

Limited liability company

A limited liability company (*družba z omejeno odgovornostjo – d.o.o.*) is a company whose capital is made up of the basic shares contributed by partners. The shares are not securities.

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

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

Founders

A limited liability company may be established by one or more domestic or foreign, legal or natural persons by signing the act of incorporation. A limited liability company may have a maximum of 50 partners. If a limited liability company has more than 50 shareholders the approval of the minister responsible for economic affairs must 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 percent 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 all the 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

On the basis of their contributions the partners acquire a business (equity) share that is expressed as a percentage of the company's capital. Partners may only have one business share. Securities must not be issued for the business shares. The shares are transferable, but the other shareholders have a pre-emptive right.

Management

Management rights of shareholders are provided by the act of incorporation. In the absence of such provisions in the act of incorporation, the authority of the shareholders is provided by the Companies Act.

Managers

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

Supervisory board

The limited liability company may have a supervisory board if the act of incorporation provides for one, but it is not obligatory. There are no restrictions regarding the residence or nationality of board members. Where the company has a supervisory board, the Companies Act's provisions on supervisory boards in joint-stock companies are applied if the act of incorporation does not provide otherwise.

Shareholders' meeting

The main body of the limited liability company is the shareholders' meeting. Normally, each shareholder has one vote for each EUR 50 of their contribution, although the act of incorporation may provide otherwise.

A shareholders' meeting may be summoned by the manager or shareholders representing at least 10 percent of the voting capital. The shareholders' meeting decides on the distribution of profit, the appointment of managers and proxies, measures for supervising and controlling managers' work, capital increases and decreases and other matters provided by the law or the act of incorporation.

The shareholders' meeting adopts its decisions by ordinary majority vote except where provided by the act of incorporation and the law (statutory changes, alterations of capital, dissolution), where a 75-percent majority is required.

Dissolution

A limited liability company is dissolved in the following cases:

- expiration of the term of duration;
- upon the shareholders' decision adopted by a 75-percent majority vote;
- invalidation of court registration;
- bankruptcy;
- reduction of capital below the prescribed minimum; and
- merger, amalgamation or a transformation to another corporate form.