

Limited liability company

A limited liability company (Družba z omejeno odgovornostjo – d.o.o.) is a company whose capital is made up of capital contributions by shareholders. Based on their capital contributions, the shareholders acquire business shares in proportion to the value of their capital contributions and expressed in percentage terms. These shares are not securities.

A limited liability company is liable with all of its assets for its obligations, whereas the shareholders are not liable for the company's obligations.

Limited liability companies are legal persons that obtain this status upon court registration. The company name must contain the abbreviation d.o.o.

Establishment

A limited liability company may begin operating once it is included in the Court Register. The Court Register is part of the Slovenian Business Register, maintained and administered by AJPES (see Establishment).

Founders

A limited liability company may be established by one or more domestic or foreign legal or natural persons by signing articles of incorporation/memorandum of association. A limited liability company may have a maximum of 50 shareholders. If a limited liability company wishes to have more than 50 shareholders, the approval of the minister responsible for economic affairs must first be obtained.

Capital

The minimum founding capital is EUR 7,500. The minimum contribution of each shareholder is EUR 50. The value of the contributions may differ.

Before registration, at least 25% of each shareholder's cash contribution must be paid in; the sum of all paid contributions must be at least EUR 7,500. It is possible to contribute the entire initial share capital in the form of a non-cash contribution or non-cash acquisition only.

Contributions in kind must be made in full before registration. Where the value of contributions in kind exceeds EUR 100,000, their value must be assessed by a certified independent accountant.

Shares

Shares are transferable, but existing shareholders have a pre-emptive right if not provided otherwise by the memorandum of association.

The memorandum of association may establish that the disposal of a share to persons other than shareholders requires the consent of the majority or all of the company's shareholders and set out the conditions for the issue of such consent. If no shareholder is prepared to buy the share and the shareholders have not given their consent to the transfer of the share to a person who is not a shareholder, the shareholder may withdraw from the company.

The disposal of a share requires a contract to be drawn up in the form of a notarial record.

Management

The management rights of shareholders are provided by the memorandum of association. In the absence of such provisions, the authorities held by the shareholders are described in the Companies Act.

The main body of a limited liability company is the shareholders meeting. Normally, each shareholder has one vote for each EUR 50 of their contribution, although the memorandum of association may provide differently. A shareholders meeting may be called by the manager/s or shareholders representing at least 10% of the voting capital. The shareholders meeting decides on the distribution of profit, the appointment of managers and proxies, measures for supervising and controlling the managers' work, capital increases/decreases and other matters provided by the law or the memorandum of association. The shareholders meeting adopts its decisions by ordinary majority vote, except where provided by the memorandum of association and the law (statutory changes, capital alterations, dissolution), where a 75% majority is required. On the basis of the written statement signed by all shareholders, the shareholders meeting may also be conducted via telephone or electronic means.

A limited liability company has one or more managers (directors) appointed by the shareholders meeting (by the supervisory board, if the company has one) for at least a 2-year renewable mandate. There are no restrictions on the residence or nationality of managers.

A supervisory board and an audit committee is mandatory for a public interest entity (for example, a limited liability company whose securities are traded on a regulated securities market). In other companies the memorandum of association may provide that the company shall have a supervisory board. There are no restrictions on the residence or nationality of board members.

Dissolution

A limited liability company is dissolved when the term of its duration has expired; upon a decision of the shareholders adopted by a 75% majority vote; invalidation of court registration; bankruptcy; court decision; the company does not have any shareholders or has only its own shares; the management has been inactive for more than 6 months; mergers and amalgamations or a transformation to another corporate form; or reduction of capital below the prescribed minimum.