

How to Establish a Limited Liability Company (s.r.o.)?

It usually takes 15-20 days to establish an s.r.o. It requires a number of steps that you should definitely know.

1. Choosing Basic Identifiers

The first step in establishing an s.r.o. is to choose basic identifiers of your company. They are:

- Business name;
- Registered seat;
- Business activities; and
- Company's executives.

It is important to choose a unique **business name**. Otherwise, the register court will not register a company with the same business name. Check the **Commercial Register** (the "CR") to see whether a business name exists.

It is also necessary to choose the **company's** registered seat (property), i.e. a place of your business. The company's registered seat can be located on non-residential or residential premises, even if the address is identical to the permanent address of a partner or an executive. If this is not the case, it is sufficient to have the property owner's consent with the property's registration as the company's registered seat in the CR.

Before the next step, it is important to appoint the company's executives who are the company's statutory bodies. Executives manage and are authorised to act for the company. It is also important to choose an administrator of the contribution, usually one of the partners, and the amount of each partner's contribution. If there are multiple partners, the contribution of one partner must be at least EUR 750 and the company's registered capital must be at least EUR 5 000. The obligation to prove paid-up monetary contributions by a bank account statement was abolished with effect from 2016. The statement used to be attached to a motion for the company's registration in the Commercial Register. It means that **it is possible to contribute cash to the registered capital from 2016**. It is sufficient to attach a declaration by the administrator of paid-up contributions to the motion for the company's registration in the Commercial Register.

We recommend appointing multiple company executives who can act independently as it makes the signing of contracts etc. easier.



2. Preparation of Founding Documents

A **founding deed** is prepared if a company is established by one person. Otherwise, a **memorandum of association** is prepared if a company is founded by multiple partners (we recommend having the founding documents prepared by professionals).

A memorandum of association/founding deed must contain the elements laid down by law, particularly:

- a) Business name and registered seat;
- b) Determination of partners;
- c) Scope of business (activities);
- d) The amount of registered capital, the amount of each partner's contribution and the amount of paid-up contributions at the company's establishment, including the manner and period for the payment of the contribution;
- e) Determination of the first executives and the manner of their acting on behalf of the company;
- f) Appointment of an administrator of contributions;
- g) The amount of the reserve fund if the company creates a reserve fund at its establishment, and the amount up to which the company must contribute to the reserve fund and the manner of the contribution;
- h) Benefits provided to those participating in the company's establishment;
- i) Anticipated costs of the company associated with the company's establishment and registration; and
- j) Other information if required by legislation.

Other documents to be prepared include a declaration of the administrator of the contribution, consent of the property's owner with the registration of their property as the company's registered seat, specimen signatures of executives and a power of attorney for the person who registers the company. If the company is founded by a sole partner who is a natural person, it is necessary to prepare a declaration of the sole partner that they are not a sole founder or a sole partner in more than two companies. If the company is established by a single legal entity, it is necessary to file a statement that it has more than one partner or that its sole partner is not a limited liability company (s.r.o.). If business activities include a craft or qualified trade, the responsible representative is required to give consent to the appointment as a responsible representative. All these documents must be signed by the competent persons and the signatures must be notarised.

3. Obtaining a Trade Licence

Business must be done in line with the Trade Act. It means that you must apply for a trade licence. The next step is obtaining a trade licence for the company's business activities. Electronic notification of free trades **via the**



public administration portal is now free of charge. The charges for crafts and qualified trades were reduced to a half, i.e. EUR 7.50. (However, electronic notification requires an **advanced electronic signature** and software for electronic signing of documents.)

A trade licence is issued by the District Office, Department of Trade Licences. Addresses of Trade Licence Offices: <http://www.minv.sk/?zivnostenske-podnikanie>.

In order to obtain a trade licence for a s.r.o., it is necessary to attach a founding deed/memorandum of association, a notarised power of attorney for the person who makes the request, and duty stamps for the notification of a trade (EUR 5 for every free trade licence and EUR 15 for every craft or qualified trade if you do not register electronically).

4. Request for Tax Authority's Consent

Pay close attention now: founders of an s.r.o. **must have no tax arrears**. This is confirmed by a separate document: tax authority's consent with the registration in the Commercial Register. A tax authority, i.e. a tax or customs office, will issue the consent at the founder's request within three (3) working days. It is issued free of charge. If the founder is not a taxable person (e.g. a person permanently residing outside Slovakia), it is sufficient to file an affidavit that the founder has no obligation under separate regulations instead of the tax authority's consent. Other arrears (health insurance or social security arrears) **are not an obstacle** to establishing an s.r.o.

5. Registration in the Commercial Register

After you obtain the trade licence and the tax authority's consent, you have all the documents necessary for the company's registration in the Commercial Register. You now need to fill in a motion to register a limited liability company in the Commercial Register. This form is available at the website of the **Ministry of Justice**.

The motion requires the following attachments:

- A founding deed/memorandum of association;
- A power of attorney (if the motion is filed by a person other than the company's executive);
- Consents of the tax authority for all founders;
- A declaration by the administrator of the contribution that the contribution has been paid up;
- Consent of the property owner;
- Specimen signature(s) of executive(s);
- Declaration of the sole partner;
- A trade licence; and



- **Duty stamps worth EUR 300** if the motion is filed in paper form directly at the court.

In some cases, the register court requires, in addition to the property owner's consent, a title deed of the property to be registered as the company's registered seat in the CR.

The motion is filed at a district court in the regional capital with jurisdiction depending on the company's address. **The court fee for an electronic filing is reduced to a half, i.e. EUR 150**, but it is necessary to have an advanced electronic signature and all attachments, including the motion for the registration, must be filed with the Commercial Register electronically. If the motion for the registration and its attachments are correct and complete, the register court decides within two (2) working days on the company's registration in the CR and issues a certificate of registration in the CR and an extract from the CR. The company is legally established on the day of its registration in the Commercial Register. Congratulations!

6. Registration with the Tax Office

If you don't use a single contact point to register for tax, the last step is to register with the tax office, separately for each type of tax.

The tax registration form can be found at the website of the [Financial Directorate of the Slovak Republic](#).

