

## ESTABLISHMENT OF A COMPANY

The establishing, managing and organisation of companies is regulated by the Companies Act, which is fully harmonised with the EU legislation.

The Companies Act provides for the following organisational forms:

- General partnership (*Družba z neomejeno odgovornostjo – d.n.o.*)
- Limited partnership (*Komanditna družba – k.d.*)
- Limited liability company (*Družba z omejeno odgovornostjo – d.o.o.*)
- Joint-stock company (*Delniška družba – d.d.*)
- Partnership limited by shares (*Komanditna delniška družba - k.d.d.*)
- European public company (*Evropska delniška družba -Societas Europaea – SE*).

Most companies in Slovenia are organised in the form of a limited liability company or joint-stock company, whereas partnerships are not so common. Private individuals may conduct their business activities as sole traders (*samostojni podjetnik – s.p.*). The most common practice of foreign companies establishing a business entity in Slovenia is to set up a limited liability company or a branch office.

### Size of companies

The Companies Act defines the size of companies relevant for accounting, auditing and disclosure purposes as follows:

Micro company (two of the following conditions must be fulfilled):

- less than 10 employees;
- an annual income of less than EUR 700,000;
- the value of its assets is less than EUR 350,000.

Small company (two of the following conditions must be fulfilled):

- less than 50 employees;
- an annual income of less than EUR 8,000,000;
- the value of its assets is less than EUR 4,000,000.

Medium-sized company (two of the following conditions must be fulfilled):

- less than 250 employees;
- an annual income of less than EUR 40,000,000;
- the value of its assets is less than EUR 20,000,000.

Large company (two of the following conditions must be fulfilled):

- more than 250 employees;
- an annual income of more than EUR 40,000,000;
- the value of its assets is more than EUR 20,000,000.

Public-interest entities, stock exchange, and companies who must produce consolidated annual reports are considered to be large companies.

## Founders

All the forms of companies may be established by any domestic or foreign, legal or natural person. The law prescribes the minimum or maximum number of founders for an individual type of company. Certain restrictions apply in order to prevent frauds in this area.

## Legal personality

All forms of companies are legal persons. They obtain such status through court registration.

## Registered name

The registered name (*firma*) is the name under which a company operates. The mandatory elements of the registered name are the name of the company, an indication of the company's economic activity and a statement on its organisational form.

Since August 2015, the registered name can be in Slovenian, foreign, fantasy or dead language and can contain foreign letters. The word 'Slovenia' or its derivatives can only be used with government approval.

The registered name should not be in contravention of the law, public morals or third parties' intellectual rights and it has to be clearly distinct from all other registered names in Slovenia. If these conditions are not met, the court shall reject the application to be entered in the register.

The firm's entry in the register can be made up to one year before the company is registered. If the company is not registered in one year, the firm is erased from the register.

The transfer of a firm to a third party is only possible along with the transfer of the company itself.

## Registered office

The registered office of the company is the place entered in the court register as the registered office. This could be the place where the company performs the main part of its activities or the place where the bulk of its business is conducted.

## Economic activity

The company may conduct its business only within the scope of the economic activities entered in the court register as the registered activities. Upon entry, the Standard Classification of Industries must be used.

## Representation/management

The company has to enter in the register at least one person (director, procurator) who is authorised to represent the company and to sign company documents. There are no requirements regarding the residence or nationality of the representatives but certain conditions must be met in order to employ foreign representatives.