online procedures

**Administrative fees invested in digital tools:** Based on the interviews held with the French authorities for the purpose of this study, approximately **20% the registration administrative fees are invested in the development and enhancement of digitals tools.** The development of the digitalization is also financed by the fees of the authenticated documents requested to the Business Register.
o **Maintenance costs of Infogreffe**: maintenance costs of Infogreffe are about EUR 22 million per year.

1.7.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.7.6.1 Main Challenges

Three main challenges were identified, both by companies and public authorities, which needed to be faced prior to the evolution from paper-based procedures to digital tools implementation for the registration of companies:

o **Creation of an appropriate legal framework for a successful use of online tools**: prior the conceptualisation and development of online tools for the registration of companies, a legal framework needed accompany the online tools in France.

o **Reach users satisfaction**: get users familiarised with the online tools. The steering actors in this process of digitalisation need to convince both company founders and greffiers to use the online tools implemented for them to use.

o **Offer secure online tools**: as a major concern for any digitalisation of the public administration, online tools need to be secure, not only against attacks, but also in order to be trusted to be used.

o **Trainings for the French Greffiers**: Infogreffe is acknowledge to be easy-to-use for entrepreneurs, company owners and representatives.

1.7.6.2 Main Benefits

*Infogreffe* has changed fundamentally how companies register and communicate with the French authorities. In this context, this section describes the main benefits identified by French authorities brought by the digitalisation of company law:
Remote operation for entrepreneurs and company owners: although requirements of physical presence do not exist, before the development of Infogreffe, company owners and company representatives needed to send all the documentation by the Post. Infogreffe allows the possibility to communicate with public authorities from any remote location.

Reduction of time and cost saving associated: French digitalisation of company law has shorten timing of company procedures, both to companies and to public authorities. Companies do not need to send anything by the post thus saving the time associated to it, and public authorities have shorten the procedures time from 1 – 3 hours to 20 – 25 minutes per procedure.

Information management: the introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.
1.8 GERMANY

Germany understands the term *companies* as only to companies with limited liability such as a private limited liability company (Gesellschaft mit beschränkter Haftung - GmbH) or a stock corporation (Aktiengesellschaft). In this context, the term *commercial register* refers to the Handelsregister, which is the register for different types of companies, including the private limited liability company (Gesellschaft mit beschränkter Haftung – GmbH), the stock corporation (Aktiengesellschaft – AG) and others.

The commercial register (Handelsregister) plays an important role in the process of creation of companies, not only because the new companies into existence only at the point in time when the registrar, a senior legal officer (Rechtspfleger) or a judge (when it's a limited liability company or a stock corporation), enters the company data in the commercial register, but also because they are granted legal personality. Before doing so, the registrar validates the preconditions for registration as well as the electronic data and electronic documents received from the public notary (Notary) involved in the process of foundation beforehand.

Generally, the German *commercial register* (Handelsregister) serves to disclose the membership of commercial companies in the trade profession and their most important legal relationships. With regard to the respective legal form of a company, it contains information about: the (founding) members; the legal representatives of a company and – of particular importance – their power of representation; its name and business purpose; location of the registered office; business address and its share capital. Once entered into the register the information contained therein is deemed correct with effect in favour and against the company and third parties so that they in particular can fully rely on those facts relevant for them. This legal effect is a significant factor in the German company law and the system of the commercial register since it reduces transaction costs for business partners by rendering it unnecessary to order an (expensive) external legal opinion.

The Unternehmensregister is a central electronic platform that allows central access to (for example): 1) the data of the commercial register, the register of partnerships and the register of cooperatives, and documents submitted to these registers; 2) company law related publications to the Federal Gazette (Bundesanzeiger), such as invitations to the annual general meeting of a stock corporation; 3) the annual financial statements and related documents of corporations and cooperatives according to sections 325 and 339 of the German Commercial Code; 4) publications made to the Shareholder's Forum according to section 127a of the German Stock Corporation Act; 5) publications and notifications made by companies in order to fulfil obligations under the Securities
Trading Act (Wertpapierhandelsgesetz) and similar legislation in the field of financial/capital markets; 6) publications made by insolvency courts according to the German Insolvency Code.

The Unternehmensregister was introduced to transpose the requirements of article 3 (paragraph 1 and paragraph 2) of the Directive 2003/58/EC and is the central electronic platform according to article 3 (paragraph 5) of the directive 2009/101/EC. The Unternehmensregister receives access to the data held in the Handelsregister and displays them once the respective data and documents are submitted either by German Federal States (Bundesländer) (that applies to data and documents stored in the above mentioned registers and to publications according to the Insolvency Code – see numbers 1 and 6 of the examples presented above), or by the Bundesanzeiger Verlag GmbH (that applies to the numbers 2, 3, 4 and 5 of the examples presented above), or by those entities who are legally required to publish the respective information (that applies to other notifications and publications under the Securities Trading Act (Wertpapierhandelsgesetz) beyond number 5 of the examples presented above and to notifications regarding publications in the area of capital markets legislation to the Bundesanstalt für Finanzdienstleistungsaufsicht). The Unternehmensregister itself is not a register with the legal effects of the commercial register (Handelsregister) with its public trust. However, certain data such as publications under various capital market regulations are only published and archived in the Unternehmensregister. Also the Company Register is the sole and only Officially Appointed Mechanism (OAM) for the central storage of regulated financial information in Germany under article 21 (paragraph 2) of the directive 2004/109/EC and collects financial data and data on companies acting in the financial sector and on the financial markets from various sources, especially from issuers themselves. The Unternehmensregister is operated electronically only by the Bundesanzeiger Verlag GmbH. The Bundesanzeiger Verlag GmbH insofar holds officially granted competence as a judicial authority and publishes on behalf of the Federal Ministry of Justice and Consumer Protection.
1.8.1 REGISTRATION OF COMPANIES

1.8.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Germany. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

The process for the formation of legal entities in Germany naturally differs for various forms of entities. However, the formation of a private limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) can serve as exemplary for the German legal system, as it is based on precautionary administration of justice and characterised by the central role of a public notary (Notary) and commercial register (Handelsregister) both providing complementary legality and verification checks:

First, a company founder consults with a public notary, who offers legal advice for example on the legal forms and the possibilities and limits of designing the legal documents for formation of the company. The notary subsequently drafts these documents (as paper documents) according to the founder’s demands, namely the articles of association, the Application for registration with the commercial register and a list of shareholders.
Then, all relevant documents are notarized/authenticated, which encompasses the notary reading out loud the text of the documents, verifying its contents, resolving equivocality, giving advice on the concrete legal effects of clauses and answering the founder’s questions as well as checking the founder’s and the future director’s identity based on their personal appearance with any official document (ID, passport). The notary also instructs the company’s future director(s) on their duties and liabilities and performs duties according to the German anti-money-laundering law and informs the tax authorities about the formation of a new company. The whole notarization process typically happens at a single appointment in the notary’s office.

Subsequently, after signing of documents, the notaries check whether all documents required for the application for registration of the company are complete, in the right form and in the right manner (e.g.: thereby they also verify the proof that the required minimum share capital is paid up in the required way). The notary then generates authentic electronic copies of the documents for company formation, seals them electronically (as part of the official certification - Öffentliche Beglaubigung) and transmits them together with structured .xml data securely online to the commercial register (Handelsregister). The registrar (a judge, since judges are responsible for the entry of limited liability companies and stock corporations) at the commercial register (Handelsregister) finally verifies the data and documents for company formation and notifies the notary if documents are not complete, submitted in the unacceptable form or don’t comply with the law. If all these conditions are lawfully fulfilled the registrar (judge) enters the entity into the register and the company comes into existence with full legal effect upon its enrolment in the commercial register (Handelsregister). The entry of the new company is automatically disclosed electronically.

1.8.1.2 Step-by-step analysis of the process associated with the registration of companies

This section offers a description of all the necessary steps to be conducted in order to register a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company founders. Although the steps are numbered, it may be the case that: some of them are performed before another, after another or jointly at one or many encounters with the competent authority responsible for the registration procedure.

1. Verification of the identity of the founders
The validation of the founders’ identity is performed by a public notary. In Germany, public notaries (civil law notaries) hold a public office. They are selected and appointed by the Minister of Justice of the respective State as part of the Justizverwaltung der Bundesländer, not by a federal ministry. As a matter of principle notaries are assigned to the given district however applicants might choose any notary in the country.

Company founders and a management representative (director) have to give evidence (e.g. photo ID) of their identity when consulting a public notary (any) for the purpose of application for registration of a company. The public notary introduces the relevant ID data in the founding documents and also keeps a copy of the ID to comply with the anti-money laundering act (notaries possess a special duty of care as part of their anti-money laundering duties).

From the point of view of company representatives (founder and director) this step has to be performed following a face-to-face traditional process. Similarly, from the perspective of the public notary this step is performed face-to-face. The public notary subsequently transforms the information regarding the identity of the founder into a certified electronic form and submits it online to the Handelsregister (German Commercial Register).

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The validation of the founders’ identity is performed by a public notary. In Germany, public notaries (civil law notaries) hold a public office. They are selected and appointed by the Minister of Justice of the respective State as part of the Justizverwaltung der Bundesländer, not by a federal ministry. As a matter of principle notaries are assigned to the given district however applicants might choose any notary in the country. Company founders and a management representative (director) have to give evidence (e.g. photo ID) of their identity when consulting a public notary (any) for the purpose of application for registration of a company. The public notary introduces the relevant ID data in the founding documents and also keeps a copy of the ID to comply with the anti-money laundering act (notaries possess a special duty of care as part of their anti-money laundering duties). From the point of view of company representatives (founder and director) this step has to be performed following a face-to-face traditional process. Similarly, from the perspective of the public notary this step is performed face-to-face. The public notary subsequently transforms the information regarding the identity of the founder into a certified electronic form and submits it online to the Handelsregister (German Commercial Register).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
</table>
| - Company Founders  
- Public Notary |

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory face-to-face at the notary.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official document such as photo ID/passport</td>
</tr>
</tbody>
</table>

2. Checking the availability/appropriateness of company name

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company founders choose the intended company name at the notary. The notary gives advice on an available/appropriate company name while carrying out the notarization. The (regional) chambers of industry and commerce can be consulted for availability. In principle, every new company name shall be clearly distinguishable from all other company names already existing in the same place or in the same municipality and already registered in the Commercial Register or the Register of Cooperatives (as foreseen in section 30 paragraph 1 of the German Commercial Code - Handelsgesetzbuch - HGB). Regarding different places/municipalities, in principle, what is foreseen in the section 18 paragraph 2 of the German Commercial Code shall apply: “The company name shall not contain any information which is apt to be misleading with respect to the company circumstances that are of material relevance for the market groups concerned”. The company name must be followed by an indication of the respective legal form or a generally understandable or customary abbreviation (i.e. Aktiengesellschaft or AG, Gesellschaft mit beschränkter Haftung or GmbH). The decision whether or not the company has chosen a valid name which is not misleading or too similar to an already existing company lies with discretion of the registrar (judge). The judge may</td>
</tr>
</tbody>
</table>

---

26The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.

27The mandatory online refers to the legal communications with the register courts that take place only electronically. Applications for entries in the commercial register (Handelsregister) have to be submitted electronically in officially certified form (section 12 paragraph 1 of the German Commercial Code) and documents are to be submitted electronically (section 12 paragraph 2 of the German Commercial Code)
consult the chambers of industry and commerce.

On the side of Company Representatives (Founder and Director) this step has to be performed following a face-to-face traditional process\textsuperscript{28}.

On the side of the local public notary this step has no particular method prescribed (possible via email or phone).

### Actors Involved

- Company Founders
- Notaries
- DIHK (Chamber of Industry and Commerce)
- Handelsregister (German Commercial Register)

### Online vs. Paper based

Mandatory face-to-face at the notary.

### Platform

N/A

### Storage

N/A

### Required information

Intended name

### 3. Confirmation of the share capital deposit fee

The necessary bank account for the deposit of the company’s share capital must be opened by company founders or representatives.

Founders are responsible for paying up the share capital (whether that is fulfilled by a contribution in cash or a contribution in kind), but are advised on how to comply with the respective legal requirements by notaries.

The application for registration of a stock corporation, for example, requires that in case of contributions in cash, the amount called has been duly and properly paid in for each share of stock and is definitively available to be disposed over by the management board at its discretion (as foreseen in section 36 paragraph 2 of the German Stock Corporation Act - Aktiengesetz - AktG).

The amount called must comprise at least one quarter of the minimum issue price and, where the shares of stock are issued at a price higher than the minimum issue price, also the additional amount.

Contributions in kind are, in principle, to be rendered in full (as foreseen in section 36a of the German Stock Corporation Act).

In what concerns the required payment confirmation/statements, the application for registration in the register is to include the declaration as to the pre-requisites set out in section 36 (2) and section 36a having been met. In this context, the amounts in which the shares of stock are issued and the amount paid in therefore are to be stated. Certification is to be submitted as to the amount paid in definitively being available to be disposed of by the management board at its discretion. Where the amount has been paid in and credited to an account, such certification is to consist of a corresponding confirmation from the bank institution maintaining the account.

Section 54 paragraph 3 states in this context: “The amount called in prior to the application for registration in the register may only be paid in legal tender or by crediting the amount to an account maintained by the company, or the management board, with a credit institution or an enterprise pursuing activities governed by section 53 (1), first sentence, or section 53b subsection (1), first sentence, or subsection (7) of the Banking Act (KWG), such that it is available to be

\textsuperscript{28}The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization/authentication (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.
disposed over by the management board at its discretion. Receivables of the management board resulting from these payments towards the contributions shall be deemed receivables of the company."

Notaries execute a check of the appropriateness and completeness of the required statements and in that way they indirectly also check whether the share capital is paid up in the required amount and required form. The notaries then submit the required statements together with the other documents necessary for the application for registration to the register court.

On the side of Company Representatives (Founder and Director) this step has to be performed following a face-to-face traditional process. On the side of the public notary this step has to be performed online.

### Actors Involved
- Company Founders
- Handelsregister (German Commercial Register) - only when examining the application for registration.

### Online vs. Paper based
- Mandatory face-to-face at the notary.

### Platform
- N/A

### Storage
- The information regarding the amount of the share capital is entered electronically in the Handelsregister (German Commercial Register) database.

### Required Information
- Payment Confirmation (To be included in the application form for registration - see next step)

### 4. Drawing up, signing and certifying the documents required for registration

When consulting a public notary in order to establish a limited liability company, company founders will have to explain what type of company they want to establish and what design they need in detail. Based on the demands presented, Company Founders and the notary will discuss possible options of legal forms and the possibilities and limits of designing the legal documents for formation of the company. The notary subsequently drafts these documents according to the founders’ demands, namely the **articles of association**, the **application for registration**, and other **founding documents** (e.g.: **list of shareholders**). In a first step these documents are drafted in paper.

In case of a private liability company, the legal representatives (the managing directors) are the ones responsible to personally apply for registration (sec. 7 para. 1 of the German Act on limited liability companies - Gesetz betreffend die Gesellschaften mit beschränkter Haftung - GmbHG). In case of a stock corporation, the founders, the board members and the members of the supervisory board have to apply.

(In case founders plan to establish a private limited liability company (Gesellschaft mit beschränkter Haftung - GmbH) according to section 2 para. 1a of the Act on private limited liability companies with no more than 3 shareholders and 1 managing director, the Annex to the Act on private limited liability companies provides for a template. This template comprises the articles of association, the list of shareholders and the appointment of the managing director in a single document. That makes the founding procedure insofar way faster to conduct. The form shall, among other details, indicate the name of the company and state that respectively to which company founders apply.)

---

29The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of this processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.

30The mandatory online refers to the legal communications with the register courts that take place only electronically. Applications for entries in the commercial register (Handelsregister) have to be submitted electronically in officially certified form (section 12 paragraph 1 of the German Commercial Code) and documents are to be submitted electronically (section 12 paragraph 2 of the German Commercial Code).
amount the share capital has been paid up.)

Once the above mentioned documents are produced, the notary will carry out the legally required notarization (Beurkundung), which includes reading out loud the text of the documents, verifying its contents, resolving equivocality, giving advice on the concrete legal effects of clauses and answering the founder’s questions as well as checking the founders’ and the future directors’ identity based on their personal appearance with photo identification (ID, passport; as explained above in step 1 of this procedure). The notary also instructs the company’s future director(s) on their duties and liabilities and performs duties according to the German Anti-Money-Laundering Act. Afterwards, the application for registration is signed by the appointed director and his signature officially certified by the notary.

On the side of Company Representatives (Founder and Director) this step has to be performed following a face-to-face traditional process31, except for those documents for which the law does not prescribe a particular form (such as in writing or the notarization). In these cases the founders themselves could draw these documents up without having to appear before a particular authority. However, since they anyway have to consult a public notary for carrying out notarization and official certification (see footnotes 6 and 7), the notary will assist in drawing up these documents, too.

On the side of the public notary this step has to be performed online Using a (qualified) electronic signature.32

---

**Actors Involved**

- Company Founders
- Handelsregister (German Commercial Register): **Indirectly (not before submission of the application for registration electronically to the register court)**

**Online vs. Paper based**

- Mandatory face-to-face at the notary

**Platform**

- N/A

**Storage**

- N/A

**Required information**

**Stock Corporation (Aktiengesellschaft):**

---

31The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.

32The mandatory online refers to electronic communication in a broad sense, comprising all communication by electronic means. Germany has made use of the Member State options under Art. 3 paragraph 3 subparagraph 2, second sentence, of Directive 2009/101/EC: The Act on Electronic Commercial Registers and Registers of Cooperatives and the Business Register (Gesetz über elektronische Handelsregister und Genossenschaftsregister sowie das Unternehmensregister, EHUG) of 10 November 2006 (Federal Law Gazette I p. 2553), which entered into force on 1 January 2007, stipulates that: “all documents subject to the duty of disclosure must be submitted electronically” (section 12 of the German Commercial Code).

As legal communications with the commercial register (Handelsregister) are only possible in electronic form pursuant to section 12 paragraph 1 (with regard to applications for entries in the register) and paragraph 2 (with regard to the submission of documents) of the German Commercial Code, the documents required for application for registration have to be transformed in electronic format before they are sent to the commercial register (Handelsregister). The notaries therefore generate authentic electronic copies of the relevant (paper) documents that are drawn up with and signed by the founders/legal representatives. They use specific software ("XNotar") for submission of these electronic documents that helps to carry out the registration itself since it provides for structured xml-data that can be applied to the register easily.

Section 12, paragraph 1, of the German Commercial Code stipulates applications for entries into the commercial register (e.g. the registration of a company, but also, for example, the application for the entry of an amended shareholders’ list in case of a private limited liability company) to be submitted not only electronically, but electronically in officially certified form. The notaries are the competent authority to carry out this “official certification” and therefore in case of an application for entry into the register even documents that do not require to be notarized themselves have to be officially certified by a notary and then submitted to the register court electronically.
Section 37 of the German Stock Corporation Act basically sets out the following requirements:

The application for registration is to include:

- The declaration as to the effect that the prerequisites set out in section 36 (2) and section 36a having been met;
- The amount in which the shares of stock are issued and the amount paid in therefore.
- Documentary proof to the amount paid in definitively being available to be disposed over by the management board at its discretion. Where the amount has been paid in by being credited to an account, such documentary proof is to consist of a corresponding confirmation from the institution maintaining the account. Where the amount paid in has been used to pay taxes and fees, documentary proof is to be submitted as regards the nature and amount of such payments made.
- An assurance given by the members of the management board that no circumstances are given that would disqualify them from being appointed and that they have been instructed concerning their unrestricted obligation to provide information to the court. Their instruction pursuant to section 53 (2) of the Act on the Federal Central Criminal Register (BZRG) may be performed in writing; they may also be instructed by a notary or a notary appointed in a foreign country, by a representative of a comparable profession in the field of legal advisory services, or by a consular officer.
- A domestic business address
- The nature and scope of the power of representation, conferred upon the members of the management board.

Enclosed with the application for registration, the following are to be attached:

- The articles of association as well as the records and documents by which the articles of association have been established and by which the shares of stock have been acquired by the founders;
- In case of contributions in kind, the contracts on which the determinations are based, or that were concluded by way of implementing them, and a calculation of the formation expenses the company is to bear;
- The records and documents as to the appointment of the management board and of the supervisory board;
- A list of the members of the supervisory board;
- The formation report and the audit reports prepared by the members of the management board and of the supervisory board as well as the audit reports prepared by the formation auditors, along with the supporting records and documents.

Limited liability company:

Section 8 of the German Act on private limited liability companies basically sets out the following requirements:

The application for registration has to enclose:

- The articles of association;
- The directors’ legitimation, unless their appointment has been laid down in the articles of association (e.g.: the founders’ resolution regarding the appointment of the directors);
- A list of shareholders signed by those applying for registration which indicates the family name, given name, date of birth and place of residence of the shareholders, as well as the nominal values and the consecutive numbers of the shares to which each of the shareholders has subscribed;
- In case of contributions in kind, the agreements on which the determinations are based or which were concluded in respect of their execution, and the report on company formation on the basis of contributions in kind and furthermore the documents certifying that the value of the contributions in kind equals the nominal value of the shares subscribed to thereby;
- The assurance that the prescribed (minimum) payments against the shares have been effected and that the object of the payments is finally at the free disposal of the directors. The court may require proof (for instance deposit slips) where there is considerable doubt as to the correctness of the assurance. The directors must give their assurance that there are no circumstances which preclude their appointment as specified in section 6 paragraph 2, sentence 2 number 2 and 3 and sentence 3, and that they have been instructed about their unlimited duty to disclose information to the court. The instruction

---

33 This section specifies the amounts to be paid in
34 deals with the case of contributions in kind
referred to in section 53 (2) of the Federal Central Criminal Register Act (Bundeszentralregistergesetz, BZRG) may be given in writing; it may also be given by a notary or a notary appointed abroad, by a representative of a comparable legal advisory profession or a consular official.

- A domestic business address
- The nature and scope of the power of representation, conferred upon the members of the management board.

### 5. Company registration

| Description | Once all documents and information described in the previous steps are drawn up and collected, the public notary scans everything and generates electronically officially certified copies by signing with a qualified electronic signature. The notary office also fills in all relevant data to the register court with additional structured .xml data for entry into the Handelsregister (German Commercial Register). The Company Founders receive all documents as officially certified documents as well (as requested: electronic or paper). The register court as the authority responsible for the actual registration of companies in the Handelsregister (German Commercial Register) double checks everything. The registrar checks both the formal requirements of the registration and, if a reason exists, the substantive requirements for registration as well. The company comes into existence upon its enrolment in the Handelsregister (German Commercial Register). Meanwhile, the notary also notifies and sends to the local tax authority certified copies of the founding documents. When notified by the local tax authority, the Bundeszentralamt für Steuern (Federal Central Tax Office) issues the company’s tax numbers. In order to conclude the Registration procedure, company founders have to pay two different fees, one to the notary and another to the register court operating the respective Handelsregister (German Commercial Register). The amount of fees is prescribed by law and depends on the kind of legal entity to be registered, the number of founders, the amount of share capital, the kind of contribution (in cash or in kind), if a standard protocol is used or individual documents are drafted. Required registration fees could amount to €150 or €240. The fee to be paid to the notary begins at €105 (e.g. for a single-member company with a share capital of €1 and standard protocol, this is the total fee for drafting and notarization of all founding documents, transformation of the notarized deed into electronic files, signing them with his qualified electronic signature, creation of structured .xml data and online submission to the registration court).

35 The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.

36 The mandatory online refers to the legal communications with the register courts that take place only electronically. Applications for entries in the commercial register (Handelsregister) have to be submitted electronically in officially certified form (section 12 paragraph 1 of the German Commercial Code) and documents are to be submitted electronically (section 12 paragraph 2 of the German Commercial Code).

NOTE THAT: The commercial register is operated by the register courts of the States (Bundesländer) fully electronically. The commercial register is accessible without restrictions via a central electronic platform, the “Gemeinsames Registerportal der Länder”, that is operated by North Rhine-Westphalia (responsible: Ministry of Justice) for the States.

| Actors Involved | - Notaries
|                | - Handelsregister (German Commercial Register)
|                | - Local tax authorities (they are not actively involved in the registration process - they are only notified for purposes of taxation)

| Online vs. Paper based | Mandatory face-to-face at the notary. |
6. Publication of company registration

<table>
<thead>
<tr>
<th>Platform</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage</td>
<td>N/A</td>
</tr>
<tr>
<td>Required information</td>
<td>N/A (the final act of submission itself and the final act of registration itself do not require actions of the founders/legal representatives anymore)</td>
</tr>
</tbody>
</table>

**Description**
A notice of incorporation of the company is published under www.handelsregisterbekanntmachungen.de\(^{37}\) (according to the article 3, paragraph 5 of the Directive 2009/101). An additional publication of the fact of registration in the German Federal Gazette (Bundesanzeiger) does not take place.

**Actors Involved**
- Handelsregister (German Commercial Register)
- Unternehmensregister (German Company Register)
- Central Electronic Platform

**Online vs. Paper based**
This is an internal step performed by the Handelsregister (German Commercial Register). It is performed electronically only.

**Platform**
The Handelsregister (German Commercial Register) issues the notice of incorporation in www.handelsregisterbekanntmachungen.de – Central Electronic Platform.

**Storage**
After registration with the Handelsregister (German Commercial Register) (i.e., after entry into the register) the respective company data are stored in the register.

**Required information**
N/A

\(^{37}\)www.handelsregisterbekanntmachungen.de
1.8.2 FILING OF COMPANY INFORMATION

1.8.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

In what regards the Filing of Company Information, companies have to notify the Handelsregister (German Commercial Register) of any intended changes in their registered details. Besides this type of filing, German companies are also required to submit their financial statements (annual accounts/company books) to the German Official Gazette (Bundesanzeiger) in order for this authority to proceed with the approval and publication of such annual documents.

As conducted in the Registration procedure, for a company to file intended changes in its registered details, its legal representatives need to establish contact with a public notary. The notary has set legal electronic communications with the register courts that operate the commercial register, the register of partnerships and the register of cooperatives. Thus, whenever an application for entry of change (or update) to company information has to be filed with the commercial register, notaries will carry out the official certification as required by section 12 paragraph 1 of the German Commercial Code. Therefore, application (and not only documents that do require the particular form of
notarization themselves) have to be officially certified by a notary and then submitted to a register by electronic means. This is due to the so-called “filter function” of the public notary who checks that the content of the application is legally ready and complete to be registered. Official certification requires the company legal representative responsible for applying to appear physically at the notary, to identify itself and to sign the relevant documents in the presence of the notary. Then, the notary files the application electronically together with structured xml-data with the commercial register.

The information to be entered (or updated) into the commercial register (Handelsregister) is stored in the respective register. However, it is accessible via the Gemeinsames Registerportal der Länder, a central electronic platform, operated by IT.NRW, the IT service provider for North Rhine Westphalia. IT.NRW has an agreement with all 16 States in Germany regarding the operation and maintenance of the Gemeinsames Registerportal der Länder. Additionally, the information is also accessible via the Unternehmensregister.

As previously explained in this study, the Unternehmensregister as a central platform for access to information on companies is operated only electronically (see section 8b, paragraph 1 of the German Commercial Code).

Principally, documents have to be submitted in electronic form (MS Word, MS Excel, RTF, PDF or XML/XBRL) to different authorities depending on the type of document needed. This will also applies to the information that is to be submitted and filed for publication in the German Official Gazette (Bundesanzeiger).

A foreign branch of a German limited liability company neither have to file information to be entered into the German commercial register nor to file annual accounts to be published by the German Official Gazette (Bundesanzeiger). However, for a branch of a foreign company established in Germany the section 13d et seq. of the German Commercial Code\textsuperscript{38} applies. In principal, the application of this legislation has the effect that a domestic branch of a foreign company is treated comparable to a domestic company with regard to information to be submitted and entered into the

\textsuperscript{38} Section 13d is the general provision (whereas section 13e to 13g contain specific provisions for companies with limited liability):

\begin{enumerate}
\item If the main office of a sole trader or of a legal person or the seat of a commercial company or partnership is located abroad, all applications, submissions and entries concerning a domestic branch office shall be made at the court in whose district the branch office exists.
\item The registration of establishment of a branch office shall also indicate the place and the domestic business address of the branch office; if an addition is appended to the business name of the branch office, the addition shall also be registered.
\item Otherwise, the provisions concerning main offices or offices at the seat of the commercial entity shall, to the extent that foreign law does not necessitate divergence, apply mutatis mutandis to applications, submissions, entries, publications and changes of registered facts which concern the branch office of a sole trader, of a commercial company or partnership, or of a legal person, with the exception of public limited companies / stock corporations, public partly limited partnerships / partnerships limited by shares and private limited companies.
\end{enumerate}
commercial register (Handelsregister). This also applies to the information to be annually submitted to the German Official Gazette (Bundesanzeiger) for publication.

1.8.2.2 Step-by-step analysis of the process associated with the filing of company information

This section illustrates the most common type of changes to the articles of association of a company (e.g.: change of a company name; change of a company address; increase/decrease of the amount of capital subscribed; change in the object of the company) and the way the implementation of such changes should be conducted by company directors. This section also offers a description of all the necessary steps to be conducted by company directors in order to file company’s annual accounts and/or financial statements.

7. Accounting documents for each financial year / update of company books

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Any Stock Corporation (Aktiengesellschaft) or Limited Liability Company in Germany is requested to submit its financial statements (annual accounts / company books) for publication. These documents are to be submitted (in electronic format) to the Bundesanzeiger Verlag GmbH for publication in the Bundesanzeiger (German Federal Gazette) according to section 325 et seq. of the German Commercial Code. The electronic procedure for the submission of annual documents was implemented in Germany in 2006 and became mandatory for companies in 2007. Since then, companies are not allowed to conduct this procedure in a paper based (face-to-face) traditional method. There are only very few exceptions to this (about 10 cases per year). The electronic filing of company annual documents must be conducted once a year by every company and has a filing fee of €20 - €60 depending on its size. Once company legal representatives submit the necessary documents, the Bundesanzeiger will revise all the information in order to make sure everything is according to what is foreseen in German law. All the information submitted to the Bundesanzeiger (German Federal Gazette) become public documents, and can subsequently be accessible (free of charge or upon purchase) via the Unternehmensregister Central Electronic Platform.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Founders</td>
<td></td>
</tr>
<tr>
<td>- Unternehmensregister (German Company Register)</td>
<td></td>
</tr>
<tr>
<td>- Central Electronic Platform</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Mandatory online</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
<th>Electronic platform of the Bundesanzeiger Verlag GmbH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage</td>
<td>Bundesanzeiger Verlag GmbH and Unternehmensregister (German Company Register) – Central Electronic Platform.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required Information</th>
<th>Annual accounts / financial statements / company books</th>
</tr>
</thead>
</table>

8. Amendments to the instruments of constitution or statutes and respective certification

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Whenever a company representative wants to report changes in the registered company details, the amendment is to be entered (via a public notary into the Handelsregister for detailed pricing for publication in the German Federal Gazette see: <a href="https://www.bundesanzeiger.de/ebanzwww/i18n/doc//Preisliste-english.pdf?document=D8&amp;language=en">https://www.bundesanzeiger.de/ebanzwww/i18n/doc//Preisliste-english.pdf?document=D8&amp;language=en</a></td>
<td></td>
</tr>
</tbody>
</table>
(German Commercial Register) – as foreseen in the section 31 and 29 of the German Commercial Code.

Several changes to company registered information may be performed (e.g.: change of a company name; change of a company address; capital increase/decrease or change amount of capital subscribed; change in the object of the company; appointment/revocation of directors/board members; any other amendments to the instruments of constitution or statutes).

Some of these changes have to be notarized/authenticated (read out loudly, signing in front of notary, including identification) and all have to be filed to the register by the public notary according to section 12 paragraph 1 of the German Commercial Code.

In case of a capital increase/decrease or change amount of capital subscribed, a notarised/authenticated or certified declaration by the person subscribing to the share is required for each share in the increased capital subscribed to. This declaration is part of the documents that are to be submitted as the application for entry in the register in officially certified form by the notaries.

In principal, the general meeting/meeting of the shareholders of a company pass a resolution to increase/decrease the share capital. In case of a stock corporation, according to section 130 paragraph 1 of the AktG each resolution adopted by the general meeting is to be recorded in minutes of the meeting prepared by a notary. The legal representatives of a company have then to consult a notary in order to file an application for entry of the respective resolution of the shareholders of the company into the register.

Any other amendments to the instruments of constitution or statutes must be entered in the commercial register. In case of a stock corporation and LLC, for application of entry in the register, the full text of the articles of association as amended is to be submitted with a confirmation by a notary of the effect that the amended provisions are equal to the respective resolution by the general meeting and the unchanged provisions are equal to the latest version of the articles of association submitted to the register.

According to section 46 paragraph 5 and section 48 paragraph 1 of the GmbHG, the appointment or revocation of directors requires a resolution of the shareholders of the company. In case of a stock corporation, the supervisory board appoints the board members (as foreseen in section 84 AktG).

Section 39 of the GmbHG stipulates for private limited companies that any change in the persons and the termination of the power of representation conferred upon the legal representatives has to be entered into the commercial register. Section 81 of the AktG stipulates similarly for stock corporations that any change of the board members or of the power of representation has to be entered into the commercial register.

On the side of Company Representatives (Founder and Director) this step has to be performed following a face-to-face traditional process, except for those documents for which the law does not prescribe a certain form (such as in writing or the notarization). In these cases the founders themselves could draw these documents up without having to appear before a particular authority. However, since they anyway have to consult a public notary, the notary will assist in drawing up those documents, too.

On the side of the public notary this step has to be performed online.

NOTE THAT: The commercial register is operated by the register courts of the States (Bundesländer) fully electronically. The commercial register is accessible without restrictions via a central electronic platform, the “Gemeinsames Registerportal der Länder”, that is operated by North Rhine-Westphalia (responsible: Ministry of Justice) for the States.

40 See section 57 paragraph 1 and section 58e paragraph 3 of the GmbHG or section 184 paragraph 1 (regarding the resolution), section 188 paragraph 1 (regarding the implementation), and section 223 (regarding resolution for capital decrease) of the AktG
41The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization/authentication (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.
42The mandatory online refers to electronic communication in a broad sense, comprising all communication by electronic means. Germany has made use of the Member State options under Art. 3 paragraph 3 subparagraph 2, second sentence, of Directive 2009/101/EC. The Act on Electronic Commercial Registers and Registers of Cooperatives and the Business Register
### Actors Involved
- Company Founders
- Handelsregister (German Commercial Register)
- Unternehmens Register (German Company Register) – Central Electronic Platform

### Online vs. Paper based
Mandatory face-to-face at the notary.

### Platform
N/A

### Storage
N/A

The documents needed depend on the change to be performed and also on the respective legal form of the company.

#### Capital increase/decrease or change amount of capital subscribed:

**Stock Corporation (Aktiengesellschaft)**
For the application for entry of the shareholder resolution on a capital increase in case of a stock corporation in particular the following is required:
- A statement as to which contributions to the current share capital have not yet been made;
- The report on the audit of the contributions in kind.

For the application for entry of the implementation of the shareholder resolution in the register, the required contributions are to be made. The following documents have to be attached to the application:
- The duplicates of the certificates of subscription;
- A list of the subscribers signed by the management board specifying the shares of stock allotted to each of them and the payments made towards such shares of stock;
- In case of a capital increase based on contributions in kind, the contracts on which the determinations are based, or that were concluded in order to implement such determinations; as well as a document that offers proof of its value;
- A calculation of the costs that will arise for the company by the issuance of the new shares of stock.

**Limited liability company**
In case of a private limited liability company the legal representatives have to file an application for the entry of the resolution on the increase of the share capital into the commercial register after the increased capital has been covered by means of the subscription to shares. The application must include:
- An assurance that the required amounts of the capital contributions towards the new share capital have been effected and that the object of the payments is finally at the free disposal of the directors;

---

(Gesetz über elektronische Handelsregister und Genossenschaftsregister sowie das Unternehmensregister, EUGH) of 10 November 2006 (Federal Law Gazette I p. 2553), which entered into force on 1 January 2007, stipulates that: “all documents subject to the duty of disclosure must be submitted electronically” (section 12 of the German Commercial Code).

As legal communications with the commercial register (Handelsregister) are only possible in electronic form pursuant to section 12, paragraph 1 (with regard to applications for entries in the register) and paragraph 2 (with regard to the submission of documents) of the German Commercial Code, the documents required for application for registration have to be transformed in electronic format before they are sent to the commercial register (Handelsregister). The notaries therefore generate authentic electronic copies of the relevant (paper) documents that are drawn up with and signed by the founders/legal representatives. They use specific software (“XNotar”) for submission of these electronic documents that helps to carry out the registration itself since it provides for structured xml-data that can be applied to the register easily.

The section 12, paragraph 1, of the German Commercial Code stipulates applications for entries into the commercial register (e. g. the registration of a company, but also, for example, the application for the entry of an amended shareholders’ list in case of a private limited liability company) to be submitted not only electronically, but electronically in officially certified form. The notaries are the competent authority to carry out this “official certification” and therefore in case of an application for entry into the register even documents that do not require to be notarized themselves have to be officially certified by a notary and then submitted to the register court electronically.
• Declarations referred to in section 55 (1) or a certified copy thereof;\(^{43}\)
• A list of those persons who have subscribed to the new shares which has been signed by the persons filing the application. This list must indicate the nominal values of the shares to which each person has subscribed;
• In the case of contributions in kind, the contracts on which the determinations are based or which were concluded to execute them, as well as a document that offers proof of its value.

The application - in principle - must include the balance sheet on which the capital increase is based and to which the auditors’ audit opinion has been added. The legal representatives must declare that, to their knowledge, no reduction in assets has occurred between the reference date of the balance sheet on which the increase is based and the day on which the application is filed which would preclude the capital increase if it had been passed on the day on which the application was filed.

Any other amendments to the instruments of constitution or statutes:

The full wording of the articles of association has to be attached to the application for entry in the register; it must bear a certificate from a notary that the amended provisions of the articles of association correspond to the resolution adopted as to the amendment of the articles of association and that the unchanged provisions correspond to the full wording of the articles of association last filed with the commercial register.

Stock Corporation (Aktiengesellschaft)
In case of a stock corporation, according to section 130 paragraph 1 of the AktG each resolution adopted by the general meeting is to be recorded in minutes of the meeting prepared by a notary.

Limited liability company
In case of a private limited liability company, a resolution of the shareholders to amend the articles of association itself has to be notarised/authenticated (as foreseen in section 53 paragraph 1 of the GmbHG)

Appointment/Revocation of directors/board members:

Stock Corporation (Aktiengesellschaft)
In case of a stock corporation, the supervisory board appoints the board members (as foreseen in section 84 of the AktG). According to section 81 paragraphs 2 and 3 of the AktG, the records and documents concerning the modification or change are to be attached, as the original or as a publicly certified copy, to the application. The new board members have to give an assurance that no circumstances are given that would disqualify them from being appointed (pursuant to section 76 paragraph 3, second sentence, no. 2 and 3, or pursuant to the third sentence of said provision), and that they have been instructed concerning their unrestricted obligation to provide information to the court.

New directors/board members have to be instructed pursuant to section 53 paragraph 2 of the Act on the Federal Central Criminal Register –BZRG– (that means that those cases in which a person usually is allowed to claim not to be convicted or found guilty of any criminal offence do not apply). That instruction may be performed in writing; they may also be instructed by a notary or a notary appointed in a foreign country, by a representative of a comparable profession in the field of legal advisory services, or by a consular officer.

Limited liability company
In case of a private limited liability company according to section 46 no. 5 and section 48 paragraph 1 of the GmbHG, the appointment or revocation of directors requires a resolution of the shareholders of the company. The application for entry of the changes regarding directors into the register has to include the original copies or publicly authorised copies of the documents concerning the appointment of the directors or concerning the termination of their powers of representation. The new directors have to give their assurance that there are no circumstances which pose an obstacle to their appointment (as specified by section 6 paragraph 2, second sentence, no. 2 and 3, and the third sentence) and that they have been

\(^{43}\) Beyond the involvement of the notaries in the process of filing the application for entry into the register, in case of a GmbH sec. 55 GmbHG specifies additionally, that where a resolution is passed to increase the share capital, a notarised or notarially certified declaration by the person subscribing to the share is required for each share in the increased capital subscribed to.
instructed about their unlimited duty to disclose information to the court.

9. Company changes publication

<table>
<thead>
<tr>
<th>Description</th>
<th>A notice of amendments to the company information is published with the system of the Handelsregister (German Commercial Register). The Information is also stored in the Unternehmens Register (German Company Register) - Central Electronic Platform (according to the article 3, paragraph 5 of the Directive 2009/101). An additional publication of the fact of change to the company information in the German Federal Gazette (Bundesanzeiger) does not take place.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors Involved</td>
<td>- Handelsregister (German Commercial Register) - Unternehmensregister (German Company Register) - Central Electronic Platform</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>This is an internal step performed by the Handelsregister (German Commercial Register). It is performed electronically only. The register is already fully digital. Documents have to be submitted in electronic form (MS Word, MS Excel, RTF, PDF) or using web-forms (XML/XBRL).</td>
</tr>
<tr>
<td>Platform</td>
<td>The Handelsregister (German Commercial Register) issues the notice of incorporation in <a href="http://www.handelsregisterbekanntmachungen.de">www.handelsregisterbekanntmachungen.de</a></td>
</tr>
<tr>
<td>Storage</td>
<td>Once the change is effective and its entry is notified, all this information is stored in the local public notary) database. The information is also stored in the database of the commercial register. The Unternehmensregister (German Company Register) – Central Electronic Platform has access to that data.</td>
</tr>
<tr>
<td>Required Information</td>
<td>N/A</td>
</tr>
</tbody>
</table>

---

Note that the information provided in this table refers only to publication regarding changes to the company registered information (as explained in the previous step – step 8). In what regards the publication procedure for annual accounts/financial statements/company books of a company, such is described in step 7.

For more details on accepted formats and prices see the general terms and conditions available at: https://publikations-platform.de/sp/i18n/doc//D042EN.pdf?document=D10&language=en
1.8.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.8.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Germany, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

In Germany, it is important not to confuse dissolution with termination of a company. Dissolution concerns the initiation of the necessary liquidation process in order to fulfil the company’s obligations towards its creditors and to distribute the remaining assets among the shareholders. Dissolution does not affect the company’s existence as a legal entity. The object of the company is what is affected, changing from *doing business* to *liquidation*. The competences of shareholders and supervisory board remain, the directors/board members are replaced by liquidators (respectively, the current legal representatives now act as liquidators). The company may retain its name, however, an indication of the liquidation is to be added (“ABC GmbH in Liquidation/ i. L.”, for example).

Termination takes place, for example, if a company is *struck off* the commercial register (i.e. an entry such as “the company is deleted/cancelled” is effected – the company’s registry excerpt is not deleted but marked in red which indicates that it has been struck off the register) after completion of
liquidation, after completion of insolvency proceedings or if a company without any assets is struck off the commercial register on court order.

1.8.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

10. Filing of the dissolution agreement/resolution and other documents related to winding-up

Due to section 12 paragraph 1 of the German Commercial Code, the application for the entry of the dissolution into the commercial register is to be submitted to the register court electronically in officially certified form and therefore the same procedures apply here regarding the involvement of the local notaries.

Among other events, a resolution of the general meeting/the meeting of shareholders on the dissolution of the company could be a reason for dissolution (section 119 paragraph 1 no. 8 AktG or section 60 paragraph 1 no. 2 GmbHG).

The dissolution of a company is to be entered into the commercial register. The liquidators have to file the respective application. The liquidators therefore will consult a notary to have all documents complete and in the required form.

Liquidators are either the current legal representatives of the company (the directors/the members of the management board whose powers of representation as directors/board members terminate upon dissolution), those persons the articles of association determine to be liquidators, or those persons who are appointed by the meeting of shareholders. In exceptional circumstances an appointment by the court is possible. The liquidators are the legal representatives of the dissolved company. They have to file an application for entry of the persons and the power of representation of the liquidators. Furthermore, any change in the persons and/or the power of representation is to be entered into the register.

According to section 67 paragraph 1 GmbH and similarly section 266 paragraph 1 AktG the directors or the management board have to file an application for entry of the first liquidators as well as their power of representation and for any change of liquidators and any modification of their power of representation into the commercial register.

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidators are either the current legal representatives of the company (the directors/the members of the management board whose powers of representation as directors/board members terminate upon dissolution), those persons the articles of association determine to be liquidators, or those persons who are appointed by the meeting of shareholders. In exceptional circumstances an appointment by the court is possible. The liquidators are the legal representatives of the dissolved company. They have to file an application for entry of the persons and the power of representation of the liquidators. Furthermore, any change in the persons and/or the power of representation is to be entered into the register. According to section 67 paragraph 1 GmbH and similarly section 266 paragraph 1 AktG the directors or the management board have to file an application for entry of the first liquidators as well as their power of representation and for any change of liquidators and any modification of their power of representation into the commercial register.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Founders</td>
</tr>
<tr>
<td>- Public Notary</td>
</tr>
<tr>
<td>- Handelsregister (German Commercial Register)</td>
</tr>
<tr>
<td>- Bundeszentralamt für Steuern (Federal Central Tax Office)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the side of Company Representatives (Founder and Director) this step has to be performed following a face-to-face traditional process. 47</td>
</tr>
</tbody>
</table>

On the side of the public notary this step has to be performed online. 48

47 The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization/authentication (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.

48 The mandatory online refers to the legal communications with the register courts that take place only electronically. Applications for entries in the commercial register (Handelsregister) have to be submitted electronically in officially certified form (section 12 paragraph 1 of the German Commercial Code) and documents are to be submitted electronically (section 12 paragraph 2 of the German Commercial Code)
11. Striking off the company

Description
Upon completion of the liquidation/winding up, the liquidators have to file an application for the entry of completion of the liquidation into the register. The register court checks the submitted application with regard to formal and substantive requirements and finally carries out the respective entry into the register. Additionally and simultaneously the deletion of the company is entered into the register ex officio (e.g. “The liquidation is completed. The company is deleted/cancelled.”).

Actors Involved
- Company Founders
- Public Notary
- Handelsregister (German Commercial Register)
- Bundeszentralamt für Steuern (Federal Central Tax Office)

Online vs. Paper based
On the side of Company Representatives (Company founder and Director) this step has to be performed following a face-to-face traditional process. On the side of the local public notary this step has to be performed online.

Platform
Since on the side of Company Representatives this step is performed following a paper based traditional process, the only platforms used are the ones on the side of the Public Authorities. The local public notary uploads the different documents in its electronic system and submits it to the Handelsregister (German Commercial Register).

Storage
The necessary documents for the dissolution and termination of a company are stored online in the public notary database. The information is also stored in the database of the commercial register. The Unternehmensregister (German Company Register) – Central Electronic Platform has access to that data.

Required Information
Dissolution application (and its inclusive documents)

12. Publication of winding-up

Description
The liquidators have to announce the dissolution and the termination of a company including a request, that the company’s creditors file their claims, through the Federal Gazette (Bundesanzeiger).

49 The mandatory physical presence refers to the requirement to appear physically (only) at a notary for carrying out notarization/authentication (Beurkundung) and/or official certification (öffentliche Beglaubigung). Both of these processes require an identity check and the execution of the involved persons’ signatures in presence of the notary.

50 The mandatory online refers to the legal communications with the register courts that take place only electronically. Applications for entries in the commercial register (Handelsregister) have to be submitted electronically in officially certified form (section 12 paragraph 1 of the German Commercial Code) and documents are to be submitted electronically (section 12 paragraph 2 of the German Commercial Code).

NOTE THAT: The commercial register is operated by the register courts of the States (Bundesländer) fully electronically. The commercial register is accessible without restrictions via a central electronic platform, the “Gemeinsames Registerportal der Länder”, that is operated by North Rhine-Westphalia (responsible: Ministry of Justice) for the States.
1.8.4 COMPANY PROCEDURES - OVERALL TRENDS

The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.8.4.1 Main Trend Analysis

This section intends to highlight statistical data associated with the company law procedures in Germany and to illustrate its major trends and evolution over time. The data presented below was retrieved from the contacted competent authorities in Germany.

In Germany, as the graph below shows, the most common type of company by legal entity that was registered in 2015 was LLC as well as dissolved. Other kind of companies followed the same trend but the amount in both registration and dissolution is lower than in LLC.

![Graph showing registration and dissolution by type of company in 2015]
1.8.5 COSTS AND SAVINGS ANALYSIS

1.8.5.1 Cost Analysis

1.8.5.1.1 Main costs (Administrative Fees)

Registration of a company causes notarial fees and registration fees, collected by competent authority separately. The amount of fees is prescribed by law and depends on the kind of legal entity, the number of founders, the amount of share capital, the kind of contribution (contribution in cash or contribution in kind), if a standard protocol is used or individual documents are drafted. It is not possible to break down these fees as provided in the table below.

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>Unternehmergesellschaft (haftungsbeschränkt) [limited liability company with minimum capital of EUR 1,00], share capital EUR 1,00, 1 founder, standard protocol: EUR 150,00</td>
<td>N/A</td>
<td>€ 150 - 240</td>
</tr>
<tr>
<td></td>
<td>GmbH, share capital EUR 25,000,00, 1 founder, standard protocol: EUR 150,00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GmbH, share capital EUR 25,000,00, contribution in kind, 2 founders: EUR 240,00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notary fees</td>
<td>Unternehmergesellschaft (haftungsbeschränkt) [limited liability company with minimum capital of EUR 1,00], share capital EUR 1,00, 1 founder, standard protocol: EUR 105,00 (application to commercial register: EUR 30,00, XML data EUR 15,00, notarization EUR 60,00)</td>
<td>N/A</td>
<td>€ 105 - 580</td>
</tr>
<tr>
<td></td>
<td>GmbH, share capital EUR 25,000,00, 1 founder, standard protocol: EUR 207,00 (application to commercial register: EUR 57,50, XML data EUR 34,50, notarization EUR 115,00)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GmbH, share capital EUR 25,000,00, contribution in kind, 2 founders: EUR 580,00 (application to commercial register: EUR 62,50, XML data EUR 37,50, notarization EUR 384,00, drafting of list of shareholders EUR 96,00)]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.8.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.8.6.1 Main Challenges

The main challenges identified that are still being faced in the progressive evolution of German company law from paper-based procedures to digital tools implementation for the registration of companies:

- **Simplify complex legislation before digitalisation**: Prior the conceptualisation and development of online tools for the registration of companies, an exercise of simplification of complex legislation needs to be performed.

  Although, it should be taken in consideration, that there are good reasons behind the current legislation that justify the public faith in the commercial register. Once entered into the register the information contained therein is deemed correct with effect in favour and against the company and third parties so that they in particular can fully rely on those facts relevant for them.

- **Cross-border digitalisation** - One of the main benefits of company law digitalisation, is the possibility to register companies without mandatory physical presence of the company founder, thus encouraging cross-border creation of companies.

  With this in mind, the major challenges have been identified that need to be tackled in order to develop online standard procedures for registration that can be used in a cross-border context, due to on the side of Company Representatives (Founder and Director) almost all the steps for company’s registration have to be fully or at least partially performed following a face-to-face traditional process. However, representatives can be appointed to perform these steps so that company founders in particular do not need to be physically present. It is a challenge to develop an online registration system that includes all elements of the current system. Notaries not only communicate with the commercial register but also give advice to the founders, instruct the directors on their duties and liabilities, draft the founding documents and check their legality, identify the founders and directors, give notice to tax authorities and fulfil duties under the money laundering act.

- **e-Governance system**: Another big challenge regards the optimization of all the infrastructures on the side of the competent authorities. Legacy infrastructure can be
complex, rigid, time consuming, and expensive to maintain and integrate with new initiatives. It can become a barrier to the speed and agility required to execute a digital agenda. Sometimes still, different databases are filled with different information regarding companies that needs to be integrated.

- **Implementation costs:** The experience of the introduction of online submission of founding documents, already in place since 1st January 2007, showed that the implementation of electronic communication with secure formats causes substantial implementation costs. This includes high initial costs for development of software and hardware, roll-out of hard- and software and training as well as significant running costs for maintenance of hardware and software, administration, etc. Although, costs would only be saved by an abolition of personal appearance at a notary, everything else is already on an electronic/digital basis (the register itself as well as the communication with the register). As secure identification of the founders and directors and information of anti-money laundering and tax authorities are essential parts of a founding and registration system other electronic means would have to be developed.

Also, public notaries serve as “filter”, it means that the commercial register would likely have to reject the filed documents more often because they do not fully comply with the law, are incomplete or otherwise incorrect and would have to deal directly with company founders, shareholders and directors.

1.8.6.2 Main Benefits

Digitalisation of company law in Germany has changed fundamentally how companies register and communicate with the public authorities. In this context, this section describes the main benefits identified by German authorities brought by the digitalisation of company law:

- **Template of articles of association** - In order to be able to offer online submission of the articles of association, German authorities provide the possibility that the articles of association may be drafted from an existing template, making the process faster to conduct. Templates of the articles of association ensure that all the information required by the law is covered. Also, one of the benefits of digitalisation is the simplification both of the registration procedure and the documentation required.

- **Time Saving:** Business register benefits from electronic documents and structured XML data provided by the notary because they do not have to type in the data twice and they receive electronic documents for the electronic files. Although this process has been digitalised, company founders still have to do some parts of each step at the notary or it is
needed physical presence and it could be done online and with important time saving, as in other countries as Spain where the whole process has been reduced from 15 days to 7 hours, in the most extreme cases, while in Germany the registration process may vary regionally and it can be done in 1 - 3 days or it can be longer depending on the different districts and reaching 10 days.

- **Information management**: the introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.
1.9 GREECE

In Greece, in 2010 a new law was enacted by the Greek Parliament to facilitate and simplify the registration procedure of Greek companies. The new law foresees that notaries’ involvement in company registration is not mandatory, being the General Commercial Registry (GEMI) the only main actor responsible for company information gathering and managing in Greece. Also, since 2012, the use of electronic tools for registration has become progressively mandatory, and today most of the procedures shall to be conducted in the digitalised manner through in the GEMI system.

In this sense, for those company founders unfamiliarised with online methods, Greek authorities settled One-Stop-Shops (OSS) where company founders can find clerks which assist for conducting online procedures. Thus, when establishing a company online, company founders can be guided by the OSS clerk. The clerk can, for instance, file in the GEMI system the Articles of Association and all the necessary documents. This is a real time procedure which gives automatically to the founders GEMI number, Tax number, Certification of Registration, username and password to GEMI System and an announcement of Articles of Association immediately. On the internet site of GEMI (www.businessportal.gr) a special point called “publicity” makes available the information about this new company (with articles of association and a number of detailed data). Also a track record with all the available data and documentation are kept in the electronic system of GEMI. On average this procedure can last 30 minutes. Alternatively, documentation might be delivered to OSS electronically if the founder has a digital signature or possesses the electronic ID’s.

The Public Service which Directorates GEMI System and OSS is in the Ministry of Economy, Development and Tourism and called “Directorate of Enterprises and GEMI”. The OSS is hosted mainly in the Chambers of commerce but it is an absolutely public service fully autonomous from the Chambers.
1.9.1 REGISTRATION OF COMPANIES

1.9.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Greece. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

Regarding the type of companies that can be created in Greece, the most common form of entity for large businesses in Greece is the public company limited by shares or the AE. A more popular form of business for medium or small entrepreneurs is the private limited liability company, or the Greek IKE. The private limited liability company (IKE) is ruled by the Greek Law No. 4072/2012 (Articles 43-120).

The main features of the limited liability company in Greece are that it may be formed by one or more legal or natural parties and it’s governed by the Articles of Association. Also, the management of the Greek IKE is assured by the general meeting like in the case of the limited liability company which will appoint an administrator for day to day decisions.
Before the recent Law 4156/2013 the minimum capital for private limited company was 1 euro. However, even this requirement was abolished by Law 4156/2013 (Art. 3 para. 9 and 10) according to which (a) the share capital is defined by the parties with no limitation regarding its amount and (b) there is no minimum requirement regarding the nominal value of each portion of participation. There is no legal requirement for share capital.

The introduction of online tools in company law – the platform of the General Commercial Registry (GEMI) – and a mechanism to support companies to use such online tools One-Stop-Shops (OSS). Both GEMI and OSS are managed by Directorate of Enterprises and GEMI, from the Greek Ministry of Economy, Development and Tourism. Although OSS are public services, autonomous from other authorities, they are currently physically located in the prefectures of the different Greek Chambers of Commerce.

1.9.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in Greece. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform every procedure. From a company founder perspective, the different steps of the company registration using online methods happen almost simultaneously for all the information introduced into electronic forms, is directly and automatically checked. For instance, it is possible to fill in the articles of association in the GEMI system through a ready-made template.

### 1. Verification of the identity of the founders

<table>
<thead>
<tr>
<th>Description</th>
<th>To verify their identities, company founders or their representative should submit a valid piece of identity.</th>
</tr>
</thead>
</table>
| Actors Involved | - Company Founders  
- OSS  
- GEMI system |
| Online vs. Paper based | Online or paper-based |
| Platform | www.businessportal.gr |
| Storage | www.businessportal.gr |
Required information

- National identity card for Greek citizens, identity card or passport for citizens of EU member states, passport for citizens of non-EU member states and residence permit, if residing within the country. The founders’ representative may also submit to the One Stop Shop certified copies of these documents.

- Residence permit for the exercise of independent financial activity for citizens of non-EU member states who shall be appointed as managers in a limited liability company.

- Completed Form M1 (“Application for a Tax Identification Number/Change of Personal details”) and Form M7 (“Declaration of Taxpayer’s Relations”), if required in order for the founders to acquire a Tax Identification Number (TIN), if they do not have one.

2. Checking the availability/appropriateness of company name

**Description**
All the entities registered in Greece must have a unique name so it is advisable to check the desired name at the internet site of GEMI System. Company founders can reserve (online or by phone/physical visit) the new company’s corporate name.

**Akers Involved**
Company founders

**Online vs. Paper based**
Online (check and reservation)

**Platform**
www.businessportal.gr

**Storage**
www.businessportal.gr

**Required information**
N/A

3. Drawing up, signing and certifying the documents required for registration

**Description**
The OSS after checking the electronic availability (or the reservation) of the desired company name, must file the company’s following documents and founders sign the articles of incorporation physically or electronically. Note that the Article of Association for IKE is a private (prototype or template) document.

In case a partner is a foreigner or a foreign entity or in case the management (administrator(s) or legal representative(s)) are foreigners, they should register with the Greek tax authority and acquire a Greek tax registration number. Issuance of residence permits for non-EU residents may also be necessary. Such permits are usually a prerequisite in order for the non-EU administrators/legal representative(s) to be able to be appointed in such positions and in order for the registration of the new Company to be effected with the Greek tax authorities.

The articles of association of the company shall contain:

- The name, the domicile and the electronic address of the partners, if available
- The company’s name
- The object of the company
- That the company is a private company
- The contributions of the partners by category and their value, in accordance with articles 77 to 79, as well as the capital of the company
- The total number of the company’s parts
- The initial number of the parts of each partner and the category of contribution to which the parts correspond
- The way the company is managed and represented
- The duration of the company.

Special agreements of the partners contained in the articles of association are valid, if they are not against the present law

**Actors Involved**
- Company founders
- OSS
- GEMI system

**Online vs. Paper based**
Online

**Platform**
www.businessportal.gr

**Storage**
www.businessportal.gr

**Required information**
- Articles of Association, personal identification documents, evidence of establishment of the legal persons, residence permits if the shareholders are foreigners.
- Application or e-application to register the Company with the General Commercial Registry.

Note: All documents must be filed in Greek or any other EU language according to law 3419/2005.

---

### 4. Company registration

**Description**
Relevant documents have to be submitted and the system checks and validates the registered information. If for some reason the automatic registration system refuses any of the documentation submitted, then the registration needs to be confirmed directly by the register (e.g. by a registrar), but always respecting an online method, e.g. emailing.

**Actors Involved**
- GEMI system

**Online vs. Paper based**
Online

**Platform**
www.businessportal.gr

**Storage**
www.businessportal.gr

**Required information**
- None
### 5. Publication of company registration

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Greece after the registration of the company instantaneously, the publicity (e-publicity) of the new legal form takes place. The system transfers automatically the data to the publicity point of GEMI System (<a href="http://www.businessportal.gr">www.businessportal.gr</a>) all the necessary data which has to do with the result of the registration process. Given that after 01.01.2015, corporate acts and information shall no longer be published in the Government's Gazette and that they shall be published on the General Commercial Registry's (GEMI) website, it is obligatory that all companies maintain a ledger (merida) on which said actions and/or information shall be uploaded.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- GEMI System</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.businessportal.gr">www.businessportal.gr</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.businessportal.gr">www.businessportal.gr</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>
1.9.2 FILING OF COMPANY INFORMATION
1.9.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

The process associated with the filing of company information is conducted only electronically via the official page of GEMI. The companies using their username and password file this information only electronically. Major changes, like replacement of managers, or company status are conducted only electronically according to law 3419/2005 and the Ministerial Decisions K2-4946/2014 & 79752/2014. The documents concerning amendments of the Articles of Incorporation and the administrators must be filed only electronically and published on the internet site of GEMI (www.businessportal.gr).

Also, copies of the financial statements, the administrators’ report and the auditors’ report (where applicable) must be filed only electronically to the GEMI System.
Everybody worldwide could visit the official web site and could gain information. Also the GEMI System delivers automatically (without human intervention) certificates, attestations and copies from the Business Registry (GEMI). For the certificates there is a cost of 5 euro per copy.

1.9.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Greece. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

### 6. Amendments to the instruments of constitution or statutes and respective certification

<table>
<thead>
<tr>
<th>Description</th>
<th>The GEMI System notifies and publishes (real-time process) the amendments of the Articles of Incorporation and the administrators.</th>
</tr>
</thead>
</table>
| Actors Involved | - Company founders / Director(s) of the company  
- GEMI System |
| Online vs. Paper based | online |
| Platform | www.businessportal.gr |
| Storage | www.businessportal.gr |
| Required information | E-application through GEMI System. |

### 7. Accounting documents for each financial year / update of company books

Law 4308/14 says that the management prepares the financial balance sheet (annual financial statements) of IKE (balance sheet, operating results etc.) after the closing of the year. These annual financial statements, along with the relevant reports of the directors and the auditors of the Company, are subject to the publicity formalities, as provided in article 98 of law 4072/2012. The publicity is executed in the GEMI system no later than 9 months of the closing of the year through the e-process.

The management file through the operational system of GEMI (only electronically) by a certain e-application the annual financial statements which are registered to GEMI System and made public real time through the internet site of GEMI (www.businessportal.gr).

To approve the financial statements, a general meeting of shareholders must be held within nine months of the end of the tax year.

Note: The law 4308/2014 change a lot the criteria for Companies which are not publicly traded and do not fall into the categories of public interest are permitted to produce abridged annual financial statements, if they do not exceed the limits of two of the following three criteria set out in national legislation:
- Balance sheet total €4 million
- Net turnover €8 million
### Average staff employed in the year
- 50

### Actors Involved
- Company founders / Director(s) of the company
- GEMI System

### Online vs. Paper based
- Online

### Platform
www.businessportal.gr

### Storage
www.businessportal.gr

### Required information
E-application through GEMI System.

---

#### 8. Company changes' publication

### Description
The documents concerning amendments of the Articles of Incorporation and the administrators, such as financial statements, replacement of managers, or company status, must be published in the internet site of GEMI (www.businessportal.gr).

The management file through the operational system of GEMI (only electronically) by a certain e-application the annual financial statements, replacement of managers, company status etc. which are registered to GEMI System and made public real time through the internet site of GEMI (www.businessportal.gr).

### Actors Involved
- Company founders / Director(s) of the company
- GEMI System

### Online vs. Paper based
Mandatory online

### Platform
www.businessportal.gr

### Storage
www.businessportal.gr

### Required information
E-application through GEMI System.
1.9.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.9.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Greece, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

According to the Greek Civil Code regulations, the law on the modernization and development and the law on taxation Greek company has to follow two steps before ceasing to exist: the dissolution (lisi) and the liquidation (ekatharisi).

- The dissolution can be initiated if the members of the company take this decision, if the term stated in the Articles of Association has expired, if the company has accomplished its purposes, if a general partner is legally incapable to carry on with the business, is declared bankrupt, dies, or simply leaving the partnership.

- The dissolution is followed by the liquidation, with the final purpose of terminating and deleting the company from the commercial register. The liquidator is appointed either by the general meeting of the entity or by the Court. His powers are the same as the ones of the former management, but can be used only in the interest of the liquidation. Usually the former manager or director is also appointed liquidator.
In brief, the procedure in order for an IKE company to be dissolved and continue existing under the winding up status, includes drafting General meeting minutes where shareholders state and approve the aim of voluntary dissolution; afterwards General meeting minutes need to be filed in and published in the GEMI System (www.businessportal.gr) at the winding up status, the liquidators shall make a registry of the company’s assets before the winding up, and compose a balance sheet to be submitted, filing and publish to the internet site of GEMI System (www.businessportal.gr). This step shall be repeated at the end of the liquidation and winding up process: shareholders’ meeting minutes verifying the termination of the process and the minutes of the liquidators’ meeting shall be submitted, filing and publish to the internet site of GEMI System (www.businessportal.gr) The above mentioned procedure happens only electronically through the suitable e-application to the GEMI System (www.businessportal.gr).

1.9.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

### 9. Filing of the dissolution agreement/resolution and other documents related to winding-up

**Description**

According to the Greek Civil Code regulations, the law on the modernization and development and the law on taxation Greek company has to follow two steps before ceasing to exist: the dissolution (lisi) and the liquidation (ekatharisi).

- The dissolution can be initiated if the members of the company take this decision, if the term stated in the Articles of Association has expired, if the company has accomplished its purposes, if a general partner is legally incapable to carry on with the business, is declared bankrupt, dies, or simply leaving the partnership.

- The dissolution is followed by the liquidation, with the final purpose of cancelling the company from the commercial register. The liquidator is appointed either by the general meeting of the entity or by the Court. His powers are the same as the ones of the former management, but can be used only in the interest of the liquidation. Usually the former manager or director is also appointed liquidator.

In brief, the procedure of dissolving IKE company and further existence under the winding up status, include the following steps:

- Draft of General meeting minutes where shareholders state and approve the intention of voluntary dissolution. The liquidators of the company's assets are also appointed at this time.

- The minutes of the shareholders meeting are then filed and publish (real-time) through the e-application to GEMI System (www.businessportal.gr) and the company status changes from active to winding up process. Everybody knows through the publicity
point of GEMI that this company is under liquidation and the winding up process just started.

At the winding up status:

- The liquidators will make a registry of company’s assets before the winding up, and a balance sheet should be filed and publish (real-time) through the e-application to GEMI System (www.businessportal.gr).
- In the meantime, the liquidators are entitled to proceed in any action necessary such as collecting receivables and other claims, paying company’s debts etc. in order to settle company’s affairs.

At the end of the liquidation and winding up process:

- Minutes of the Shareholders’ Meeting verifying the termination of the process together with a termination balance sheet by the liquidators and the report of the Liquidators’ which are also filed and publish electronically through the e-application to GEMI System (www.businessportal.gr). Automatically the system produces an announcement which confirms the termination of the procedure and the final deletion from the Business Registry (GEMI) and finally changes the status of the company to deletion.

The liquidation of an IKE is carried out by the administrators, provided that the Articles of Association or the General Partner’s meeting do not contain contradictory provisions.

<table>
<thead>
<tr>
<th>Actors Involved</th>
<th>- Liquidators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- GEMI System</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>online</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
<th><a href="http://www.businessportal.gr">www.businessportal.gr</a></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
<th><a href="http://www.businessportal.gr">www.businessportal.gr</a></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
<th>E-application through GEMI System.</th>
</tr>
</thead>
</table>

### 10. Striking off the company

**Description**

As described in the previous point, the dissolution of a company is followed by the liquidation, with the final purpose of cancelling the company from the commercial register. At the end of the liquidation and winding up process:

- Minutes of the Shareholders’ Meeting verifying the termination of the process together with a termination balance sheet by the liquidators and the report of the Liquidators’ which are also filed and publish electronically through the e-application to GEMI System (www.businessportal.gr) Tax Authority after receiving the notification from
Business Registry (GEMI) will also close company books. During the liquidation process, the company keeps its commercial and legal capacity but has cancelation from the commercial registers as a final goal. During this process, the company continues to be legally represented in front of the Court.

- The first step after the decision of company liquidation is closing the books and opening new ones. A balance sheet of the liquidation beginning must be elaborated by the liquidator and approved by the General Meeting. After approval, it must be filled and published to GEMI System through the e-application. In order to satisfy the claims from the creditors, the liquidators may sale (in public auctions) the company’s assets but not sooner than four months since the beginning of the process.

- After paying all the debts and satisfying all the creditors, the remaining assets are distributed among the shareholders and a final statement regarding the Greek company liquidation process indicating the balance of the proceeds to be shared is published together with the general meeting which approves the balance sheet through the e-application to GEMI System (www.businessportal.gr).

The company liquidation process in Greece is limited to three years until extreme circumstances delays the procedure. Also measures of accelerated liquidation are established.

**Actors Involved**
- Liquidators
- GEMI System.

**Online vs. Paper based**
- Online

**Platform**
- www.businessportal.gr

**Storage**
- www.businessportal.gr

**Required information**
- E-application through GEMI System.

### 11. Publication of a notice regarding liquidation

**Description**
After paying all the debts and satisfying all the creditors, the remaining assets are distributed among the shareholders and a final statement regarding the Greek company liquidation process indicating the balance of the proceeds to be shared is published together with the general meeting which approves the balance sheet through the e-application to GEMI System (www.businessportal.gr).

Immediately the GEMI System produce an announcement about the termination of the liquidation, changes the status of the company to deletion and transfers in the same time all the available data (automatically without human intervention) to the publicity point of GEMI (www.businessportal.gr).

**Actors Involved**
- GEMI System

**Online vs. Paper based**
- Online
1.9.4 COMPANY PROCEDURES - OVERALL TRENDS

The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.9.4.1 Main Trends Analysis

This section intends to highlight statistical data associated with the company law procedures in Greece and to illustrate its major trends and evolution over time. The data presented below was retrieved from the contacted competent authorities in Greece.

The following graph shows the proportion of companies registered in 2016 by legal entities in Greece, where it is possible to appreciate that the predominant type of legal entity is sole proprietorship (60%), followed by private LLC (19%) and general partnership (11%).

![Proportion of companies registered by legal entity, Greece, 2016](image)

In terms of dissolutions, there is a different situation since the highest number of companies dissolved in Greece are general partnerships (49%), public LLC (20%) and limited partnerships (17%).
This makes a scenario where the main different types of legal entities in Greece are changing over time and it is possible to appreciate on the following tables. The number of IKE registered from 2012 to 2016 is really high compared to the rest of legal entities with capital character (Societies Anonym, EPE and IKE).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EPE (Public LLC)</td>
<td>1,669</td>
<td>2,117</td>
<td>1,281</td>
<td>728</td>
<td>425</td>
<td>211</td>
</tr>
<tr>
<td>IKE (Private LLC)</td>
<td>61</td>
<td>591</td>
<td>2,859</td>
<td>3,795</td>
<td>3,801</td>
<td>2,437</td>
</tr>
<tr>
<td>AE (Societés Anonymes)</td>
<td>667</td>
<td>892</td>
<td>863</td>
<td>701</td>
<td>578</td>
<td>266</td>
</tr>
<tr>
<td>ATOMIKH (Sole proprietorships)</td>
<td>25,353</td>
<td>33,012</td>
<td>32,921</td>
<td>26,329</td>
<td>19,632</td>
<td>7,681</td>
</tr>
<tr>
<td>EE (Limited partnerships)</td>
<td>1,983</td>
<td>2,183</td>
<td>1,572</td>
<td>1,445</td>
<td>1,147</td>
<td>635</td>
</tr>
<tr>
<td>OE (General Partnerships)</td>
<td>3,695</td>
<td>4,427</td>
<td>3,630</td>
<td>3,292</td>
<td>2,500</td>
<td>1,372</td>
</tr>
<tr>
<td>Other</td>
<td>125</td>
<td>182</td>
<td>394</td>
<td>493</td>
<td>288</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>33,553</td>
<td>43,404</td>
<td>43,520</td>
<td>36,783</td>
<td>28,371</td>
<td>12,686</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EPE (Public LLC)</td>
<td>629</td>
<td>427</td>
<td>846</td>
<td>1,186</td>
<td>1,557</td>
<td>1,186</td>
</tr>
<tr>
<td>IKE (Private LLC)</td>
<td>1</td>
<td>4</td>
<td>74</td>
<td>230</td>
<td>371</td>
<td>317</td>
</tr>
<tr>
<td>AE (Societés Anonymes)</td>
<td>331</td>
<td>253</td>
<td>438</td>
<td>661</td>
<td>882</td>
<td>543</td>
</tr>
<tr>
<td>EE (Limited partnerships)</td>
<td>354</td>
<td>846</td>
<td>2,141</td>
<td>2,490</td>
<td>1,793</td>
<td>985</td>
</tr>
<tr>
<td>OE (General Partnerships)</td>
<td>1,318</td>
<td>2,815</td>
<td>6,771</td>
<td>7,196</td>
<td>5,065</td>
<td>2,869</td>
</tr>
<tr>
<td>Total</td>
<td>2,633</td>
<td>4,345</td>
<td>10,270</td>
<td>11,763</td>
<td>9,668</td>
<td>5,900</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EPE (Public LLC)</td>
<td>1,040</td>
<td>1,690</td>
<td>435</td>
<td>-458</td>
<td>-1,132</td>
<td>-975</td>
</tr>
<tr>
<td>IKE (Private LLC)</td>
<td>60</td>
<td>587</td>
<td>2,785</td>
<td>3,565</td>
<td>3,430</td>
<td>2,120</td>
</tr>
<tr>
<td>AE (Societés Anonymes)</td>
<td>336</td>
<td>639</td>
<td>425</td>
<td>40</td>
<td>-304</td>
<td>-277</td>
</tr>
<tr>
<td>ATOMIKH (Sole proprietorships)</td>
<td>25,353</td>
<td>33,012</td>
<td>32,921</td>
<td>26,329</td>
<td>19,632</td>
<td>7,681</td>
</tr>
<tr>
<td>EE (Limited partnerships)</td>
<td>1,629</td>
<td>1,337</td>
<td>-569</td>
<td>-1,045</td>
<td>-646</td>
<td>-350</td>
</tr>
</tbody>
</table>
Table: Evolution of number of companies in the register (net changes), Greece, 2011-2016

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>OE (General Partnerships)</td>
<td>2,377</td>
<td>1,612</td>
<td>-3,141</td>
<td>-3,904</td>
<td>-2,565</td>
<td>-1,497</td>
</tr>
<tr>
<td>Other</td>
<td>125</td>
<td>182</td>
<td>394</td>
<td>493</td>
<td>288</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>30,920</td>
<td>39,059</td>
<td>33,250</td>
<td>25,020</td>
<td>18,703</td>
<td>6,786</td>
</tr>
</tbody>
</table>

*Figure 5 Evolution of number of companies in the register (net changes), Greece, 2011-2016*

![Graph of evolution of number of companies in the register (net changes), Greece, 2011-2016](image)

*Figure 6 Comparison of the evolution of utilisation of the OSS against the Business register website when registering companies*

1.9.5 COSTS AND SAVINGS ANALYSIS

1.9.5.1 Cost Analysis

1.9.5.1.1 Main costs (Administrative Fees)

The table below presents different types of fees charged by the Greek authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution).

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>Registration fees</td>
<td>€10 - 70</td>
</tr>
<tr>
<td></td>
<td>The costs related to this process are:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- GEMI registration fee (€10).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Start-up registration fee (€70)</td>
<td></td>
</tr>
</tbody>
</table>

1.9.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.9.6.1 Main Challenges
The main challenges were identified, both by companies and public authorities that needed to be faced prior to the evolution from paper-based procedures to digital tools implementation for the registration of companies:

Cross-border digitalisation: Greece is also running an eSens\(^1\) pilot to test immediate start up from anywhere within the EU, by only using the electronic ID’s. This pilot aims to be fully operative by the end of March 2017.

1.9.6.2 Main Benefits

Digitalisation of company law in Greece has changed fundamentally how companies register and communicate with the public authorities. In this context, this section describes the main benefits identified by Greek authorities brought by the digitalisation of company law:

- **Cost saving:** Company founders have to spend only €10 – 70 for company registration procedures.

- **Reduction of time:** Greek digitalisation of company law has shortened timing of company procedures, both to companies and to public authorities.

- **Information management:** The introduction of digital tools has enhanced information management and helped authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.

- **Information on company creation available in English:** In order to attract foreign investors, Greece has implemented a website (www.businessportal.gr) that provides information on how to establish a company and where company founders can register their companies, although the registration itself needs to be conducted in Greek.

- **Secure and reliable safeguards:** In the case of Greece, there is a verification/certification step conducted in order to certify the authenticity of documents or of the person registering a new company.

\(^1\) Source eSens pilots: [http://wiki.ds.unipi.gr/display/ESENSPILOTS/D5.4-Greece-Pilot+Description](http://wiki.ds.unipi.gr/display/ESENSPILOTS/D5.4-Greece-Pilot+Description)
Interconnected/interoperable safeguards validating identity of founders: Greece, together with 14 other MS, is a participant of the pilot the EID's project.
1.10 HUNGARY

The process of registration a company in Hungary has to be performed at the Court of Registry. This is the National Business Register which is the authority responsible for the actual registration of companies and it is in charge of double checking everything.

In Hungary, the process associated with the registration of companies is conducted by regional courts and assisted alternatively by a legal representative/attorney, which is chosen by company founders:

- Legal counsel of the business association
- Lawyer - member of the Magyar Ügyvédi Kamara (Hungarian Bar Association)
- Notary

Most of steps are not digitalised on the registration process and company founders are guided through their legal representative in every step of the process. Therefore, these steps are mandatory face-to-face. Only the step called company registration and the publication are available through online methods.

Company law has not been modernised, remaining constly and time-consuming process. Regarding registration of companies, the number has decreased during the last years and this trend is expected to continue (in a lower rhythm), which can be improved through the introduction of an online method for the registration of companies in order to accelerate the process of establishing a new corporation.
1.10.1 REGISTRATION OF COMPANIES
1.10.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Hungary. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

1.10.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in Hungary. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform every procedure.

1. Verification of the identity of the founders

The validation of the founders' identity can be performed by any attorney (alternatively: 1. legal counsel of the business association, 2. lawyer- member of the Magyar Ügyvédi Kamara (Hungarian Bar Association, 3.notary).

Description

Company founders have to present their ID card to their attorney/legal representative with whom they decided to conduct the process of establishing the corporation. The attorney/legal representative submits documents the relevant ID data in the founding documents and also keeps a copy of the ID due to anti-money laundering statutes (notaries possess a special duty of care as part of their anti-money laundering duties). The Company Founders have to physically visit the attorney/legal representative at least once in order to validate the of signature company founders.
(documents must be signed in front of a lawyer, so that, it can be verified, authenticated and if intended, made it electronic). Once the electronic certified signature is made available, there is not a real need to physically visit the attorney for the purpose of signature verification and authentication.

From the perspective of the Company Founders this step can only be performed following a paper based traditional process. Depending on the attorney/legal representative chosen to conduct the process of establishing the corporation, once the signature is verified, certified and made electronic, the further verifications of the Founders’ identity may be performed online.

**Actors Involved**

- Company Founders
- Attorney/legal representative
- Court of Registry (Hungarian Business Register)

**Online vs. Paper based**

Mandatory face-to-face at the attorney/legal representative

**Platform**

N/A

**Storage**

N/A

**Required information**

N/A

### 2. Checking the availability/appropriateness of company name

**Description**

The intended company name is indicated by the Company Founders to the attorney/legal representative chosen to conduct the process of establishing the corporation. Although the attorney/legal representative cross checks whether or not the name is available in the Service of Company Information and Electronic Company Registration (Company Information Service), the actual validation of the name is only performed later by the Court of Registry (Hungarian Business Register).

From the perspective of the Company Founders registration of the name can only be performed following a paper based traditional process. The Company Founders together with the attorney can validate online in the Service of Company Information and Electronic Company Registration (Company Information Service) whether or not the name is available.

**Actors Involved**

- Company Founders
- Attorney/legal representative
- Court of Registry (Hungarian Business Register)

**Online vs. Paper based**

Online or face-to-face

**Platform**

N/A

**Storage**

N/A

**Required information**

N/A
### 3. Confirmation of the share capital deposit fee

The necessary bank account for the deposit of the corporation’s share capital must be opened by company founders prior to the submission of all the information by the attorney/legal representative in the electronic system of the Ministry of Justice.

The confirmation of the share capital deposit is issued by the bank (usually it is just a normal account statement) and must be sent by the Company Founders to the attorney/legal representative which, in turn, will upload it as well in the electronic system of the Ministry of Justice. This confirmation can be done after all documents are submitted by the attorney/legal representative in the electronic system of the Ministry of Justice (step 5) as long as this situation is reflected in the Articles of Association.

The core deposits together comprise the initial capital, which may not be less than three million forints. Additionally:

1. The sum total of the nominal value of all shares shall comprise the share capital of a limited company.
2. The share capital of a private limited company may not be less than five million forints. The share capital of a public limited company may not be less than twenty million forints.
3. The amount of cash contributions at the time of foundation may not be less than thirty percent of the share capital.

From the perspective of the Company Founders this step can only be performed following a paper based traditional process. Depending on the attorney/legal representative chosen to conduct the process of establishing the corporation, there might be a possibility for the Company Founders to send the proof of share capital deposit fee by e-mail or to upload them in an existing system of the attorney/legal representative.

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
</table>
| The necessary bank account for the deposit of the corporation’s share capital must be opened by company founders prior to the submission of all the information by the attorney/legal representative in the electronic system of the Ministry of Justice. The confirmation of the share capital deposit is issued by the bank (usually it is just a normal account statement) and must be sent by the Company Founders to the attorney/legal representative which, in turn, will upload it as well in the electronic system of the Ministry of Justice. This confirmation can be done after all documents are submitted by the attorney/legal representative in the electronic system of the Ministry of Justice (step 5) as long as this situation is reflected in the Articles of Association. The core deposits together comprise the initial capital, which may not be less than three million forints. Additionally:

1. The sum total of the nominal value of all shares shall comprise the share capital of a limited company.
2. The share capital of a private limited company may not be less than five million forints. The share capital of a public limited company may not be less than twenty million forints.
3. The amount of cash contributions at the time of foundation may not be less than thirty percent of the share capital.

From the perspective of the Company Founders this step can only be performed following a paper based traditional process. Depending on the attorney/legal representative chosen to conduct the process of establishing the corporation, there might be a possibility for the Company Founders to send the proof of share capital deposit fee by e-mail or to upload them in an existing system of the attorney/legal representative. |

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Founders</td>
</tr>
<tr>
<td>Bank entity</td>
</tr>
<tr>
<td>Attorney/legal representative</td>
</tr>
<tr>
<td>Court of Registry (Hungarian Business Register)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory face-to-face at the attorney/legal representative</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

### 4. Drawing up, signing and certifying the documents required for registration

When forming a company at an attorney/legal representative, Company Founders will have to explain their requirements. Based on the requirements presented, Company Founders and the attorney will discuss possible options of company forms and how to draft the articles of association. Once they are produced by the company founders, the attorney will authenticate the articles. Company Founders have the option of using pre-existing template (provided by the Ministry of Public Administration and Justice) for the Articles of Association. In case Company Founders choose to use such template the process is likely to be faster and cheaper.

From the perspective of the Company Founders this step can only be performed following a paper based traditional process. Depending on the attorney/legal representative chosen to conduct the process of establishing the corporation, there might be a possibility for the Company Founders to
The necessary documents can be sent by e-mail or uploaded into an existing system of the attorney/legal representative.

### Actors Involved
- Company Founders
- Attorney/legal representative
- Court of Registry (Hungarian Business Register)

### Online vs. Paper based
Mandatory face-to-face at the attorney/legal representative

### Platform
N/A

### Storage
N/A

The articles of association shall specify:

- the amount of share capital, the amount of cash contributions to be paid upon foundation, and the conditions for paying the face value or issue price of shares;
- the declaration of the founders concerning their commitment to subscribe for all shares, and on the division of the shares among themselves;
- the number and face value or issue price of the shares to be issued upon foundation, the face value of fraction shares, where applicable, and type of shares (printed or dematerialized);
- the name (address) of the first management board members, and the name of the mothers of members;
- the name of the private limited company's first auditor (address, registered office);
- the procedure for calling general meetings, as well as the conditions and method of exercising voting rights;

### Required information
If so required, the articles of association shall contain the following:

- the object and value of in-kind contributions and the number and face value of shares to be provided in exchange, the name (corporate name) and address (registered office) of the parties providing the contribution and the name (corporate name) and address (registered office) of the auditor responsible for the preliminary valuation of the in-kind contribution as indicated in the articles of association;
- the rights attached to the individual categories and classes of shares, and any restriction of certain rights attached to shares, the rules on conversion of shares into shares belonging to other categories or classes, or series of shares, as well as the number and face value or issue price of shares belonging to certain categories or classes of shares, separately for each series of shares;
- the series, quantity and face value of convertible bonds or bonds with subscription rights, and the rules pertaining to such shares;
- any restriction on the transfer of shares, or making transfer subject to the consent of the company;
- the provisions relating to the mandatory redemption of shares;
- authorization conferred upon the management board to approve the interim balance sheet in connection with the exercise of rights attaching to redeemable shares, with the repurchase of own shares, the payment of interim dividends, and with the increase of the share capital financed from assets not comprising a part of the share capital;
- where a general director is elected (), the name (address) and mother's name of the first general director;
- where a supervisory board is elected, the name (address) and mother's name of the members of the first supervisory board;
- Any other points for which the shareholders wish to provide in the articles of association.

5. Company registration

Once all documents and information described in the previous steps are collected, the attorney/legal representative uploads everything in the electronic system of the Ministry of Justice. The Court of Registry (Hungarian Business Register) as the authority responsible for the actual registration of companies double checks everything and proceeds with the establishment of the new corporation. During this step, the Court of Registry (Hungarian Business Register) also notifies the Nemzeti Adó - és Vámhivatal (National Tax and Customs Administration of Hungary) of the intention to establish the company. The Court of Registry (Hungarian Business Register) only proceeds with the incorporation of the new company after getting approval and the new tax number from the Nemzeti Adó - és Vámhivatal (National Tax and Customs Administration of Hungary).

Companies can be incorporated in 2 ways:

1. By simplified electronic filing:
The registration fee is HUF 50,000 (€160.81) and the incorporation takes 1 business day (up to 8 business days). In the simplified electronic filing, the companies must use a standardized template for the articles of association.

2. By standard electronic filing:
The registration fee is HUF 100,000 (€321.62) and the incorporation takes 15 business days.

This sequence of procedures is performed between the attorney/legal representative chosen to conduct the process of establishing the corporation, the Court of Registry (Hungarian Business Register) and the Nemzeti Adó - és Vámhivatal (National Tax and Customs Administration of Hungary). It is performed electronically only.

Actors Involved
- Attorney/legal representative
- Court of Registry (Hungarian Business Register)
- Nemzeti Adó - és Vámhivatal (National Tax and Customs Administration of Hungary)

Online vs. Paper based
- Online

Platform
The only platforms used are the ones on the side of the attorney/legal representative and the Ministry of Justice.

Storage
Service of Company Information and Electronic Company Registration (Company Information Service)

Required information
N/A
## 6. Publication of company registration

| Description | The publication of a notice of incorporation of the company is the duty of the Court of Registry (Hungarian Business Register) in order to comply with the Directive 2009/101/EC (Art.3.5.). Once the company is registered, the Court of Registry (Hungarian Business Register) will update the information in the Service of Company Information and Electronic Company Registration of the Ministry of Justice (Company Information Service) and publish in the Cégközlöny (Company Gazette), which is published daily. The Company Gazette is the official journal of the Ministry of Justice, and can be accessed free of charge at [http://www.e-cegkozlony.gov.hu/](http://www.e-cegkozlony.gov.hu/) When it publishes data from the business register relating to a limited liability company, the court of registration also publishes in the Company Gazette the company's articles of association or any amendments thereto, which are published daily. The publication fee is HUF 5,000 (€16.08). In case of the standard electronic filing, the company may choose to meet publication requirements by publishing the required information on its website instead of the Cégközlöny (Company Gazette). In the latter case, no publication fees are payable. |
| **Actors Involved** | - Court of Registry (Hungarian Business Register)  
- Service of Company Information and Electronic Company Registration  
- Cégközlöny (Company Gazette) |
| **Online vs. Paper based** | Online |
| **Storage** | Once the company is established and its creation notified, all this information is stored on-line in the Service of Company Information and Electronic Company Registration of the Ministry of Justice (Company Information Service) |
| **Required information** | N/A |
1.10.2 FILING OF COMPANY INFORMATION

1.10.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

When an amendment to any of the company's information is needed, Company Directors have to contact with an attorney/legal representative, who can be legal counsel of the business association, lawyer - member of the Magyar Űgyvédi Kamara (Hungarian Bar Association) or notary. Only the accounting documents for each financial year / update of company books are filed directly in the Beszamolo' platform (http://e-beszamolo.im.gov.hu/oldal/kezdolap) since they are not part of company law itself but rather a matter of commercial law and business.

Once the change is requested, the attorney/legal representative will submit all the necessary information into the electronic system of the Ministry of Justice. The Court of Registry (Hungarian Business Register) will, in turn, revise the necessary information and perform the change, updating the company details in the Service of Company Information and Electronic Company Registration (Company Information Service).

To conclude any change process, the publication of any change to company information is the duty of the Court of Registry, which updates the information in the Service of Company Information and
Electronic Company Registration of the Ministry of Justice (Company Information Service) and publishes in the Cégközlöny (Company Gazette), which is uploaded daily.

1.10.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Hungary. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

<table>
<thead>
<tr>
<th>7. Amendments to the instruments of constitution or statutes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
</tbody>
</table>
| **Actors Involved** | - Company Directors  
- Attorney/legal representative  
- Court of Registry (Hungarian Business Register) |
| **Online vs. Paper based** | Mandatory face-to-face at the attorney/legal representative |
| **Platform** | N/A |
| **Storage** | N/A |
| **Required information** | N/A |

8. Accounting documents for each financial year / update of company books

| Description | Hungarian Legislation requires companies to publish annual accounts every financial year. This information must be published directly by the Company Directors in the Service of |
Company Information and Electronic Company Registration (Company Information Service). The publication of accounts is free of charge from 1 January 2016.

The balance sheet, the profit and loss account and the notes on the accounts, forming parts of the annual account, shall be signed by the person entitled to represent the economic entity, indicating the place and date thereof.

This step is performed by the Company Directors or Company Representative referred to in Subsection (2) of Section 7 of Act XCII of 2003 on the Rules of Taxation directly in the Service of Company Information and Electronic Company Registration (Company Information Service). It is performed electronically only.

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Directors</td>
</tr>
<tr>
<td>- Company Representative referred to in Subsection (2) of Section 7 of Act XCII of 2003 on the Rules of Taxation.</td>
</tr>
<tr>
<td>- Company Information Service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform of the Service of Company Information and Electronic Company Registration (Company Information Service)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>The information is stored in the platform of the Service of Company Information and Electronic Company Registration (Company Information Service), which is maintained by Ministry of Justice.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

9. Company changes publication

The publication of any change to company information is the duty of the Court of Registry (Hungarian Business Register). Whenever any change is performed, the Court of Registry (Hungarian Business Register) will update the information in the Service of Company Information and Electronic Company Registration of the Ministry of Justice (Company Information Service) and publish in the Cégközlöny (Company Gazette), which is published daily.

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Court of Registry (Hungarian Business Register)</td>
</tr>
<tr>
<td>- Service of Company Information and Electronic Company Registration</td>
</tr>
<tr>
<td>- Cégközlöny (Company Gazette)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Gazette (<a href="http://www.e-cegkozlony.gov.hu/">http://www.e-cegkozlony.gov.hu/</a>)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>When any change is performed and notified, all this information is stored on-line in the Service of Company Information and Electronic Company Registration of the Ministry of Justice (Company Information Service).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>
1.10.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.10.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Hungary, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

In case Company founders and directors decide to close down a company in Hungary they will need to do it through an attorney/legal representative who supports company founders in conducting the process required by the Ministry of Justice. The company shareholders and/or appointed directors will have to write the agreement/resolution for the voluntary dissolution and any other documents related to winding-up. Besides this, they will also have to define deadlines for all creditors to get paid. Once all documents are collected, attorney/legal representative will submit them electronically in the system of the Ministry of Justice. The Court of Registry (Hungarian Business Register) will, in turn, have access to such information and is responsible for revising it in order to strike off the company and to later publish a notice of its dissolution in the Service of Company Information and Electronic Company Registration (Company Information Service). The Court of Registry (Hungarian Business Register) will also notify the Nemzeti Adó - és Vámhivatal (National Tax and Customs Administration of Hungary) of the intention to strike off the company in case. The ultimate approval comes from the
Nemzeti Adó - és Vámhivatal (National Tax and Customs Administration of Hungary) after its final revision of the case.

1.10.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

### 10. Filing of the dissolution agreement/resolution and other documents related to winding-up

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dissolution of the company by way of liquidation is possible only if the company is solvent and has sufficient funds available to complete the process of liquidation (or if these will be financed by the shareholder). This means that funding must be available to satisfy the claims of creditors and shareholders, and the company seat and contact information must be kept available throughout the liquidation period.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>In order to proceed with the voluntary dissolution of the company, a meeting of shareholders is convened and held. The general meeting of a private limited company may decide to terminate the company by a majority of three quarters of the votes. Resolutions approving the opening of the liquidation and appointment of a liquidator are passed (the liquidator can be an agent or another person appointed to handle the procedure). The company's name is extended by a suffix &quot;under dissolution&quot; and the dissolution officer/receiver assumes the role, duty, responsibilities and liabilities of the board of directors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company founders or appointed directors</td>
</tr>
<tr>
<td>- Attorney/legal representative</td>
</tr>
<tr>
<td>- Court of Registry (Hungarian Business Register)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face-to-face</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court of Registry (Hungarian Business Register)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

### 11. Publication of winding-up and striking off the company

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>An announcement regarding the liquidation is placed in the Company Gazette inviting creditors to come forward. The announcement will state the due amount, the procedure of delivering the claims, the maximum term of stating the claim. Usually the claims must be delivered to the appointed liquidator within 40 days since posting the announcement and no later than 180 days.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company founders or appointed directors</td>
</tr>
<tr>
<td>- Attorney/legal representative</td>
</tr>
<tr>
<td>- Court of Registry (Hungarian Business Register)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court of Registry (Hungarian Business Register)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required information</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>
The liquidator must be aware that in the first stage all the claims of the creditors must be satisfied and only after that, the remaining assets are distributed among the company’s shareholders.

The Court is requesting the cancellation of the Hungarian company from the commercial registers after all the claims are covered and all the remaining assets are distributed among the members.

The voluntary liquidation process lasts for between 5-6 months at least in practice, and it has to be finished within 36 months.

### Actors Involved
- Company founders or appointed directors
- Court of Registry (Hungarian Business Register)
- Cégközlőny (Company Gazette)

### Online vs. Paper based
Online

### Platform
- Company Gazette (http://www.e-cegkozlony.gov.hu/)

### Storage
When any change is performed and notified, all this information is stored on-line in the Service of Company Information and Electronic Company Registration of the Ministry of Justice (Company Information Service)

### Required information
N/A

1.10.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.10.4.1 Main Trends Analysis
This section intends to highlight the statistical data associated with company law procedures in Hungary and to illustrate major trends and evolution over time. The data presented below were retrieved from the contacted competent authorities in Hungary.

As the figure below shows, most of LLC in Hungary are private limited liability companies reaching

![Pie Chart](image-url)
According to the figure below, it is possible to notice that the registration of companies has decreased during the last years and it is expected to decrease at a lower rhythm. On the other hand, the dissolution of companies has increased the last years reaching a peak in 2015; since that year, dissolutions have decreased largely and it is expected to follow a decreasing trend the next years.

1.10.5 COSTS AND SAVINGS ANALYSIS
1.10.5.1 Cost Analysis

1.10.5.1.1 Main costs (Administrative fees)

Public Administrations of European Member States or whatsoever other entities holding responsibilities in company law processes generally work under a cost covering principle. This said, in the table below, one can see the different types of fees charged by the authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution).

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
</table>
| Registration  | Registration fees | Companies can be incorporated in 2 ways:  
1. By simplified electronic filing:  
The registration fee is HUF 50,000 (€160.81) and the incorporation takes 1 business days (up to 8 business days). In the simplified electronic filing, the companies must use a standardized template for the articles of association.  
2. By standard electronic filing:  
The registration fee is HUF 100,000 (€321.62) and the | N/A | Simplified electronic filing:  
HUF 50,000 (€160.81)  
Standard electronic filing: HUF 100,000 (€321.62) |
<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication fees</td>
<td>incorporation takes 15 business days. The company may choose to meet publication requirements by publishing the required information on its website instead of the Cégközlöny (Company Gazette). In the latter case, no publication fees are payable.</td>
<td>N/A</td>
<td>HUF 5,000 (£16.08)</td>
</tr>
</tbody>
</table>

1.10.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS
The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.10.6.1 Main Challenges

- **Cross-border digitalisation** - One of the main benefits of company law digitalisation, is the possibility to register companies without mandatory physical presence of the company founder, which is not still possible in Hungary.

- **Lacking skills**: to help users to become familiarised with new online tools is a challenge that any digital improvement needs to face.

- **Language barrier – English**: In order to both be aligned with the business environment that uses English as main common language, and to involve foreign investors the English language as an option to be added as a must by Hungarian authorities.

- **Availability of information**: Another challenge being faced by the Hungarian authorities conducting the digitalisation of company law procedures regards the disposal of updated information online. Also, making available and easy access to information. In fact, the consequent improvements in the different company law procedures have changed the way processes are being conducted by company founders and/or representatives.
Secure and reliable safeguards: In the case of Hungary, the validation of the company founders’ identity can be performed by an attorney/legal representative and they have to present their ID card to the attorney/legal representative. The attorney/legal representative documents the relevant ID data in the founding documents and also keeps a copy of the ID due to anti-money laundering statutes (notaries possess a special duty of care as part of their anti-money laundering duties). However, from an online registration perspective this process requires a physical presence and therefore would not be seen as a main benefit.

1.10.6.2 Main Benefits

- Template of articles of association: In Hungary, Company founders have the option of using pre-existing template (provided by the Ministry of Justice) for the articles of association. In case company founders choose to use such template the process is likely to be faster and cheaper.

- Cross-border digitalisation: In Hungary, business register benefit from electronic documents and structured XML data provided by the notary because they do not have to type in the data twice and they receive electronic documents for the electronic files. However, it should be noticed that the registration procedure from the company founders’ perspective is done through the traditional method requiring a physical presence.
1.11 POLAND

In Poland, all types of companies are available to a foreign investor provided that the investor has a permit legalising his stay and allowing him to conduct business activity in Poland, or originates from an EU or EFTA member country or from a country that has entered into specific international agreements with the EU. If these conditions are not met, the investor may establish a limited partnership, limited joint-stock partnership, limited liability company or joint-stock company. There are no further limitations on the form of economic activity that investors choose to undertake.

The Polish company law is conducted by two main actors: The National Court Register and Notaries. The National Court Register is a centralized and computerised database comprising three distinct registers:

1. The register of entrepreneurs.
2. The register of associations, other social and professional organisations, foundations and public healthcare institutions.
3. The register of insolvent debtors.

The National Court Register was created on the basis of the Act of 20 August 1997 on the National Court Register and is in operation since January 1, 2001. The object of the National Court Register is to provide readily-available and reliable information on the legal status of a registered entity (The Central Information of the KRS), the material elements of its financial condition and the manner of its representation. Furthermore, the National Court Register contains other information on the entrepreneur of value to commercial circulation, including:

1. Information on outstanding tax and tariff duties.
2. Arrears towards the Social Insurance Institution (ZUS).
3. Creditors and value of outstanding debts.

Notaries are in charge of preparing the application for the court (form KRS-W3) and notarise the deed of formation. It is optional to hire a lawyer in order to set up the whole company (taxes, social insurance, registered office, and so forth). Since January 1, 2012 a new alternative method for establishment of a company has been introduced that does not require notarization of the company’s agreement. However, this requires online registration, which the majority of entrepreneurs do not use in practice. Therefore, although digital tools have been designed and implemented, and company law has been deeply modernised company owners – or company administrators.

Incorporating a company and registering it in the appropriate registers, including the National Court Register, tax office and statistical office, usually takes up to one month. However, a company may start its business activity immediately after signing the Articles of Association. A foreign investor may

---

also choose to set up a company with standardized Articles of Association. In such case, it may become the owner of a company in one day. The Articles of Association of such company may be amended by an investor immediately after registration.
1.11.1 REGISTRATION OF COMPANIES

1.11.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in Poland. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.

Companies may be incorporated by one or more persons and/or entities. It may not be however created by another company with a single shareholder. The latter limitation is only valid at the moment of creation of a company. Companies usually have two governing bodies: the Management Board and the General Meeting of Shareholders. A Supervisory Board is obligatory only for companies with more than 25 shareholders and if their share capital exceeds PLN 500,000.

The Articles of Association require the form of a notarial deed and need to be signed before a Polish notary. They may also be signed by a proxy on the basis of a power of attorney.

1.11.1.2 Step-by-step analysis of the process associated with the registration of companies

This section offers a description of all the necessary steps to be conducted in order to register a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company founders.

It should be noticed that there is not any specific step conducted for company founders' identification.
### 1. Checking the availability/ of company name appropriateness

<table>
<thead>
<tr>
<th>Description</th>
<th>The company founders proceed with the verification of the availability of the potential company name by simply checking the subjects registered online. It’s a basic functionality of the business register and, the company founders can do it on their own. Company names may not be misleading as to the object of its activity. Some names, such as ‘bank’ are restricted and cannot be used, if the company does not carry out this type of activity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors Involved</td>
<td>Company founders</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>Online</td>
</tr>
<tr>
<td>Platform</td>
<td><a href="https://ems.ms.gov.pl/">https://ems.ms.gov.pl/</a> (Only available in Polish)</td>
</tr>
<tr>
<td>Storage</td>
<td>National Court Register (KRS)</td>
</tr>
<tr>
<td>Required Information</td>
<td>Proposed name for the company</td>
</tr>
</tbody>
</table>

### 2. Drawing up, signing and certifying the documents required for registration

<table>
<thead>
<tr>
<th>Description</th>
<th>The notary prepares the application for the court (form KRS-W3), required for the next step, and notarises the deed of formation. It is optional to hire a lawyer in order to set up the whole company (taxes, social insurance, registered office, and so forth). Since January 1, 2012 a new alternative method for establishment of a company has been introduced that involves online registration and does not require notarisation of the company's articles of association.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors Involved</td>
<td>- Management board</td>
</tr>
<tr>
<td></td>
<td>- Notary (if paper-based, not mandatory)</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>Online or paper-based</td>
</tr>
<tr>
<td>Platform</td>
<td><a href="https://ems.ms.gov.pl/">https://ems.ms.gov.pl/</a> (Only available in Polish)</td>
</tr>
<tr>
<td>Storage</td>
<td>Company deed of association</td>
</tr>
<tr>
<td>Required Information</td>
<td>One of the document to be submitted is a list of all the founders of the company and the % of their shares. By law each founder must make a declaration that they have covered their share of the capital. The articles of association must specify, as a minimum:</td>
</tr>
<tr>
<td></td>
<td>- The business name and registered office of the company,</td>
</tr>
<tr>
<td></td>
<td>- the corporate purpose of the company,</td>
</tr>
<tr>
<td></td>
<td>- the amount of the share capital,</td>
</tr>
</tbody>
</table>
| | - whether the shareholder may hold more than one share,
196

- the number and nominal value of shares taken up by individual shareholders,
- duration of the company, if definite

3. Confirmation of the share capital deposit fee

When the Management board apply for registration it is not necessary to show the evidence of deposit of share capital. In the specific case of online registration of the private limited liability company, paying the contribution for share capital needs to be done within 7 days AFTER the registration (art. 167 § 4-5 of the Law on companies). In case of this online registration, it is only possible to pay in cash contributions (art. 158 § 11-2 of the law on companies) (and contributions in kind are not allowed).

To open a bank account, a limited liability company must provide the bank with the founding deed and a REGON certificate.

The REGON certificate is the company identification number code, which is a nine-digit code of the National Court Register (KRS).

REGON is a u-to-date collection of information on entities of the National Court Register (KRS) maintained in a computer system in the form of a central database and terrain databases in 16 statistical offices.

According to the Legal act concerning public statistics of 29 June 1995 (Journal of Laws, No 88, Item 439) each national economy entity is obliged to register in the register of business entities called REGON. Each entity is obliged to complete a form and apply for entry into the register REGON and inform about any changes.

Actors Involved
- Management board
- Bank

Online vs. Paper based
- Online

Platform
- N/A

Storage
- N/A

Required Information
- Deed of formation
- REGON certificate

4. Company registration

The registration in the National Court Register is done by Court Register after submission of the registration application prepared by the company's board, which contain following elements: name, type of the company and its registered seat, the amount of the share capital, the first names and surnames of the management board members and the manner of representation of the company, the first names and surnames of the members of the supervisory board or the audit commission (if exist), the duration of the company, if established for a definite time period, information on non-cash (in-kind) contributions made, the number and nominal value of shares subscribed for by individual shareholder The application should be filed and submitted jointly with: The Company Agreement, documents establishing company's bodies and their members, if they are not mentioned in the Company Agreement, a representation of all members of the management board that all of the shareholders made full contributions towards the share capital, the list of shareholders (either natural or legal persons) including the number of shares held by each shareholder signed by all members of the management board, sample of signatures of members of the management board placed before the Court or certified by a public notary;
**5. Publication of company registration**

<table>
<thead>
<tr>
<th>Storage</th>
<th>National Court Register (KRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Information</td>
<td>It is required:</td>
</tr>
<tr>
<td></td>
<td>- The appointment of a management board.</td>
</tr>
<tr>
<td></td>
<td>- The appointment of a supervisory board or auditors' committee – obligatory only when all of the following circumstances occur jointly:</td>
</tr>
<tr>
<td></td>
<td>a) Share capital exceeds PLN 500,000 (€114,155)</td>
</tr>
<tr>
<td></td>
<td>b) Number of shareholders exceeds 25.</td>
</tr>
</tbody>
</table>

**Description**

KRS carries out the publication by sending the necessary information to the official journal - Polish Official Gazette through the system between the authorities.

The Management Board are able to check their registration number at official KRS site: https://ems.ms.gov.pl/krss/wyszukiwaniepodmiotu?t:lb=t

Companies have also statistical numbers. Management board can check if the given number REGON or NIP belongs to given company here: http://www.stat.gov.pl/regon/

On the same site it is possible to check NIP number. NIP number is used by sole traders by VAT: http://ec.europa.eu/taxation_customs/vies/vieshome.do?selectedLanguage%20=EN

Sole trader/simply proprietorship do not have KRS numbers so it is necessary to check the REGON or NIP.

Management board can also check the company information by contacting the register in city office where company is registered/located.

<table>
<thead>
<tr>
<th>Actors Involved</th>
<th>- National Court Register (KRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Polish Official Gazette</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Online</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
<th>Official journal (Monitor Sądowy i Gospodarczy)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
<th>Polish Business Register (Krajowy Rejestr Sądowy)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Required Information</th>
<th>N/A</th>
</tr>
</thead>
</table>
1.11.2 FILING OF COMPANY INFORMATION

1.11.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

1.11.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Poland. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

6. Amendments to the instruments of constitution or statutes

Through S24 system it is possible to submit online applications concerning changes for all limited liability companies, registered partnerships and limited partnerships registered electronically. However, it is not possible to submit an application for changes for the company, which was not registered with portal S24.

Changes that can be reported to KRS by means of S24 system:
- Address,
- registered office,
- PKD codes,
- Change of Management Board,
- Change of Supervisory Board.

**Actors Involved**
Management board

**Online vs. Paper based**
Online or face to face

**Platform**
https://ekrs.ms.gov.pl/

**Storage**
National Court Register (KRS)

**Required Information**
N/A

### 7. Submission of annual accounts

Duly completed application form KRS-Z30 (with annexes) shall be filed with the National Court Register (NCR) were a given company is registered.

Polish Limited liability company is obliged to prepare a financial report and a report on the operations of the company at the end of each financial year.

Under the **Polish Accounting Act** and the **Polish Company Law Act**, after the end of each financial year, **Polish limited liability company** is particularly obliged to:

- Prepare a financial report
- Prepare a report on the operations of an entity together with information on:
  - Events having a significant impact on the operations of an entity in a given financial year
  - Expected development of the company
  - Key research and development achievements
- Acquisition of own shares and the purpose of this operation (their number, value, what part of share capital they represent, selling price if they were also sold during the financial year)
- Branches of an entity
- Financial and non-financial indicators (e.g. number of employees) - if they may impact the evaluation of the company's position
- Financial instruments with respect to risk (concerning changes of the price, credit risk, loss of liquidity risk) and implemented by the company methods of risk prevention
- Convene the General Shareholders' Meeting to adopt a financial report, a report on the operations of an entity and resolutions regarding distribution of company's financial result (division of profits or covering the loss)
- Submit a financial report and a report on the operations of the entity including resolutions of the General Shareholders’ Meeting approving these reports to the

---

Submit an application for the amendment of an entry in the Company Register of Poland regarding submission of reports including resolutions of the General Shareholders’ Meeting.

Moreover, Polish company shall be obliged to submit the financial report to be audited by a certified auditor in case at least two of the following requirements are met:

- Average annual employment measured in full time equivalent was at least 50 job posts
- Total assets at the end of the financial year was equal in value to at least 2,500,000 EUR in Polish zlotys
- Net revenue from the sale of goods and products as well as financial operations for the financial year were equal in value to at least 5,000,000 EUR in Polish zlotys.

Audit Exemption - Subject to the above, most small private limited liability companies do not need an audit of their annual accounts - unless the company’s articles of association say it must or enough shareholders ask for one. Alternatively, there may be a requirement specified by other third parties for an audit (i.e. in a bank loan/overdraft agreement).

### Actors Involved
- Management board
- National Court Register (NCR)
- National Chamber of Statutory Auditors (KIBR)

### Online vs. Paper based
- Online or paper based

### Platform
- https://ekrs.ms.gov.pl/

### Storage
- National Court Register (KRS)

### Required Information
- Information requested in form KRS-Z30
1.11.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.11.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Poland, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

The commencement of the liquidation procedure must be registered in the registration court and announced in the Monitor Sądowy i Gospodarczy (Court and Commercial Gazette), together with a notification to creditors to submit their claims (they must do so within three months after the public announcement).

Shareholders may distribute the remaining assets in proportion to their participation in ownership only after the company has settled or safeguarded the interests of creditors. This distribution can occur only after a period of six months from the date of the liquidation announcement and the announcement to creditors has lapsed.

Once the liquidation is terminated, the liquidator is authorized to prepare a final liquidation report and file it with the National Court Register (KRS) with a request to strike off the company from the register.
1.11.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

### 8. Filing of the dissolution agreement/resolution and other documents related to winding-up

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidation of a limited liability company is carried out by liquidators being members of the management board unless the articles of association or a resolution of the general meeting provide otherwise. (Article 276(1) of the Commercial Partnerships and Code Companies). A liquidator may be a natural person having full legal capacity, who has not been convicted with a final judgement for any crimes under the provisions of the chapters XXXIII-XXXVII of the Criminal Code, as well as Articles 587, Art. 590 and 591 of the Commercial Partnerships and Companies Code. While in the process of liquidation, the company operates under the former business name with an additional designation &quot;w likwidacji&quot; (in liquidation). During the period of liquidation, the management board does not operate in the company as its functions are performed by liquidators. However, other authorities of a limited liability company such as a supervisory board and general meeting still exist and operate, though their role and functions have changed. The opening of liquidation results in the expiration of a commercial power of attorney. Moreover, no commercial power of attorney may be granted during the period of liquidation. During the period of liquidation, the liquidators should close all current operations of the company, satisfy creditors, execute receivables and liquidate assets of the company, and create a balance sheet.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actors Involved</th>
<th>Liquidator</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform</td>
<td>N/A</td>
</tr>
<tr>
<td>Storage</td>
<td>N/A</td>
</tr>
<tr>
<td>Required information</td>
<td>-Financial statements required in the process of liquidation (eg. appropriate person as a liquidator for the company, Balance sheet, shareholders resolutions and liquidator’s reports)</td>
</tr>
</tbody>
</table>

### 9. Striking off the company

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>If an enterprise is registered in KRS, in order to terminate business activity a KRS-X2 application for deletion of the entity from KRS has to be submitted. An application shall be filed in writing with the district court (commercial court) which has jurisdiction over the company’s seat. The application may be submitted in the registry office of the competent court or sent by post to the court’s address. After deletion of an entity from the register of entrepreneurs, the competent tax office must be notified of its winding up by receiving a</td>
</tr>
</tbody>
</table>

| Required information   | |
|------------------------| |
A liquidation report must be filed with the tax office, and if the entity was liable to pay VAT, a VAT-Z form must be submitted as well. There is also an obligation to notify GUS (Central Statistical Office) by applying for deletion of an entity from the REGON register within 14 days of deletion from KRS. It is also necessary to notify one's bank and close all bank accounts. The entity must also deregister from ZUS (Social Insurance Institution) by means of a ZUS ZWPA form.

### Actors Involved
- Liquidator
- National Court Register (KRS)
- Competent tax office
- GUS (Central Statistical Office)
- Bank
- ZUS (Social Insurance Institution)

### Online vs. Paper based
Paper based

### Platform
N/A

### Storage
- National Court Register (KRS)
- Competent tax office
- GUS (Central Statistical Office)
- ZUS (Social Insurance Institution)

### Required information
- KRS-X2 form
- Liquidation report
- NIP-2 form
- ZUS ZWPA form

### 10. Publication of a notice regarding liquidation

#### Description
National Court Register KRS carries out the publication by sending the necessary information to the official journal through the system between the authorities.

#### Actors Involved
- National Court Register (KRS)
- Monitor Sądowy i Gospodarczy (Court and Economic Journal)

#### Online vs. Paper based
Online

#### Platform
N/A

#### Storage
National Court Register (KRS)

#### Required information
N/A
1.11.4 COMPANY PROCEDURES - OVERALL TRENDS

The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.11.4.1 Main Trends Analysis

This section intends to highlight information associated with the company law procedures in Poland and to illustrate its major trends and evolution over time (The data presented below was retrieved from a desk research).

The Polish National Court Register (NCR) or the Trade Register in Poland was founded according to the Act adopted on 20th August 1997 on the National Court Register. It is developed and organized by the Polish Ministry of Justice. Since 2001 it constitutes an electronic base of data containing information about entrepreneurs, companies, foundations and non-governmental institutions.

In recent times, the legislator made some material amendments to the provisions of the act of 20 August 1997 on the National Court Register (Journal of Laws No. 121, item 769) [hereinafter: KRS]. Namely, it is about the Act of 26 June 2014 on amending the act on the National Court Register and on amending some other acts (Journal of Laws of 2014, item 1161) and the Act of 28 November 2014 on amending the act on the National Court Register and on amending some other acts (Journal of Laws of 2014, item 1924). The first of the cited acts amends the rules for obtaining the statistical identification number REGON and the tax identification number NIP by entities entered in the KRS. The second one concentrates on the so-called “dead companies” - namely, it is about entities which are entered in the KRS, but do not run business activity and do not fulfil their tasks and goals.

In principle, the aim of first of the legal acts cited, which became effective on 1 December 2014, was to shorten the registration procedure so that entities entered in the KRS could be able to undertake business activity quicker. Pursuant to the intention of the legislator, the statistical identification number REGON and the tax identification number NIP to be assigned automatically, without the necessity to file additional motions and to be put up in the Register after being transferred from the Central Register of Entities - National Taxable Person Records and from the national official register of business entities.
### 1.11.5 COSTS AND SAVINGS ANALYSIS

#### 1.11.5.1 Cost Analysis

##### 1.11.5.1.1 Main costs (Administrative fees)

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notarize company agreement fees</td>
<td>The fee to notarize the company deed of association is about PLN 1000 and it cannot exceed PLN 10,000 plus VAT and civil law transaction tax. It is optional to hire a lawyer who would normally charge between PLN 5,000 (€1,153.88) and PLN 25,000 (€5,769.42), in order to set up the whole company (taxes, social insurance, registered office, and so forth).</td>
<td>N/A</td>
<td>Notary fees: PLN 1,000 (€230.78) Lawyer fees: PLN 5,000 (€1,153.88) - 25,000 (€5,769.42)</td>
</tr>
<tr>
<td>National Court Register fees</td>
<td>The fees for company registration at the National Court Register (KRS) are PLN 500 Online: when private limited liability companies and partnerships use the templates available in the online system</td>
<td>PLN 500 (€115.39)</td>
<td>N/A</td>
</tr>
<tr>
<td>Publication fees</td>
<td>National Court Register (KRS) have obligation to publish an announcement of registration in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy)</td>
<td>PLN 100 (€23.08)</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Filing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee for changing the entry in the register</td>
<td>Online: when private limited liability companies and partnerships use the templates available in the online system</td>
<td>PLN 200 (€46.16)</td>
<td>N/A</td>
</tr>
<tr>
<td>Dissolution</td>
<td>Striking off fees</td>
<td>N/A</td>
<td>PLN 300 (€69.23).</td>
</tr>
</tbody>
</table>

#### 1.11.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

##### 1.11.6.1 Main Challenges

The main challenges were identified that are still being faced in the progressive evolution of Polish company law from paper-based procedures to digital tools implementation for the registration of companies:

- **Lacking skills**: To help users to become familiarised with new online tools is a challenge that any digital improvement needs to face. In the case of Polish company law, users to become familiarised with company law online tools are entrepreneurs and company owners and representatives, and notaries. Since January 1, 2012, a new alternative method for
establishment of a company has been introduced that does not require notarization of the company’s agreement. However, this requires online registration, which the majority of entrepreneurs do not use in practice.

- **Information on company creation available in English**: In order to attract foreign investors, Member States need to overcome the language barrier. Currently, most of websites of official bodies in Poland are only available in Polish, which deprives foreign investors of access to relevant information and subsequently forms additional burden in the process of companies’ registration.

- **Foreigner’s company register** - Necessity of entering a Polish personal identity number (PESEL) for the shareholders (in the case of individuals) and the management board members, foreigners who do not hold a PESEL cannot establish a company using the simplified procedure.

1.11.6.2 Main Benefits

The introduction of online tools in Polish company law, such as the Business register platform has improved how Management Board can register their companies and communicate with the Polish authorities. In this context, this section describes the main benefits identified brought by this digitalisation:

- **Time Reduce**: Alongside the traditional method of establishing a company, which takes up to three months, the amendment introduced the “S-24” procedure, which enables formation and registration of a limited-liability company within 24 hours after proper entry of data into the IT system via an online form available at the website of the Ministry of Justice.

- **Information management**: The introduction of digital tools enhances information management and helps authorities to have access to accurate data, facilitating integration of specialised activities by keeping each department connected

1.12 PORTUGAL

The registration of Companies in Portugal is, most of the times, duty of the IRN (*Instituto de Registos e Notariado*). The case of individual business enterprises (sole proprietorships) is the only exception in which the registration procedures are not carried by IRN. IRN is so responsible for the registration process of limited liability companies. IRN directly reports to the Ministry of Justice and is the most important Public Institute in Portuguese company law. Besides registration is also
responsible for coordinating the company’s **dissolution** processes as well as the processes of **filing** and **publication** of company information.

The establishment of a corporation usually does not grant the company founder the right to execute the company’s economic activity. All the economic activities in Portugal are legislated in the *National Official Public Gazette*. Portuguese corporations, depending on numerous reasons, may need to be certified in one or many matters by one or several publicly legislated entities. Today, it is possible to visualize in the **Citizens’ Portal (Portal do Cidadão)**, operationalized by **AMA (Agência para a Modernização Administrativa)**, the different certifications that a business **must have** and/or **may need to have** in different economic activities. Some of the different certifications and requirements displayed to the end-user in the portal are already linked to the webpage of the entity in charge of processing such certification. This doesn’t mean that they can be requested and obtained on-line. This will depend on the entity issuing such certification. As legislation is constantly revised in all the different economical activities, it is likely to find outdated information in the **Citizens’ Portal (Portal do Cidadão)**.

Also, in Portugal only legislation on every economic activity is published in the *National Official Public Gazette* (managed by **INCM: Imprensa Nacional - Casa da Moeda**). Information on corporations is never published in the *National Official Public Gazette*. This sort of information on specific corporations (e.g.: constitution of a corporation; change of bylaws; change of partners) is made publicly available periodically in other official publications. Companies themselves have nothing to do with the publication of any information in these periodical releases. These publications are the duty of the entity with which companies have dealt with for their **registration (IRN)**, **dissolution** and/or the processes of **filing** and **publication** of company information.

Although the **Citizens’ Portal (Portal do Cidadão)**, managed by **AMA (Agência para a Modernização Administrativa)**, is already synchronized with **IRN** making it possible to provide online services in this matter, it is still not possible to conduct every service on-line. In total, **62 IRN** services are already automatized online via the **Citizens’ Portal (Portal do Cidadão)**.
1.12.1 REGISTRATION OF COMPANIES

1.12.1.1 Description of the process associated with the registration of companies

The following figure depicts the different steps needed to register a company in Portugal. It illustrates all the actors involved in each of the steps and highlights which steps can be conducted online.

In Portugal there are three possible methods of company registration. Two of them are conducted face-to-face (Traditional method and Empresa na hora) in physical locations while the third one is conducted on-line.

1) **Traditional Method**: This is the least common method nowadays. In the traditional way, the company founders have to gather all the necessary documentation for the registration phase, authenticate themselves and sign the deeds either in a civil registration office (belonging to the IRN) or in any notary.

2) **Empresa na hora (Company in one hour)**: This is the most common method nowadays. Although it requires physical presence of the company members, all bureaucracy can be conducted in a "one stop shop". This service is provided by IRN and is operational in all IRN locations. Some of these locations may share the physical space with AMA (e.g.: Lojas do Cidadão), however the accountability and even the local management of this service is
always done by IRN. In this method, company founders will only need to show up in one Empresa na Hora desk and will have their company registered in usually even less than one hour.

3) Empresa Online (Online Company): This method is completely processed online and is becoming more and more significant. This service enables the registration of a company through the Internet in 1 to 2 days. This service is provided and coordinated by IRN and accessible via the On-Line Company Platform (‘Empresa Online’) on the Entrepreneur’s Desk - Citizens’ Portal (Portal do Cidadão), managed by AMA (Agência para a Modernização Administrativa).

In Portugal, more than 30% of the companies registered during the period 01/2016 – 04/2016 followed the online registration procedures, around 60% were registered through Empresa na hora and the remaining 5.5%, through the traditional paper-based method.

1.12.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in Portugal. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform every procedure.

### 1. Verification of the identity of the founders

<table>
<thead>
<tr>
<th>Description</th>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>The verification of the identity of the company founders is processed differently depending on the method chosen to establish a limited liability company.</td>
<td>Online or face-to-face</td>
</tr>
<tr>
<td>1) Traditional Method: Under the traditional method, in case the company founders or their legal representatives present themselves before a civil registration office (belonging to the IRN), each one of them will need to present the citizen card. In case company founders present themselves before a notary, they will need to prove their identity as each notary requires, and then, in order to initiate the process of establishing a company with the IRN, they will need to present a certificate from the notary (or lawyer or solicitor)</td>
<td></td>
</tr>
<tr>
<td>2) Empresa na Hora (Company in one hour): Under the Empresa na Hora method, the company founders or their legal representatives need to present their citizen cards.</td>
<td></td>
</tr>
<tr>
<td>3) Empresa Online (Online Company): Under the Empresa Online method, the company founders or their legal representatives need to authenticate their identity through the existing e-ID system implemented in Portugal. In order to proceed with this authentication, company founders or their legal representatives need to have access to an e-reader for their citizen cards.</td>
<td></td>
</tr>
</tbody>
</table>

**Actors Involved**

- Company Founders
- IRN (Instituto de Registos e Notariado)
### Platform

1) Traditional Method: 
N/A

2) Empresa na Hora (Company in one hour): 
N/A

3) Empresa Online (Online Company):
https://bde.portaldocidadao.pt

### Storage

All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).

### Required Information

- Citizen or Mobile Digital Key Card
- Digital Certificate Lawyer, Solicitor or Notary

### 2. Checking the availability/appropriateness of company name

The checking of the availability/appropriateness of the intended company name is processed differently depending on the method chosen to establish a limited liability company.

1) Traditional Method
Under the traditional method, the company founders shall:
- Present a Certificate of Admissibility of a Name issued by IRN. This certificate of approval may be requested online, is valid for 90 days and may be renewed only once.

2) Empresa na Hora (Company in one hour):
Under this method, company founders shall either:
- Choose a name from the list of pre-approved names available at the website Empresa na Hora;
- Present a Certificate of Admissibility of a Name issued by IRN. This certificate of approval may be requested online, is valid for 90 days and may be renewed only once.

The chosen name will only be given when the company founders get to the desk and start the setting-up process.

3) Empresa Online (Online Company):
Under this method, company founders shall either:
- Choose a name from the list of pre-approved names available at the website Empresa na Hora;
- Deliver a Certificate of Admissibility of a Name issued by IRN. This certificate of approval may be requested online, is valid for 90 days and may be renewed only once.

The chosen name will only be given when the company founders start the setting-up process online.

### Actors Involved

- Company Founders
- IRN (Instituto de Registos e Notariado)

Online vs. Paper based: Online or face-to-face

1) Traditional Method:
N/A

2) Empresa na Hora (Company in one hour):
http://www.empresanahora.pt/ENH/sections/EN_list-names

3) Empresa Online (Online Company):
Storage

All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).

Required Information

- Intended company name from pre-approved list
- Certificate of Admissibility of a Name issued by IRN

### 3. Confirmation of the share capital deposit fee

**Description**

The minimum of social capital that needs to be deposited by company founders at the moment of establishing a limited liability company is 1€. To conclude the actual registration of a limited liability company, company founders do not need to prove that the deposit has been made. The only thing company founders need to do is to sign a form stating that they will perform the deposit within the 1st fiscal year. This applies to the three different methods for the registration of a company.

**Actors Involved**

- Company founders
- IRN (Instituto de Registos e Notariado)

**Online vs. Paper based**

Online or face-to-face

- 1) Traditional Method: N/A
- 2) Empresa na Hora (Company in one hour): N/A
- 3) Empresa Online (Online Company): https://bde.portaldocidadao.pt

**Storage**

All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).

**Required Information**

- Declaration stating that the deposit will be performed

### 4. Drawing up, signing and certifying the documents required for registration

**Description**

The drawing up, signing and certifying the documents required for registration is processed differently depending on the method chosen to establish a limited liability company.

1) Traditional Method

Under the traditional method, company founders will have to draw the necessary documents for the registration of a company by hand. In case they want to use the pre-approved standard memorandum and articles of association packs provided by IRN they will need to download them online or ask the notary or the civil registration office (belonging to the IRN) to do so.

2) Empresa na Hora (Company in one hour):

Company founders need to choose one of the pre-approved standard memorandum and articles of association packs, available at Empresa na Hora website and in the portfolio of packs available at the desks. Under this method, company founders are not allowed to submit tailored articles of
Company founders may choose one of the pre-approved standard memorandum and articles of association packs. Under this method, company founders may also submit online tailored articles of association by editing the fields presented during the online process. If this is the case, the process of registering a new limited liability company may take longer and it will have a higher processing fee.

### Required Information

**Memorandum and Articles of Association**

5. Company registration

**Description**

Company registration is automatically performed by the IRN once the previous steps are concluded.

- Company founders will receive a certificate of incorporation, the corporate identification card, the Social Security number, the deed, and a business registration certificate.
- Company registration is performed automatically by the IRN.

**Actors Involved**

- Company Founders
- IRN (Instituto de Registos e Notariado)

**Online vs. Paper based**

Online

1) Traditional Method: N/A

2) **Empresa na Hora** (Company in one hour):
   http://www.empresanahora.pt

3) **Empresa Online** (Online Company):
   https://bde.portaldocidadao.pt

**Platform**

All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).
6. Publication of company registration

Under the terms of Decree-Law nr. 111/2005, of 8 July, the mandatory publication of facts related to companies are now being made through an Internet website, managed by the IRN (Instituto de Registos e Notariado), at the following address: http://publicacoes.mj.pt/

This new method is in force since the 1st January 2006.

This way, the publication of company creation is processed electronically and automatically by the IRN. Company founders as well as other citizens may look for the published information online at the national publications website (http://publicacoes.mj.pt/)

IRN (Instituto de Registos e Notariado)

http://publicacoes.mj.pt/

All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).

Once company founders have registered (established) a company, they will have to meet several requirements in order to be able to actually operate the economic activity for which the company was created. Depending on the cluster of economic activity, different entities are responsible for coordinating the Certification Requirements phase. The economic activities in Portugal can be grouped in the following main clusters: Commerce/retail, Services, and/or Catering/restaurants; Industry; Agriculture; or Other.

http://www.empresanahora.pt/ENH/sections/EN_publications
1.12.2 FILING OF COMPANY INFORMATION

1.12.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

1.12.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in Portugal. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used.

7. Amendments to the instruments of constitution or statutes and respective certification

Like in the Registration procedure, company representatives may process changes to company information under different methods.

1) By post mail

Company representatives or their legal representatives need to send via post mail the intended changes to the civil registration office (belonging to the IRN). Then, the civil registration office (belonging to the IRN) will proceed with the desired changes to company information. Depending on the changes to be processed, different fees may apply and the time to complete the process may vary.

2) By physical presence at Empresa na Hora (Company in one hour):

By physical presence, company representatives need to visit an Empresa na Hora’ desk and submit
the desired changes to company information there. Then, IRN will proceed with the desired changes
to company information. Depending on the changes to be processed, different fees may apply and
the time to complete the process may vary.

3) Empresa Online (Online Company):
Company founders can already make several changes through the online service called Empresa
Online. There are two sections dedicated to these changes. Below one may find the changes that
can already be processed online via this method.

A. Online records: There is a set of services that can be effected from a single point of online
contact and without the need to travel to the Commercial Register, the request for records
by transcription of a company:
- Changing corporate bodies
- Change in capital
- Company transformation
- Modification of contractual clauses
- Records Conversion
- Dissolution / Liquidation
- Fusion / Fission
- Modification of contractual clauses designating the governing bodies
- Modification of contract terms with changes in capital
- Modification of contract terms with changes in capital and appointment of
governing bodies
- Company transformation with designation of corporate bodies
- Change in share capital and company transformation
- Change in share capital with society transformation and appointment of
governing bodies

B. Items for filing online: With this suite of services can require, in a dematerialized form
and in one place, several records of the companies without any face interaction with
public bodies:
- Changing quotas
- Pledge shares
- Garnishment shares
- Arrest quotas
- Redemption of shares
- Office / agency contract
- Proposed merger / spin-off project
- Cancellation / Rectification registration

<table>
<thead>
<tr>
<th>Actors Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Company Representatives</td>
</tr>
<tr>
<td>- IRN (Instituto de Registos e Notariado)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online or face-to-face</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Post Mail</td>
</tr>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical Presence: Empresa na Hora (Company in one hour):</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.empresanahora.pt">http://www.empresanahora.pt</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Empresa Online (Online Company):</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="https://bde.portaldocidadao.pt">https://bde.portaldocidadao.pt</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage</th>
</tr>
</thead>
</table>
| All the information is saved and stored in the information Systems of IRN. The management of
information is processed automatically by the implemented FILENET system. Then, all the
information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN.
IRN may provide some outputs of these systems (but not the access to them) to other Portuguese
authorities (e.g.: the Fiscal authority). |
8. Submission of annual accounts

**Description**
All limited liability companies in Portugal have to submit several documents at the end of their fiscal year. All documents must be submitted online in the following platform: www.ies.gov.pt. Although managed by IRN, the IES platform is intended to be a central collecting point for the different documents that companies need to submit each year. This way, company representatives will have to upload different documents for different authorities in this website. The IRN is then responsible to keep the documents addressed to the IRN and to distribute the others to the entitled authorities. Below, one may find the documents all limited liability companies must deliver each year, followed by the authority to which each document should be addressed to.

- **Declaração Fiscal (Fiscal Declaration)** – Autoridade Tributária (Tax Authorities)
- **Declaração Estatística (Statistical Declaration)** – Instituto Nacional de Estatística (Statistical National Institute)
- **Declaração Estatística Financeira (Financial Statistical Declaration)** – Banco de Portugal (Bank of Portugal)
- **Declaração de Prestação de Contas (Accounting Declaration)** – Instituto de Registos e Notariado – IRN - (Notarial and Registration Institute)

**Actors Involved**
- Company Representatives
- IRN (Instituto de Registos e Notariado)

**Platform**
www.ies.gov.pt

**Storage**
All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority). In the case of the annual accounts, the information is also saved in a specific database for annual accounts.

- **Declaração Fiscal (Fiscal Declaration)** – Autoridade Tributária (Tax Authorities)
- **Declaração Estatística (Statistical Declaration)** – Instituto Nacional de Estatística (Statistical National Institute)
- **Declaração Estatística Financeira (Financial Statistical Declaration)** – Banco de Portugal (Bank of Portugal)
- **Declaração de Prestação de Contas (Accounting Declaration)** – Instituto de Registos e Notariado – IRN - (Notarial and Registration Institute)

9. Publication of changes of company information

**Description**
Under the terms of Decree-Law nr. 111/2005, of 8 July, the mandatory publication of facts related to companies are now being made through an Internet website, managed by the IRN (Instituto de Registos e Notariado), at the following address: http://publicacoes.mj.pt/

This new method is in force since the 1st January 2006.
This way, the publication of changes to company information is processed electronically and automatically by the IRN. Company founders as well as other citizens may look for the published information online at the national publications website (http://publicacoes.mj.pt/)

**Actors Involved**  
IRN (Instituto de Registos e Notariado)

**Online vs. Paper based**  
Online

**Platform**  
http://publicacoes.mj.pt/

**Storage**  
All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems but not the access to them to other Portuguese authorities (e.g.: the Fiscal authority).

**Required Information**  
N/A

### 1.12.3 VOLUNTARY DISSOLUTION OF COMPANIES

#### 1.12.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Portugal, which are filing of the dissolution agreement, striking off the company and publication of winding-up.
The Dissolution process of a company is never linear. Even excluding the cases of insolvency, mergers, acquisitions, etc., it is quite hard for IRNPC to draw a lean process for the dissolution of a company. The amount of events that occur during its life-cycle, shape each corporation so much, that it becomes pretty much unique. This way, it is nearly impossible to process a dissolution without human intervention. This is why it is still not possible to dissolve a company in fully digital on-line way. Nevertheless, the Citizens’ Portal (Portal do Cidadão), managed by AMA (Agência para a Modernização Administrativa), already provides citizens with some information on the dissolution process. Besides conducting the dissolution process with IRNPC, company owners shall also communicate the dissolution to all the entities with which they have requested certifications for the execution of their economic activity.

1.12.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

### 10. Filing of the dissolution agreement/resolution and other documents related to winding-up at the Business Register

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company representatives shall initiate a Dissolution Process and then, once a consequent liquidation Process is concluded, the company will be close down (normally two registries are issued and published depending on the time the liquidation process takes). In case, the liquidation is already done or not needed, when company representatives initiate the Dissolution Process, the closing of the company will be performed by IRN straight away (one single registry)</td>
</tr>
<tr>
<td>This process can be conducted by company representatives via post mail (to the IRN), by physical presence at one of the Empresa na hora (Company in one hour)’ desks, or through Empresa Online within the section Online records, where there is a Dissolution / Liquidation that can be effected from a single point of online contact and without the need to travel to the Commercial Register.</td>
</tr>
<tr>
<td>Winding up (Dissolution Process) is the procedure through which the company decides or recognises that it should close down. In limited liability companies, the resolution to wind up the company must be passed by three-quarters of the votes of the total capital, unless the articles of association establish a higher majority or other requirements. Generally, company winding up resulting from a resolution adopted at the general meeting is not subject to any special form. The management or the receivers must petition that the winding up is registered by the appropriate service. Any member may file this request at the cost of the company.</td>
</tr>
<tr>
<td>At the end of the winding up procedure the company is immediately placed in liquidation (Liquidation Process). This aims to finalise pending business, pay off debts, collect from debtors and share out the surplus resulting from liquidation amongst the members. If upon the date of winding up there are no outstanding debts, or if the outstanding debts are only of a fiscal nature (and are not made payable on the date of dissolution) members may proceed immediately to the distribution of assets.</td>
</tr>
<tr>
<td>As a general rule, a company in dissolution will maintain its legal personality, except when otherwise stated by law or when the formality of liquidation requires otherwise, and will remain subject to the provisions, including any necessary adaptations that govern</td>
</tr>
</tbody>
</table>
operational companies. A dissolved company must add “company in liquidation” or “in liquidation” to its business name and appoint the receivers. Liquidation must have terminated and the distribution of assets been approved within two years of the company’s winding up date. This period may be extended for a maximum of one year, always by means of company resolution. A shorter time period may be defined in the articles of association or by resolution of the members. If the time periods are not complied with, the registry office must compulsorily initiate administrative liquidation procedures. In the event of administrative liquidation, the time limit set by the registrar must not be greater than one year.

**Actors Involved**
- Company Representatives
- IRN (Instituto de Registos e Notariado)

**Online vs. Paper based**
Online or face-to-face

**Platform**
1)  Post Mail  
N/A
2)  Physical Presence: Empresana Hora (Company in one hour):  
http://www.empresanahora.pt
3)  Empresa Online (Online Company):  
https://bde.portaldocidadao.pt

**Storage**
All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).

**Required Information**
N/A

### 11. Striking off the company

**Description**
The striking off of the company is automatically performed by the IRN once the previous steps are concluded.

**Actors Involved**
- Company Representatives
- IRN (Instituto de Registos e Notariado)

**Online vs. Paper based**
Online

**Platform**
4)  Traditional Method:  
N/A
5)  Empresana Hora (Company in one hour):  
http://www.empresanahora.pt
6)  Empresa Online (Online Company):  
https://bde.portaldocidadao.pt

**Storage**
All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).
12. Publication of a notice regarding liquidation

Description
Under the terms of Decree-Law nr. 111/2005, of 8 July, the mandatory publication of facts related to companies are now being made through an Internet website, managed by the IRN (Instituto de Registos e Notariado), at the following address: http://publicacoes.mj.pt/

This new method is in force since the 1st January 2006.

This way, the publication a company dissolution and liquidation is processed electronically and automatically by the IRN. Company founders as well as other citizens may look for the published information online at the national publications website (http://publicacoes.mj.pt/)

Aetors Involved
IRN (Instituto de Registos e Notariado)

Online vs. Paper based
Online

Platform
http://publicacoes.mj.pt/

Storage
All the information is saved and stored in the information Systems of IRN. The management of information is processed automatically by the implemented FILENET system. Then, all the information is kept in the CIRCOM system (database). Both of these systems are controlled by IRN. IRN may provide some outputs of these systems (but not the access to them) to other Portuguese authorities (e.g.: the Fiscal authority).

Required Information
N/A

1.12.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.12.4.1 Main Trends Analysis
This section intends to highlight the statistical data associated with company law procedures in Portugal and to illustrate major trends and evolution over time. The data sets presented below were retrieved from the contacted competent authorities in Portugal.

On the next figure, it is possible to see and forecast the evolution of companies’ registration by type of registration method in Portugal. One can depict a clear decrease of the traditional face-to-face paper based methods. One can also agree that online and one stop shop methods are a growing trend.
The figure below shows that more than 30% of the companies registered in Portugal during the period 01/2016 – 04/2016 followed the online registration procedures, around 60% were registered through Empresa na hora and the remaining 5.5%, through the traditional paper-based method.

Figure 2: Companies registered by type of registration method, Portugal, 01/2016 - 04/2016

Source: RNPC
The next figure shows the number of companies registered in Portugal during the period 01/2006 – 04/2016. When comparing this figure with the previous one it is possible to highlight the difference and to realize how the weight of each company registration method has changed in the past ten years. As previously mentioned, the traditional paper-based method has lost its relevance on company registration. However, the online method has been gaining importance and the one stop shop method (*Empresa na Hora*) is indeed in the most used in the last years.

![Figure 3 Companies registered by type of registration method, Portugal, 01/2006 - 04/2016](image)

The following figure shows in detail the number of companies registered through the one stop shop (*Empresa na Hora*) method in Portugal during the last years. It should be noticed that there it has

---

57 Source: RNPC
been taken into account only five months in 2005 and four months in 2016.

*Figure 4: Total number of companies registered through Empresa na hora by year, Portugal, 2005-2016*  

### 1.12.5 COSTS AND SAVINGS ANALYSIS

#### 1.12.5.1 Cost Analysis

#### 1.12.5.1.1 Main costs (Administrative Fees)

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fees</td>
<td>There are three methods for companies’ registration, therefore there are different fees depending on the process and its different variables.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Filing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Notaries fees                 | - Establishment of commercial companies and civil society in a commercial form: €77  
- Increase in share capital: €84  
- Capital reduction to cover losses: €85  
- Other changes to the articles of association, with or without an increase or reduction of share capital: €167  
- Merger, demerger or transformation: €167 | €77 - 167                | €77 - 167                     |
| Business register fees        | - Changes to the articles of association: €200  
- Changes to increase or reduction of capital: €225 | €200 - 225              | €200 - 225                     |
| Fee for submission of annual documents (filing fee) | An administrative fee shall be paid for the entry of the annual accounts in the *IES* platform | €5                        | €5                             |
| **Dissolution**               |                                                                             |                         |                                |
| Notaries fees                 | The notary fees are €77                                                      | €77                      | €77                            |
| Business register fees        | The Register fees are €200                                                   | €200                    | €200                           |

### 1.12.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

#### 1.12.6.1 Main Challenges

These are the main challenges identified, both by companies and public authorities, that needed to be faced prior to the evolution from paper-based procedures to the implementation of digital procedures in company law.

---


Lacking skills: to help users in becoming familiarised with new online tools is a challenge that any digital improvement needs to face. In the case of Portuguese company law, users to become familiarised with company law online tools are entrepreneurs and company owners and representatives, and notaries.

Availability of information: Another challenge being face by the Portuguese authorities conducting the digitalisation of company law procedures regards the disposal of updated information online. In fact, the consequent improvements in the different company law procedures has changed the way processes are to be conducted by company founders and/or representatives. This way, it is of crucial importance to have all the information made available online to any citizen. At this stage, the Portuguese authorities still have to work on guaranteeing that their public websites are up to date and that the information disclosed there is of easy accessibility.

1.12.6.2 Main Benefits
Digitalisation of company law in Portugal has changed fundamentally how companies take care of the different procedures and communicate with the public authorities. In this context, this section describes the main benefits identified by Portuguese authorities brought by the digitalisation of company law.

Template of articles of association: The introduction of official standard templates for the articles of association, unless company founders do not want these standard documents and rather prefer to draw their own documents.

Reduction of time: Portuguese digitalisation of company law has shortened timing of company procedures from some days to even less than one hour, both to companies and to public authorities. Company founders only need to show up in one Empresa na Hora desk and will have their company registered in usually even less than one hour. Also, it is possible to register a company in 1 – 2 days through Empresa Online method.

Information management: The introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals.
1.13 SPAIN

At the beginning of the 2000s Spain identified the need to modernise its public administrations investing a part of its general budget in IT development and e-Administration design and implementation.

In 2007 the law 11/2007 was passed, setting as major goal for the Spanish authorities to connect citizens with their public services by electronic means. In this context, in its Strategic Plan for the enhancement of the Administrations, 2012-2015, the DG of Administrative Modernisation calculated that each transaction requiring physical presence had a cost of 80 EUR, while the same transaction by electronic means had a cost of 5 EUR to 8 EUR.

Spanish company law is coordinated by two central actors, notaries – represented by the Consejo General del Notariado – and the provincial business registers –coordinated by the Colegio de Registradores de la Propiedad y Mercantiles de España (CORPME).

Although digital tools have been designed and implemented, and company law has been deeply modernised and simplified resulting on a large reduction of time, costs, and administrative fees, company owners –or company administrators– may still need to physically attend notaries in order to obtain notarial deeds at certain stages of the company life-cycle.

As the two platforms allowing company creations should be presented CIRCE and the Online Register. The number of companies created through CIRCE have experimented an increased since this online tool has launched in 2007 reaching more than 20,000 companies registered till 2015. Besides, whereas in the first years registration online was used in less than 3% of the overall company registrations in Spain, its digitalisation started to take off in 2011. In 2015, near 10% of new companies were created using online registration through CIRCE.

---

60 Ley 11/2007, de Acceso Electrónico de los ciudadanos a los Servicios Públicos
61 Source: pg.44, 2012, Plan Estratégico de Mejora de las Administraciones y el servicio público, Dirección General de Modernización Administrativa, Procedimientos e Impulso de la Administración electrónica
1.13.1 REGISTRATION OF COMPANIES

1.13.1.1 Description of the process associated with the registration of companies

The companies’ registration process illustrates the different stages needed to register a company in Spain. It presents the actors involved in each of the stages and illustrates which stages can be conducted online. Online registration has been encouraged by Spanish legislation since 2001\textsuperscript{62}, even delimiting the time for the inscription up to seven hours in certain cases\textsuperscript{63}.

The Strategic Plan for the enhancement of the Administrations, 2012-2015\textsuperscript{64} set among the main goals of the Spanish public administrations to be able to offer by electronic means the totality of the process to create a company by 2015. As a result, most of the processes can be conducted online\textsuperscript{65}.

Nowadays, technically, Spain provides the possibility to create a company within 24h. Through both platforms CIRCE (Centro de Información y Red de Creación de Empresas) and Online Register,
entrepreneurs have access to supporting information on how to create a company online and which tools needed for its creation. These platforms interconnect all the actors and authorities involved in the registration process, including the Business Register, the notaries, the Social Security and the Treasure Agency.

In Spain, registering online is not mandatory but strongly preferable. Actually, entrepreneurs not familiarised with the online procedures are invited to attend physically contact points, –Puntos de Atencion al Ciudadano (PAC)–, distributed across the Spanish territory, and register by electronic means.

Once the company founders log-in in the previously mentioned CIRCE platform, CIRCE connects to the Council of Notaries and searches an available notary with geographical proximity where the company founders need to certify the articles of association in person and company founders choose a notary of their election. The interconnection facilitated by CIRCE is made possible through the creation of a Single Electronic document –Documento Único Electronico, DUE–. The DUE is an electronic tool that collects all the information needed to create and launch the company and sends it to the different authorities responsible. DUE is an effort of simplification that aggregates 15 documents in one.

Regarding the safeguard mechanisms, the entrepreneur can log-in into the CIRCE platform using an electronic certificate, which is embedded in the eID (DNI electronico, DNIe), which since 2016 technically covers the entire Spanish population. In order to log-in in the platform an eID reader needs to be connected to the PC and software to read it needs to be downloaded.

Although online registration simplifies the registration process, entrepreneurs may not be familiar or may not have an eID reader, and they may still choose a traditional method of registration and address to a PAC.

1.13.1.2 Step-by-step analysis of the process associated with the registration of companies

This section offers a description of all the necessary steps to be conducted in order to register a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company founders.

1. Verification of the identity of the founders
### 1. Verification of the founder’s identity

**Description**
 Verification of the founder’s identity is done when logging-in the platforms through the electronic certificate at the moment of launching the registration procedure, and it is confirmed and certified at the notary when drawing up and signing any notary deeds related to an association.

**Actors Involved**
- Company Founders
- Notary
- CIRCE (Business Information and Network Creation Centre)
- Online Register

**Online vs. Paper based**
Online or paper-based

**Platform**

**Storage**
N/A

**Required Information**
ID, eID, electronic certificate or passport

### 2. Checking the availability/ of company name appropriateness

**Description**
When the founders communicate the intended company name, up to five proposals of name, the Registro Mercantil Central provides to the company founders the negative confirmation of the society’s name through its own website, that is, a certification stating that the name of the society is not already assigned or reserved for another enterprise.

The founders can also receive online and automatic suggestions of available company names from the Central Business Register (Bolsa de denominaciones service).

Once granted the negative confirmation of the society’s name, this name will be reserved for the applicant for six months, but will only be valid for the notary during three months before registration at the Business Register. If overcome this period, the company founders should proceed to its renewal. After six months without use, the name becomes available for anyone.

Registering a company name electronically, company founders can avoid to fill in and deliver different paper forms, just uploading them to the provided platform, simplifying the administrative process.

**Actors Involved**
- Registro Mercantil Central (Central Business Register)
- Company Founders

**Online vs. Paper based**
Online or paper-based

**Platform**
### 3. Confirmation of the share capital deposit fee

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company founders must open a bank account in the name of the company and enter the minimum initial capital of €3,000 euros, entirely, and then, the bank issues a certificate of such income that later company founders will have to present at the notary.</td>
<td>The confirmation of the share capital deposit fee can be submitted with a notification of the bank informing that the share capital has been deposited when registering the company.</td>
</tr>
<tr>
<td>Actors Involved</td>
<td>- Company Founders&lt;br&gt;- Notary</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>Mandatory face-to-face at the notary</td>
</tr>
<tr>
<td>Storage</td>
<td>N/A</td>
</tr>
<tr>
<td>Required Information</td>
<td>- ID, eID, electronic certificate or passport&lt;br&gt;- Notification of the bank informing that the share capital has been deposited</td>
</tr>
</tbody>
</table>

### 4. Drawing up, signing and authentication the documents required for registration

The submission of all the relevant documents for registration can be done through http://portal.circe.es/es-ES/Paginas/Home.aspx by filing up and submitting the **DUE (Documento Único Electrónico)**, which is an electronic document containing all data necessary for the establishment and implementation of a company. This document replaces multiple forms required by organizations and administrations involved in the process of business creation. This submission can also be done through the Online Register (https://www.registradores.org/registroonline/home.seam).

In case of submission by CIRCE, once the DUE is delivered, the electronic processing starts. From this point the electronic processing system (**STT-CIRCE**) sends to each participating agency in the process of **DUE** part that corresponds to perform the processing of its competency.

The system also provides access, via the Internet and pre-authentication, file status. In addition, mobile phone notifications, communicating the completion of the most significant steps are available.

In order to register a company it is necessary to submit the following documentation regarding partners:
- ID card of them all
- Social Security card of those members who are discharged on a regimen of the Social Security system
- Married partners (if any): ID spouse
Moreover, it is required other information about employed persons (if any):
- ID, eID, electronic certificate or passport
- Social Security card
- Contract agreement

Some mandatory procedures like obtaining and legalization of company books and the deposit of accounts can only be made online at the Online Register. Moreover, the legalization of company books has to be done online by these means since 2015.

There are some other procedures required to form the company that are not yet covered by CIRCE, and thus not possible to be conducted electronically, because of administrative issues regarding the Local Authorities. Among them:

- Negative certification of company name.
- Notarial deed.
- Legalization of the Book of Minutes, the Book of Membership, the Book register of registered shares and the book of contracts between the sole shareholder and the company.
- Obtaining an electronic certificate.
- Registration with other official bodies.
- The communication of the offices opening (procedure included in the electronic procedure only in the region of Murcia and the Community of Madrid), in case of having workers.
- Registration, where applicable, at other government agencies.

Once the company founders log-in in the previously mentioned CIRCE platform, CIRCE connects to the Council of Notaries and searches an available notary with geographical proximity where the company founders need to certify the articles of association in person and company founders choose a notary of their election.

The signing is made at the notary, which is a prerequisite for the subsequent registration at the Registro Mercantil Provincial (Regional Business Register). It is necessary to provide the following documentation:

- Articles of association of the company
- Certified negative confirmation of the society's name
- Certified confirmation of the share capital deposit fee
- ID of each one of the company founders
- Statement of foreign investments (if any partner is a foreigner)

The founders can make use of templates for the articles of association. However, if they want to tailor them, they must provide them to the notary or ask him to customize them. Anyway, the articles of association have to be authorized at the notary.

**Actors Involved**
- Company Founders
- Notary
- CIRCE (Business Information and Network Creation Centre)

**Online vs. Paper based**
Mandatory face-to-face at the notary. Documents can be sent through Online methods.

**Platform**
Online Register - https://www.registradores.org/registroonline/home.seam).

**Storage**
Notary files or systems (if exists)

---

66 Royal Decree 421/2015, of May 29, regulating the standard statutes and public deed of the limited liability companies, approved standard model statutes, regulates the "Agenda Electrónica Notarial" and "Bolsa de denominaciones sociales". Annex I.
For filing the **DUE**:  
- ID, eID or passport of all partners  
- Married partners: ID spouse  
- Employed persons (if any): ID, eID or passport; Social Security card; and contract agreement  
- Social Security card of those members who are discharged on a regimen of the social security system

**Required Information**

At the notary:  
- ID, eID or passport of all partners  
- Certified negative confirmation of the society's name  
- Articles of association  
- Certified confirmation of the share capital deposit fee  
- Statement of foreign investments (if any partner is a foreigner)

---

**5. Company registration**

*Description*

Once the notary has signed, the tax authority, with the information provided by the notary, sends the provisional NIF. Then, the *Declaración censal* (census declaration) is communicated to the competent tax administration, proceeding to the registration in the census. At the same time, the registrar certifies the legality of the procedure and clauses, validates the identification or representation of the founders and, if correct, includes the company in the registry. Otherwise, the registrar rejects the registrations until the errors are corrected. Once the application is validated, *Registro Mercantil Provincial* (Provincial Business Register) will send to CIRCE or the notary an application resolution electronically signed for the system to continue processing.

This certification from the Provincial Business Register is needed in order to prove the inscription of the company and the nomination of the administrators.

The Tax authority will confirm the definitive NIF to STT-CIRCE, for which it will previously remit an authorized copy of the registered deed. It will also notify to the company founders the completion of the process and submit the final NIF to the fiscal address of the company. This process completes the process of creating the company.

*Actors Involved*

- Tax authority  
- Registro Mercantil Provincial (Regional Business Register)  
- Notary

*Online vs. Paper based*

- Face to face before notary  
- Online or paper-based by notary  


*Platform*

- Signo (only notaries)  
- Online Register

*Storage*

- Registro Mercantil Provincial (Provincial Business Register)  
- Colegio de Registradores de la Propiedad y Mercantiles de España – CORPME  
- Consejo General del Notariado (Council of Notaries)
### Required Information

#### 6. Publication of company registration

<table>
<thead>
<tr>
<th>Description</th>
<th>The Regional Business Register publishes the registration in the Official National Gazette (BORME), which is only available online. The publication does not involve neither the company owners nor requires a notarial deed. In addition, this information can always be found at the Online Register.</th>
</tr>
</thead>
</table>

| Actors Involved | - Registro Mercantil Central (Business Register)  
- BORME – Boletín Oficial del Registro Mercantil (Official National Gazette)  
- Registro Mercantil Provincial (Regional Business Register)  
- Online Register |
|-----------------|-------------------------------------------------------------------------------------------------|

<table>
<thead>
<tr>
<th>Online vs. Paper based</th>
<th>Mandatory online</th>
</tr>
</thead>
</table>

| Platform | Boletín Oficial del Registro Mercantil (BORME) - https://www.boe.es/diario_borme/
Online Register |
|-----------|---------------------------------------------------|

<table>
<thead>
<tr>
<th>Storage</th>
<th>N/A</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Required Information</th>
<th>N/A</th>
</tr>
</thead>
</table>

---

67 Full description of the information available at the Online Register can be found at the Appendix
1.13.2 FILING OF COMPANY INFORMATION

1.13.2.1 Description of the process associated with the filing of company information

The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

![Diagram showing the process of filing company information]

The filing process illustrates the procedures that need to be taken into consideration in order to perform the most common type of changes to the instruments of constitution or foundational statutes, including change of company name, company address, capital increase/decrease or amount of capital subscribed, the object of the company, appointment/termination of office of directors and annual accounts.

In the Spanish case, the company can submit online the accounting documents to the Business register through a consolidated template.

However, with regard to the amendment to the instruments of constitution or foundational statutes, the company needs to attest any change at the notary and file it in the Business register. The filing in

---

68 Source: [http://www.mjusticia.gob.es/cs/Satellite/Portal/1292427907218?blobheader=application%2Fpdf&blobheadernam...PDF](http://www.mjusticia.gob.es/cs/Satellite/Portal/1292427907218?blobheader=application%2Fpdf&blobheadernam...PDF)
the Business register is encouraged by the Council of notaries to be made electronically through Signo, although not mandatory.

Since any amendment to the instruments of constitution or foundational statutes needs to be attested at the notary, the procedures for changes have been illustrated as only possible by physical presence, although the communication from the notary to the Business Register can be done online.

1.13.2.2 Step-by-step analysis of the process associated with the filing of company information

For filing most of changes to the instruments of constitution or statutes it is necessary a notarial deed, and to be submitted to the Business Register. The company also has to submit the annual accounts to the Business Register. Additionally, any change must be published by the registrar in the official gazette.

| 7. Amendments to the instruments of constitution or statutes and respective certification |
| Description | Most of the amendments, or change, to the instruments of constitution or statutes – including changes of company name, address, subscribed capital increase or decrease, object of the company, need to be certified by a notarial deed. Afterwards, the notarial deed has to be registered at the Business Register.
Appointment/Revocation of directors/ board members does not require any notarial deed, thus can be conducted either online or paper-based directly by the company founders or administrators at the Business Register. |
| Actors Involved | - Administrators
- Notary
- Registrar |
| Online vs. Paper based | Mandatory face-to-face at the notary |
| Platform | Signo (only notaries)
Registro Online (Online Register) |
| Storage | - Registro Mercantil Provincial (Regional Business Register) |
| Required Information | N/A |

8. Submission of annual accounts

Description | Annual accounts can be submitted online to the Business register through a consolidated
### Required Information

- Submission of the consolidated template. This can be done in either XBRL format or the previous version. The templates and instructions can be found in [http://www.registradores.org/descargas/](http://www.registradores.org/descargas/).

### 9. Publication of changes of company information

**Description**

The Regional Business Registers publish the registration in their own official gazette (BORME). In addition, this information can always be found at the [Online Register](https://www.boe.es/diario_borme/). A summary of the changes related to the information filed in the business register is mandatory to be published at the BORME such as the name, tax address, administrators, capital or statutes.

**Actors Involved**

- [Registro Mercantil Provincial (Regional Business Register)]
- [Registro Mercantil Central (Business Register)]
- [BORME – Boletín Oficial del Registro Mercantil (Official National Gazette)]
- [Colegio de Registradores (CORPME)]

### Online vs. Paper based

- Mandatory online

### Platform

- [Boletín Oficial del Registro Mercantil (BORME)] - https://www.boe.es/diario_borme/
- [Online Register](https://www.boe.es/diario_borme/)

### Storage

- N/A

### Required Information

- N/A

---


70 Full description of the information available at the Online Register can be found at the Appendix.
1.13.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.13.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in Spain, which are filing of the dissolution agreement, striking off the company and publication of winding-up.

At present, the voluntary dissolution of companies requires a public deed, registered at the Business Register - online (Online Register) or in paper based manner that certifies the agreement of the partners.

On the other hand, dissolution of companies is not operational yet with CIRCE. Until now, the Spanish administrations have primarily focussed on boosting the creation of companies and have prioritised the digitalisation of company creation over the company dissolution. As of October 2015, the nature and the role of the DUE have been adapted to include the possibility to dissolve
companies by electronic means by the end of 2016\textsuperscript{71}. Signing the deed at notary is mandatory but sending the deed to the Business Register can be done online.

The voluntary dissolution of companies depicts the different stages needed to voluntarily dissolve a company in Spain. It aims to illustrate all the actors involved in each of the stages. This process has to accomplish the same steps as the amendments to the instruments of constitution or statutes. Hence, it needs to sign the public deed, register and publish the dissolution.

1.13.3.2 Step-by-step analysis of the process associated with the dissolution of companies

The dissolution of a company and termination of business has to be reported to the Business Register. As soon as the dissolution agreement is registered in the Business Register, the protection of registered company names is no longer in force and it must be published.

### 10. Filing of the dissolution agreement/resolution and other documents related to winding-up at the Business Register

<table>
<thead>
<tr>
<th>Description</th>
<th>Upon initiative of the shareholders, a public document of the dissolution and liquidation of the company has to be written by a notary. Once signed and after paying the corresponding taxes, the documents are sent to the Business Register. The administrators can send the document by physical means to the Business Register or they can tell the notary to send the documentation through online proceedings. Also, the liquidation document has to be done by a notary. The appointment of the liquidators has to be published in the Official National Gazette, and this implies an additional cost which must be paid by the shareholders.</th>
</tr>
</thead>
</table>
| Actors Involved | - Administrators  
- Notary  
- Registro Mercantil Provincial (Regional Business Register) |
| Online vs. Paper based | Mandatory face-to-face at the notary |
| Platform | N/A |
| Storage | N/A |
| Required Information | N/A |

\textsuperscript{71} Real Decreto 867/2015, de 2 de octubre, por el que se regulan las especificaciones y condiciones para el empleo del Documento Único Electrónico para el cese de actividad y extinción de las sociedades de responsabilidad limitada y el cese de actividad de las empresas individuales, cuyo objetivo es proporcionar mecanismos telemáticos que faciliten tanto el cese como la extinción de sociedades de responsabilidad limitada y el cese de empresarios individuales
11. Striking off the company

**Description**
The Business Register proceeds with the striking off of the company from the registry after checking the filled documents.

**Actors Involved**
- Registro Mercantil (Business Register)

**Online vs. Paper based**
Online or paper-based

**Platform**
Online Register

**Storage**
Registro Mercantil Provincial (Regional Business Register)

**Required Information**
N/A

12. Publication of a notice regarding liquidation

**Description**
The Regional Business Register notifies to the Central Business Register about the liquidation, this latter one publishes the notice through its official publication, the BORME.

**Actors Involved**
- Registro Mercantil Provincial (Regional Business Register)
- Registro Mercantil Central (Business Register)

**Online vs. Paper based**
Online

**Platform**
N/A

**Storage**
N/A

**Required Information**
N/A

1.13.4 COSTS AND SAVINGS ANALYSIS

1.13.4.1 Cost Analysis

1.13.4.1.1 Main costs (Administrative fees)
Public Administrations of European Member States or whatsoever other entities holding responsibilities in company law processes generally work under a cost covering principle. This means that the amount of administrative fees they charge to company representatives are intended to cover the costs associated with the services provided. This said, in the table below, one can see the different types of fees charged by the Spanish authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution). One shall see these fees as a reflection of the costs incurred by the different authorities when conducting company law processes.
In fact, administrative fees represent the most reliable way of quantifying the main costs associated with the different procedures.

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative confirmation of the society’s name</td>
<td>The negative confirmation of the society’s name is a certification stating that the name of the society is not already assigned or reserved for another enterprise.</td>
<td>€13.52</td>
<td>€13.52</td>
</tr>
<tr>
<td>Notarial registration fees</td>
<td>Notarial registration fees need to be paid when registering the company. If the articles of association are online using the registration templates, the fee is fixed; on the other hand if the articles of association need to be tailored, they need to be done at the notary, and the fee is variable depending on the number of pages. Notarial registration fees are paid at the notary and are based on the principle of patrimonial liability</td>
<td>€60</td>
<td>€150 - 200</td>
</tr>
<tr>
<td>Registration fees</td>
<td>Business registration fees need to be paid when registering the company and are based on the principle of patrimonial liability.</td>
<td>€40</td>
<td>€40</td>
</tr>
<tr>
<td>eID Reader (Optional)</td>
<td>In order to log-in, one needs to be a holder of an eID in addition an eID reader needs to be connected to the PC and a software to read it needs to be downloaded. The eID reader needs to be paid only once in the life-cycle of a company.</td>
<td>€20 (only once)</td>
<td>N/A</td>
</tr>
<tr>
<td>Notarial filing fees (with monetary amount involved)</td>
<td>Notarial fees are based on the principle of patrimonial liability. In this sense, the notarial fees involving monetary amounts are based to the weight of responsibility the notary needs to assume. The more money involved in the change, the more responsibility notaries need to assume, so, the more the notarial fees increase. Spanish company law limits the notarial filing fees with monetary amount involved to</td>
<td>N/A</td>
<td>€150 – 4,000</td>
</tr>
<tr>
<td>Notarial filing fees (without money involved)</td>
<td>Notarial fees are based on the principle of patrimonial liability. In this sense, changes without money involved insure a limited patrimonial liability, less responsibility for notaries to assume, and fixed prices.</td>
<td>N/A</td>
<td>€150</td>
</tr>
<tr>
<td>Annual Accounts filing cost</td>
<td>An administrative fee shall be paid for the entry of the annual accounts in the e-Annual Reporting environment.</td>
<td>€35</td>
<td>€38</td>
</tr>
<tr>
<td>eID Reader</td>
<td>In order to log-in, one needs to be a holder of an eID in addition an eID reader needs to be connected to the PC and a software to read it needs to be downloaded. The eID reader needs to be paid only once in the life-cycle of a company.</td>
<td>€20 (only once)</td>
<td>N/A</td>
</tr>
<tr>
<td>Voluntary Dissolution</td>
<td>Notarial, Business register and Official Gazette fees. In order to conclude a voluntary dissolution, the company founder needs to pay the dissolution fees which depends on the different regions and it includes three different fees: Notarial, Business Register and Official Gazette fees.</td>
<td>N/A</td>
<td>€200 (average)</td>
</tr>
</tbody>
</table>

With regards to the digitalisation in the procedures for the creation of companies in terms of costs, the positive impacts are difficult to measure.
Benefits of digitalisation can be calculated comparing the costs of the creation of the societies online in Spain between the period 2007 – 2015, as Figure 1 shows, with the costs that the registration of those companies would have been if created offline. Since a transaction online has a cost between 5 EUR to 8 EUR\(^2\), where the average is 6.5 EUR, based on the 8 transactions needed, the creation of a company online costs 8 times 6.5 equals 52 EUR, whether the creation of a company requiring physical presence costs 8 times 80 equals 640 EUR.

The following table presents a calculation of the costs in thousands of euros of the creation of the societies online in Spain between the period 2007 – 2015 compared to the costs of the creation of societies if that would have been online, and the approximate savings it implies for the Spanish administrations:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost societies created online Unit: '000 €</th>
<th>Costs if the societies created online would have been created offline</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>66</td>
<td>818</td>
<td>751</td>
</tr>
<tr>
<td>2008</td>
<td>73</td>
<td>899</td>
<td>826</td>
</tr>
<tr>
<td>2009</td>
<td>66</td>
<td>815</td>
<td>749</td>
</tr>
<tr>
<td>2010</td>
<td>146</td>
<td>1,796</td>
<td>1,651</td>
</tr>
<tr>
<td>2011</td>
<td>346</td>
<td>4,257</td>
<td>3,911</td>
</tr>
<tr>
<td>2012</td>
<td>514</td>
<td>6,323</td>
<td>5,809</td>
</tr>
<tr>
<td>2013</td>
<td>842</td>
<td>10,365</td>
<td>9,523</td>
</tr>
<tr>
<td>2014</td>
<td>1,268</td>
<td>15,610</td>
<td>14,342</td>
</tr>
<tr>
<td>2015</td>
<td>1,474</td>
<td>18,141</td>
<td>16,667</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Total of savings 54,228</strong></td>
</tr>
</tbody>
</table>

\(^2\) Source: pg.44, 2012, Plan Estratégico de Mejora de las Administraciones y el servicio público, Dirección General de Modernización Administrativa, Procedimientos e Impulso de la Administración electrónica

Between the period 2007 - 2015 digitalisation of registration of companies has saved approximately 54,228,000 EUR. The following figure presents the evolution of the savings based on an increasing utilisation of the registration online.
With regards to the electronic publication of company law, according to the Spanish company law\textsuperscript{73}, all publications of company are managed by the Business Register, thus, technically never by companies directly.

On a daily basis, the BORME, \textit{Boletín Oficial del Registro Mercantil}\textsuperscript{74}, publishes short descriptions of company information, from notices of new incorporations, to changes, and dissolutions.

Apart, from this daily publication, third parties such as contractors, may require information of any company, in this case, this information has to be demanded and purchased at the Business register\textsuperscript{75}. The purchase of information can be done online and has a cost between EUR 3 and EUR 5.

\textsuperscript{73} Source: Article 35, Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital,
\textsuperscript{74} Source: http://www.boe.es/diario_borme/
\textsuperscript{75} Source: https://www.registradores.org/registroonline/home.seam?cid=120331&actionMethod=home.xhtml%3Aidentity.logout%28%29
1.13.5 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.13.5.1 Main Trend Analysis
This section intends to highlight the statistical data associated with company law procedures in Spain and to illustrate major trends and evolution over time. The data presented below were retrieved from the contacted competent authorities in Spain.

The following figure illustrates the evolution of registration of companies online, this is the total societies created compared to the total of companies registered within the period 2007 – 2015.

![Figure 3 Companies created online compared to the total, Spain, 2007 - 2015](image)

The graphic below, includes the creation of companies in Spain made online. However, the Online Register includes all kinds of online procedures as public deeds sent to different Business Registers.

![Forecast (CIRCE) and Forecast (eCORPME)](image)

---


77 Source: Registradores de España, Estadística Mercantil 2015:
Whereas in the first years registration online was used in less than 3% of the overall company registrations in Spain, its digitalisation started to take off in 2011. In 2015, near 10% of new companies were created using online registration through CIRCE.

Note that, although invisible for company owners – notaries are also using more and more online tools to communicate with the Business register, increasing the use of online tools in Spanish company law up to 50%. To set an example, only the Business register of the province of Barcelona receives approximately 200 notarial actions\textsuperscript{78} every day through the protocol eCORPME.

Regarding the legalization of company books, which is mandatory, the Online Register allows to submit them online. The use of this platform for books legalization has increased more than a 400% since 2008 as the next graphic shows.

The deposit of annual accounts has been digitalized too. The use of the XBRL format versus the traditional one (paper) has substantially increased in the last years.

\textsuperscript{78} Source: Information provided by Spanish authorities
Figure 6 Deposits of accounts XBRL format VS traditional (%), Spain, 2008 - 2015

The next table shows the data for 2015 by region.

<table>
<thead>
<tr>
<th>Region</th>
<th>Paper-based</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andalucia</td>
<td>24,932</td>
<td>16.1%</td>
</tr>
<tr>
<td>Aragón</td>
<td>4,426</td>
<td>14.3%</td>
</tr>
<tr>
<td>Asturias</td>
<td>1,686</td>
<td>9.0%</td>
</tr>
<tr>
<td>Baleares</td>
<td>8,256</td>
<td>24.5%</td>
</tr>
<tr>
<td>Canarias</td>
<td>7,490</td>
<td>18.3%</td>
</tr>
<tr>
<td>Cantabria</td>
<td>2,947</td>
<td>28.7%</td>
</tr>
<tr>
<td>Castilla La Mancha</td>
<td>4,239</td>
<td>10.0%</td>
</tr>
<tr>
<td>Castilla y León</td>
<td>5,651</td>
<td>12.1%</td>
</tr>
<tr>
<td>Cataluña</td>
<td>27,577</td>
<td>13.0%</td>
</tr>
<tr>
<td>Ceuta y Melilla</td>
<td>78</td>
<td>4.9%</td>
</tr>
<tr>
<td>Comunidad Valenciana</td>
<td>5,098</td>
<td>4.3%</td>
</tr>
<tr>
<td>Extremadura</td>
<td>2,883</td>
<td>17.4%</td>
</tr>
<tr>
<td>Galicia</td>
<td>13,142</td>
<td>21.5%</td>
</tr>
<tr>
<td>La Rioja</td>
<td>472</td>
<td>6.6%</td>
</tr>
<tr>
<td>Madrid</td>
<td>42,694</td>
<td>19.7%</td>
</tr>
<tr>
<td>Murcia</td>
<td>5,495</td>
<td>17.7%</td>
</tr>
<tr>
<td>Navarra</td>
<td>1,238</td>
<td>8.7%</td>
</tr>
<tr>
<td>País Vasco</td>
<td>5,733</td>
<td>11.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>164,037</strong></td>
<td><strong>14.8%</strong></td>
</tr>
</tbody>
</table>

Figure 7 Amount of data registered by region, Spain, 2015

Not only the digitalization affects the procedures but also includes the possibility to consult business information of the companies through the Online Register.

The graphic below shows the annual requests of business information (Business Publicity) at the Online Register.
1.13.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS

The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.

1.13.6.1 Main Challenges

Some main challenges were identified that are still being faced in the progressive evolution of Spanish company law from paper-based procedures to digital tools implementation for the registration of companies:

- **Too much simplification for standardised templates:** In 2003 was introduced a new legal figure of limited company, the *New Company Limited Partnership* (*Sociedad Limitada de Nueva Empresa*). The main objective of the creation of the *New Company Limited Partnership* was to reduce the time of registration of a company down to 24h –note that traditionally, registration into the Business Register could take up to 15 days. In order to reach such objective the *New Company Limited Partnership* offered some constrains such as standardised and fixed articles of association, that made very difficult the possibility to tailor the articles of association to the actual needs of the company. Such constrains resulted on a very low utilisation of that figure.

- **Lacking skills:** to help users to become familiarised with new online tools is a challenge that any digital improvement needs to face. In the case of Spanish company law, users to become familiarised with company law online tools are entrepreneurs and company owners and representatives, and notaries.
On the one hand, only 50% of notaries are currently using online tools. On the other hand, in order to overcome the resistance of entrepreneurs to register online, entrepreneurs not feeling familiar with the online tools are invited to attend physically contact points – *Puntos de Atencion al Ciudadano (PAC)* – distributed across the Spanish territory. In the PACs, entrepreneurs are assisted by a civil servant who will conduct the first steps of the registration in CIRCE on behalf of the entrepreneurs. However, entrepreneurs have been using the Online Register in their relationship with the Business Register in order to process the submission of their annual accounts and books.

- **Simplify complex legislation into digital**: prior the conceptualisation and development of online tools for the registration of companies, an exercise of simplification of complex legislation needs to be performed.

- **e-Governance system**: another big challenge regards the optimization of all the infrastructures on the side of the competent authorities. Legacy infrastructure can become a rigid barrier to the speed and agility required to execute a digital agenda. Sometimes still, different databases are filled with different information regarding companies that needs to be integrated.

1.13.6.2 Main Benefits

The introduction of online tools in Spanish company law has changed fundamentally how companies register and communicate with the Spanish authorities.

In this context, this section describes the main benefits identified brought by this digitalisation:

- **Cost Saving**: as described previously, in its *Strategic Plan for the enhancement of the Administrations, 2012-2015*, the DG of Administrative Modernisation calculated that each transaction requiring physical presence had a cost of 80 EUR, while the same transaction by electronic means had a cost of 5 EUR to 8 EUR. Currently, 86% of the annual accounts are submitted (XBRL format) and the legalization of the accounting ledgers is mandatory online.

- **Time saving**: since 2011 and with the progressive deployment and improvements of the online platforms, the whole procedure of registration can be done online and with important time saving,
for instance, from 15 days to 7 hours, in the most extreme cases\textsuperscript{82}. The table below illustrates the percentage of companies that have been created in less than 24h between 2011 – 2015:

<table>
<thead>
<tr>
<th>Year</th>
<th>Between 24h to 7h</th>
<th>Less than 7h</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>15%</td>
<td>N/A</td>
</tr>
<tr>
<td>2012</td>
<td>30%</td>
<td>N/A</td>
</tr>
<tr>
<td>2013</td>
<td>48%</td>
<td>N/A</td>
</tr>
<tr>
<td>2014</td>
<td>64%</td>
<td>39%</td>
</tr>
<tr>
<td>2015</td>
<td>61%</td>
<td>33%</td>
</tr>
</tbody>
</table>

\textit{Figure 9 Percentage of companies that have been created in less than 24h between 2011 – 2015}

\textsuperscript{82} Source: Information provided by Spanish authorities
1.14 UNITED KINGDOM

In the United Kingdom, the process associated with the registration of companies is conducted by Companies House. The number of companies being registered had a big increase since in past 15 years, which might be explained by the modifications performed in the UK tax law in the beginning of 21st century. The introduction of an online method for the registration of companies has also accelerated the process of establishing a new corporation. There are two types of electronic registration; Companies House-hosted web incorporation service (“WebInc”), which is suitable only for private companies limited by shares which are adopting model articles in their entirety; and registration by agents using software services which they provide to an end-user, which is suitable for a wider range of company types. In 2014/15, about 98.6% of the UK companies are registered online. Nowadays, besides following the traditional paper based method for the registration of companies it is already possible to establish most of company legal forms online.

When establishing a company online, entrepreneurs will be guided through Companies House website (hosted within www.gov.uk) or software services in order to choose and validate the options they want in every step of the process.

If the company is established via a paper-based notifications process (not face-to-face) all necessary documents must be sent via the post and approved by Companies House remotely, which takes more time and also costs more.

In case of company dissolution, according to British law, company founders need to fill in an application to strike off and send it to Companies House (Striking off application by a company, Form DS01). Additionally, company founders will also need to send a copy within 7 days to anyone affected by this decision.

1.14.1 REGISTRATION OF COMPANIES
1.14.1.1 Description of the process associated with the registration of companies

The following figure depicts the different stages needed to register a company in the UK. It explains all the actors involved in each of the stages and illustrates which stages can be conducted online.
The process of registering a company in UK has to be performed at Companies House, which holds the National Companies Register, authority responsible for the actual registration of companies. Companies House is the building in which registration takes place and it has no legal meaning. The legal authority is the registrar of companies. It is usual to use the phrase “Companies House”.

There are any verification/certification steps conducted in order to certify the authenticity of documents or of the person registering a new company. Compliance with UK law is the responsibility of the citizen. Companies House is not responsible for certifying, controlling or fighting any possible fraud coming from the act of establishing a company.

Actions may be taken to prevent fraud through using the Companies House Protected Online Filing (PROOF) service, a free, secure online-filing scheme to protect companies against ID fraud.

Joining PROOF and using the Companies House online filing service, company founders can protect themselves against phishing and identity fraud.

The entity in the UK responsible for checking information in order to track any fraudulent cases is the HM Revenue and Customs (tax authorities). In case a complaint associated with a possible offense
is raised, Companies House may be contacted to help in addressing this issue and/or to strike off the company if needed.

Company founders have the option to check for a unique company name and file for registration themselves, or to retain incorporation professionals to do so. Company founders must deposit the share capital and communicate with Companies House which does not verify that the share capital has been deposited, only to check that an amount paid/unpaid is shown on the incorporation document.

Once confirmation that share capital deposit is paid and all documents and information are collected, if the documents satisfy all the appropriate examination checks, Companies House will incorporate the company, issue a certificate of incorporation and place the documents on the company's record for public inspection.

1.14.1.2 Step-by-step analysis of the process associated with the registration of companies

The current section details step by step, the process that has to be conducted in order to register a new company in the UK. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform every procedure.

| Description | Company founders might check the uniqueness of company name through a website provided by Companies House. Moreover, during the process of filing, the website automatically verifies availability of the name, providing alternative suggestions if given name is already registered. The WebCheck service offers a searchable Company Names and Address Index, free of charge, which enables to search for information on more than 2 million companies. The searches can be carried out on a company either by using its name or by using its unique company registration number. In addition to the free company details, the founder can also use WebCheck to view a company's filing history and purchase copies of document images, as well as a selection of company reports, all online. Payment can be made by credit or debit card or PayPal and all products are delivered electronically to a unique, secure download area. Company founders can also choose to monitor a company, and receive email alerts of any new documents filed at Companies House.
| Actors Involved | - Company Founders
- Companies House (Business Register)
| Online vs. Paper based | Online
| Platform | WebCheck service: wck2.companieshouse.gov.uk/ |
### 2. Confirmation of the share capital deposit

**Description**
Company founders must deposit the share capital and communicate with Companies House which does not verify that the share capital has been deposited, only to check that an amount paid/unpaid is shown on the incorporation document.

**Actors Involved**
- Company Founders
- Companies House (Business Register)

**Online vs. Paper based**
Online or paper-based

**Platform**
WebCHeck service: wck2.companieshouse.gov.uk/

### 3. Drawing up, signing and certifying the documents required for registration

**Description**
Companies House provides some official standard templates for the articles of association. When company founders do not want these official standard documents and prefer to draw their own documents, they can do through web incorporation or through post mail.

If entrepreneurs choose to provide their own documents, those will need to be checked and approved by Companies House and the whole process will take a bigger amount of time (days) to be concluded.

**Actors Involved**
- Company Founders
- Companies House (Business Register)

**Online vs. Paper based**
Online or paper-based

**Platform**
- Web-filing: https://ewf.companieshouse.gov.uk/runpage?page=welcome
- Software services

**Storage**
Web forms

**Required Information**
1. A company must have articles of association prescribing regulations for the company.
2. Unless it is a company to which model articles apply by virtue of section 21 (default application of model articles in case of limited company), it must register articles of association.
3. A company’s articles of association are part of its constitution.
4. References in the Companies Acts to a company’s “articles” are to its articles of association.

### 4. Company registration
Companies House provides some official standard templates for the articles of association. When company founders do not want these official standard documents and prefer to draw their own documents, they can do through web incorporation or through post mail.

All the relevant documents for registration can either be submitted on-line through https://www.gov.uk/government/organisations/companies-house or sent to The Companies House via post mail.

Filing incorporation documents are as follows:

Web Incorporation is the safe and reliable way to file online, enabling company founders to incorporate a company quickly and easily.

Paper documents, which must be sent to the appropriate office, take longer to process than electronic documents.

---

<table>
<thead>
<tr>
<th>Description</th>
<th>The publication of a notice of incorporation of the company is made by Companies House through its platform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors Involved</td>
<td>- Companies House (Business Register)</td>
</tr>
<tr>
<td>Online vs. Paper based</td>
<td>Online</td>
</tr>
<tr>
<td>Platform</td>
<td>Internal electronic systems</td>
</tr>
<tr>
<td>Storage</td>
<td>Web forms</td>
</tr>
<tr>
<td>Required Information</td>
<td>N/A</td>
</tr>
</tbody>
</table>

---

1.14.2 FILING OF COMPANY INFORMATION
1.14.2.1 Description of the process associated with the filing of company information
The following figure illustrates the most common type of changes to the instruments of constitution or foundational statutes, including change of a company name, change of a company address, change of capital increase/decrease or amount of capital subscribed, change in the object of the company.

The process associated with the filing of company information is also conducted by Companies House and once a company is established, the directors of the company are granted online access to a specific online area of Companies House. Company directors access this area through a login and an authentication code. Within this area, Company Directors may proceed with online changes to company information. Companies House has offices in Cardiff, London, Belfast and Edinburgh. Directors may post documents to these offices or they may visit them and deposit paper documents 24 hours per day.

In order to update the company books or file financial documents, a copy of the accounting documents must be sent to Companies House as well as HM Revenue and Customs as part of the Company Tax Return.

Regarding the amendments to the instruments of constitution or statutes, changes to articles cannot be made via web-filing. In case the company wants to amend model articles of association it cannot file for registration online via www.gov.uk/register-a-company-online. Instead, the company must use
professionals to compose incorporation documents and submit them via specialized software to Companies House. Each of these methods requires a specific notice/s and/or additional documents. For some changes company founders may need as well to inform HM Revenue & Customs. Memorandum of a company incorporated after 1 Oct 2006 can’t be amended.

To conclude any change process, the publication of company information is processed automatically by Companies House and all the information is published by Companies House and notice of its receipt is made available to the general public through the national gazette.

1.14.2.2 Step-by-step analysis of the process associated with the filing of company information

The current section details step by step, the process that has to be conducted in order to file company information in the UK. The following table offers a description of each step, details the actors involved, their roles, whether or not each step must be conducted on-line or through a paper-based notifications method, and the tools used in order to perform each procedure.

<table>
<thead>
<tr>
<th>6. Accounting documents for each financial year / update of company books</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
</tbody>
</table>
| **Actors Involved** | - Company Founders  
- Companies House (Business Register) |
| **Online vs. Paper based** | Online or paper-based |
- Software services |
| **Storage** | Web forms |
| **Required Information** | N/A |

7. Amendments to the instruments of constitution or statutes and respective certification

| Description | Changes to articles of association cannot be made via web-filing. In case the company wants to amend model articles of association it cannot file for registration online via www.gov.uk/register-a-company-online. Instead, the company must use legal representatives to compose incorporation documents and submit them via specialized software to Companies House. Each of these methods requires a specific notice/s and/or additional documents. For some changes company founders may need as well to inform HM Revenue & Customs. |
Memorandum of a company incorporated after 1 Oct 2006 can’t be amended.

Company directors must access the online area of their company using their credentials (pin and password). In this area they may select and change the information they want to update.

If the company directors prefer to execute this action through the paper based method, the documentation presenting desired changes shall be send through post, or alternatively delivered personally to the office of Companies House.

Although a large range of amendments can be conducted both online and paper-based, still some kind of changes can only be filled in a paper based method. These are some examples of mandatory paper-based procedures:

- Notification of restriction on the company's articles (CC01).
- Notification of removal of restriction on company's articles (CC02).
- Notification of compliance of restriction to change articles (CC03).
- Notification of the change of company's objects (CC04).
- Change constitution by enactment (CC05).
- Change constitution by order of court or other authority (CC06).

Actors Involved
- Company Founders
- Companies House (Business Register)

Online vs. Paper based
Online or paper-based

Platform
- Web-filing: https://ewf.companieshouse.gov.uk/runpage?page=welcome
- Software services

Storage
N/A

Required Information
N/A

8. Company changes publication

The publication of company information is processed automatically by Companies House. All the information is published by Companies House and made available to the general public. Notice is given of some notifications in the national gazette.

When a notice is published in The Gazette, it is published on www.thegazette.co.uk, being this electronic version the official version by default.

Actors Involved
- Companies House (Business Register)
- Official National Gazette

Online vs. Paper based
Online

Platform
https://www.thegazette.co.uk/

Storage
Software for integration of information between Companies House and the official gazette

---

83 Source: https://www.gov.uk/government/collections/companies-house-forms-for-limited-companies#change-of-constitution
1.14.3 VOLUNTARY DISSOLUTION OF COMPANIES

1.14.3.1 Description of the process associated with the dissolution of companies

The following figure illustrates the different steps to conduct a voluntary dissolution process in UK, which are filing of the dissolution agreement and appointment of the liquidators, striking off the company and publication of winding-up.

The dissolution of a company depends whether a company is solvent or not, that is if it can pay its bills or not. For a voluntary liquidation, the members of a company need to complete a “Declaration of solvency”; if they are based in Scotland, they need to complete the form “Accountant in Bankruptcy”. Both these forms need to be signed by the majority of directors.

After completing this declaration, a general meeting with the shareholders must take place to pass a resolution for voluntary winding up. The signed forms previously mentioned need to be send to Companies House within 15 days of passing the resolution. In addition, the resolution must be advertised in the Official National Gazette within 14 days.
In the case of a company which declares itself insolvent, a general meeting must take place where at least 75% of shareholders agree in winding-up the company. They need to send this resolution to Companies House within 15 days and appoint an authorized insolvency practitioner as liquidator. They likewise need to advertise the resolution in The Gazette.

1.14.3.2 Step-by-step analysis of the process associated with the dissolution of companies

This section offers a description of all the necessary steps to be conducted in order to voluntarily strike off a company. For each step, the respective table also details the actors involved and their obligations; the methods under which the step can be conducted (online, traditional paper-based, or both); the platforms used; the way information is managed across the different actors; and the information/documents requested from company directors and/or shareholders.

9. Filing of the dissolution agreement/resolution and other documents related to winding-up

**Description**

Company founders usually need to have the agreement of company’s directors and shareholders to close a limited company as well as the company must be “solvent” (can pay its debts) and:
- Want to retire.
- Want to step down from the family business and nobody else wants to run it
- Don’t want to run the company anymore.

‘Declaration of solvency form (form 4.70), alternatively Accountant of Bankruptcy (form 4.25) for Scottish companies should be submitted as instructed by the relevant guidance or advisor. Subsequently, given declaration must be signed by the majority of directors and it must be sent to the Registrar within 15 days.

A general meeting of shareholders should be called at least 5 weeks later in order to pass a resolution for voluntary winding up.

It must be submitted online however if companies do not possess enough resources company founders can send it by post mail to the address of Companies House.

**Actors Involved**

Company founders

**Online vs. Paper based**

Online or paper based

**Platform**

https://ewf.companieshouse.gov.uk//seclogin?tc=1

**Storage**

N/A

**Required information**

N/A
10. Filing of appointment of the liquidators

Description: Company founders appoint an authorised insolvency practitioner as a liquidator who will take charge of winding up the company. A company can find a liquidator through The Insolvency Service directory: https://www.gov.uk/government/organisations/insolvency-service

Actors Involved: - Company founders
                   - The Insolvency Service

Online vs. Paper based: Online

Platform: https://www.insolvencydirect.bis.gov.uk/fip1/

Storage: N/A

Required information: N/A

11. Striking off the company

Description: In order to strike off a company, company founders need to fill in an application to strike off and send it to the Companies House (Striking off application by a company, Form DS01). Additionally, company founders will also need to send a copy within 7 days to anyone affected by this decision.

Actors Involved: - Company founders
                   - Companies House (Business Register)

Online vs. Paper based: Paper-based

Platform: https://ewf.companieshouse.gov.uk//seclogin?tc=1

Storage: N/A

Required information: N/A

12. Publication of a notice regarding liquidation

Description: A notice of the special resolution for voluntary winding-up of the company must be published by the company founders in the Gazette within 14 days of the general meeting. The company must also send a copy of the declaration and the special resolution to the Registrar within 15 days of the general meeting.

The notice will be published in the online Gazette, www.thegazette.co.uk, being the official version by default.

There are various methods available for notice submission, and the most appropriate method will depend on the type and quantity of notices that company founders wish to place
1.14.4 COMPANY PROCEDURES - OVERALL TRENDS
The overall trends explained below describe the behaviour of companies’ registration, filing and dissolution, and its evolution over time.

1.14.4.1 Main Trends Analysis
This section intends to highlight the statistical data associated with company law procedures in the UK and to illustrate major trends and evolution over time. The data presented below were retrieved from the contacted competent authorities in the UK.

The number of company registrations has been increasing in the recent years. Nevertheless, the number of dissolutions has risen as well, with the exception of a slight fall in the period 2010-11. The table below provides an overview of the different changes the recent years in the United Kingdom:

According to the figure below, Figure 2, it is possible to notice that most of companies in UK are private limited companies. The number of registered companies of this type has increased each period from 2009-10 (89.4%) to 2014-15 (92.3%). This is a clear sign of the entrepreneurship spirit in the United Kingdom as well as its strong economy.

As illustrated in the next figure, Figure 3, a regular increase in the establishment of companies has been registered over time, regarding company dissolutions, although there was a steep decreasing trend from 2009 to 2011, the perspective has changed in 2011-12 and it has been regularly increasing since then. Besides this, the company creation increase is higher than the dissolution rate, excluding the first period, 2009-2010); therefore there are more and more new companies each year, as it is shown by the green line in the graph.
The table below shows in what regards the number of the different types of documents filed had a regular growth. It is possible to appreciate two different trends: on the one hand, a regular increase of every type of document filed (except liquidation documents and other statutory documents) and on the other, a particular trend that shows how liquidation documents and other statutory documents had an irregular evolution, going up and down, and during the last period both of them are lower than the first period analysed, 2009-2010. Due to the increase of companies’ creation and the current number of companies present in UK, one may forecast the same increasing trend in the coming years. Additionally, almost all the incorporations were filed electronically, knowing that 81.6% of total documents were filed electronically.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporations</td>
<td>366</td>
<td>401</td>
<td>456</td>
<td>483</td>
<td>533</td>
<td>586</td>
<td>98.6%</td>
</tr>
<tr>
<td>Changes of name</td>
<td>49</td>
<td>50</td>
<td>52</td>
<td>52</td>
<td>56</td>
<td>58</td>
<td>68.9%</td>
</tr>
<tr>
<td>Annual returns</td>
<td>2,128</td>
<td>2,157</td>
<td>2,263</td>
<td>2,387</td>
<td>2,574</td>
<td>2,764</td>
<td>98.8%</td>
</tr>
<tr>
<td>Annual accounts</td>
<td>2,021</td>
<td>2,015</td>
<td>2,061</td>
<td>2,176</td>
<td>2,363</td>
<td>2,487</td>
<td>66.0%</td>
</tr>
<tr>
<td>Mortgage documents</td>
<td>175</td>
<td>172</td>
<td>181</td>
<td>181</td>
<td>201</td>
<td>222</td>
<td>44.2%</td>
</tr>
</tbody>
</table>
As Figure 5 shows, during the period 2014-15, more than 90% of the documents filed were “Other statutory documents”, “Annual returns” and “Annual accounts”, with each type accounting for about 30%. This is possibly due to the large number of companies registered in the United Kingdom and the compulsory step which requires each to submit a financial statement each year. Additionally, other statutory documents include the articles of association, their amendments and other different amendments done by companies which must be submitted to Companies House in UK.

1.14.5 COSTS AND SAVINGS ANALYSIS

1.14.5.1 Cost Analysis

1.14.5.1.1 Main costs (Administrative Fees)

Public Administrations of European Member States or whatsoever other entities holding responsibilities in company law processes generally work under a cost covering principle. This means that the amount of administrative fees charged to company representatives are intended to cover the costs associated with the services provided. This said, in the table below, one can see the

<table>
<thead>
<tr>
<th></th>
<th>Incorporations</th>
<th>Changes of name</th>
<th>Annual returns</th>
<th>Mortgage documents</th>
<th>Liquidation documents</th>
<th>Other statutory documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2014-15</td>
<td>30.6%</td>
<td>6.5%</td>
<td>30.6%</td>
<td>0.6%</td>
<td>30.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>In 2015</td>
<td>30.6%</td>
<td>6.5%</td>
<td>30.6%</td>
<td>0.6%</td>
<td>30.6%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Figure 4 Evolution of the number of the different types of documents filed at the Companies House, United Kingdom, 2009-2015.

Note: Absolute values are in thousands

Figure 5 Proportion of the different type of documents filed at the Companies House, United Kingdom, 2014-2015
different types of fees charged by the British authorities depending on the services requested by the companies (registration, filing of changes and/or dissolution).

Regarding the costs associated to the registration of a company:

The cost charged for establishing a Private Limited Company through a paper based method is set at £40 (€46.77), while the cost charged for establishing a Private Limited Company on-line is set at £12.00 (€14.03) and £10 (€11.69) for software incorporation. As the number of companies registered online is growing every day and some procedures are becoming more and more integrated.

Also, there is other procedure which is faster than the standardised and it is called “Same-Day” service which fees are £30 (€35.07) for software incorporation and £100 (€116.91) for paper-based applications received by 3pm Monday to Friday. Additionally, company founders can be charged with extra fees in case they request for some specific services (e.g.: consultancy support). These services are not provided and charged by Companies House.

<table>
<thead>
<tr>
<th>Type of Costs</th>
<th>Description</th>
<th>Online Notification Fee</th>
<th>Paper – based Notification Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td>Registration fees</td>
<td>Web-filing: £12.00 (€14.03)</td>
<td>Standard: £40 (€46.77)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Software: £10 (€11.69)</td>
<td>Same Day: £30 (€35.07)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>£100 (€116.91)</td>
</tr>
<tr>
<td><strong>Filing of company information</strong></td>
<td>Annual accounts filing fees</td>
<td>Web-filing/Software: £13 (€15.20)</td>
<td>£40 (€46.77)</td>
</tr>
<tr>
<td></td>
<td>Companies House charges an annual fee which is paid for the first Confirmation Statement in a payment period. The fees are £13 for web and software filing, and £40 for paper.</td>
<td></td>
<td>£60,20 (€53)</td>
</tr>
<tr>
<td><strong>Publication fees</strong></td>
<td>Notice is given of some notifications in the national gazette.</td>
<td></td>
<td>£82 (€93)</td>
</tr>
<tr>
<td><strong>Voluntary Dissolution</strong></td>
<td>Dissolution agreement fees</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>In order to strike off a company, company founders need to fill in an application to strike off and send it to the Companies House (Striking off application by a company, Form DS01) as well as paying the fees of striking off a company which are £10. This service is not yet available on-line.</td>
<td></td>
<td>£10 (€11.69)</td>
</tr>
<tr>
<td></td>
<td>Publication fees (Official National Gazette)</td>
<td></td>
<td>£82 (€93)</td>
</tr>
</tbody>
</table>

1.14.6 COMPANY PROCEDURES – OVERALL CHALLENGES AND BENEFITS
The current section identifies and describes the main challenges highlighted by Member States when digitalising the registration procedure.
1.14.6.1 Main Challenges

- **Lacking skills:** to help users to become familiarised with new online tools is a challenge that any digital improvement needs to face.

- **Verification of identity founders:** In United Kingdom, there is no verification/certification steps conducted in order to certify the authenticity of documents or of the person registering a new company, so it is possible to access quickly and register a company through a website provided by Companies House.

- **Offer secure online tools:** as a major concern for any digitalisation of the public administration, online tools need to be secure, not only against attacks, but also in order to be trusted to be used.

- **Cross-border digitalisation:** One of the main benefits of company law digitalisation is the possibility to register companies without mandatory physical presence of the company founder, although it is still not possible to strike off a company through online methods.

1.14.6.2 Main Benefits

Digitalisation of company law in UK has changed fundamentally how companies register and communicate with the public authorities. In this context, this section describes the main benefits identified by British authorities brought by the digitalisation of company law:

- **Template of articles of association:** Companies House provides some official standard templates for the articles of association, unless company founders do not want these standard documents and rather prefer to draw their own documents.

- **Reduction of time:** British digitalisation of company law has shortened timing of company procedures, both to companies and to public authorities.

- **Information management:** The introduction of digital tools enhances information management and helps authorities to fight fraud and detect money-laundering schemes. Anti-fraud authorities can easily track relationships between different companies and individuals. Actions may be taken to prevent fraud through using Companies House
Protected Online Filing (PROOF) service, a free, secure online-filing scheme to protect company against ID fraud.