

General partnership

A general partnership (*Družba z neomejeno odgovornostjo – d.n.o.*) is a partnership of two or more partners who are liable for the partnership's obligations to the full extent of their assets. This liability cannot be reduced by agreement. The partners' liability for the partnership's obligations is unlimited but only arises after a creditor has made an unsuccessful claim against the partnership itself.

General partnerships are legal persons that obtain this status through court registration. The name of a partnership must contain the name of at least one partner and the abbreviation *d.n.o.*

Founders

General partnerships may be established by two or more domestic or foreign persons by signing a partnership agreement in the form of a notary deed. A "Single permit" is required for foreign founders who represent a partnership (see Employment).

The legal relationship between partners is regulated by a partnership agreement. All partners manage and represent the partnership unless the partnership agreement provides for a different arrangement. Partners cannot freely dispose of their share of the partnership without the consent of the other partners.

Contributions

The minimum founding capital is not prescribed. The founding capital is replaced by the unlimited liability of the partners. If not otherwise stated in the partnership agreement, the founders contribute equal shares to the partnership. Contributions may be made in cash, in kind, in rights or in services. The value of non-cash contributions is evaluated by all founders.

Dissolution

A general partnership terminates upon the end of the term for which it was established, a decision of the partners, bankruptcy, the death of a partner, denouncement or a court decision. General partnerships require a minimum of two partners. Should the number of partners fall below the legally prescribed minimum, the remaining partner must restore the prescribed number or continue to operate business activities as a sole trader (*s.p.*).

Limited partnership

A limited partnership (*Komanditna družba – k.d.*) is a partnership of two or more persons where at least one (a general partner) is fully liable, including all of their private assets, and at least one (a limited partner) who is not liable for the partnership's obligations.

The name of the limited partnership must contain the name of at least one general partner and the abbreviation *k.d.* If not otherwise stated, a limited partnership is subject to the same provisions that apply to general partnerships.

Founders

Limited partnerships may be established by two or more domestic or foreign persons by signing the partnership agreement. At least one partner is fully liable (a general partner) and at least one partner is not liable for the partnership's obligations (a limited partner). The legal relationship

between the partners is regulated by an agreement. General partners manage and represent the limited partnership in the same way as with general partnerships.

Limited partners are excluded from the rights of management and representation and cannot oppose decisions concerning the partnership's business activities. However, a limited partner may act as a proxy by agreement with a general partner. A "Single permit" is required for foreign founders who represent a limited partnership (see Employment).

Contributions

The minimum founding capital is not prescribed. If not otherwise stated in the partnership agreement, the founders contribute equal shares. Contributions may be in cash, in kind, or in rights or services. The value of non-cash contributions is evaluated by all the founders. A limited partner who has fully paid their contributions to the partnership has no further liability for the partnership's debts.

Dual company

A dual company is a special form of general partnership or limited partnership in which all the general partners are companies whose shareholders are not liable for the company's obligations. The law prescribes certain special requirements for dual companies (management, books of account, annual reports and other business documents, auditing). A joint-stock company, limited liability company and a partnership limited by shares cannot be transformed into a dual company. A dual company cannot be a general partner in a limited partnership.

Partnership limited by shares

A partnership limited by shares (*Komanditna delniška družba – k.d.d.*) is a corporation where, besides the corporation itself, one or several partners assume full liability. They are called general partners and entrusted with the right of management of which they may only be deprived on good grounds by court order.

A partnership limited by shares may be established by five domestic or foreign persons by signing a partnership agreement. Partnerships limited by shares are legal persons that obtain this status by court registration. The name of the partnership must contain the abbreviation *k.d.d.*

The legal relationship between the general partners and those holding shares is regulated by the same provisions as limited partnerships, while other aspects of the organisation and business structure are governed by provisions regulating joint-stock companies.

General partners may include natural persons who are also members of the management board or a director in case there is only one general partner, whereas shareholders may also be legal persons.

At the shareholders' meeting, the general partners have voting rights in proportion to their share in the capital of the company. General partners are prohibited from voting when the shareholders' meeting is deciding on the following questions: election and recall of members of the supervisory board, dismissal of general partners, appointment of auditors, enforcement and renunciation of indemnity claims.