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Slovakia Company Formation

Introduction to Company Incorporation

Company Formation in Slovak Republic

The process of company formation in Slovakia is presented below, along with an overview of the types of companies available for registration and an economic overview.

In the beginning of the incorporation procedure in Slovakia, after drafting the articles of incorporation, finding a registered office and hiring an accounting, the entrepreneur must choose what type of business he is willing to start in this country before registration. He/she can choose to open a company or to lay the foundation of a partnership. Our company formation agents in Slovakia can help you choose the most suited form of business for your objectives. Do not hesitate to contact our team of business consultants.

We invite you to watch our concise video which presents important details about the process of establishing a company in Slovakia, from the available types of companies in this country to the company registration procedure.

Types of business entities in Slovakia

The Companies

Forming a Slovakian **S.R.O.** A limited liability company in Slovakia, the Spoločnosť s Ručením Obmedzeným (S.R.O) can be incorporated only after depositing a minimum share capital of 5,000 Euro in a bank account by one or more shareholders (but not more than 50). The General Meeting is taking the important decisions, appoints an Executive and in some cases a Supervisory board.

You do not have to pay the money in real terms! We show you the way!

A joint stock company, Akciová Spoločnosť (A.S) on the other hand is based on a minimum share capital of 25,000 Euro and can take two forms according to the share transferability: it can be private or public. A private joint stock company cannot freely trade its share, unlike the public joint stock company (which is also listed on the European stock market). The management of a joint stock company is composed of the General Meeting, the Board of Directors and the Supervisory Board.



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The Partnerships

A Slovakian general partnership is based on an agreement between two or more partners, fully and equally liable for the company's debts and profits. All the decisions in the Slovakian general partnership are taken by them and their personal assets are subject to claim if the partnership cannot pay its debts.

A Slovakian limited partnership is based on a silent partner that must make an initial contribution of minimum 250 Euro to the capital (its liability is based on his contribution) and a general partner with unlimited liabilities and decisional power.

Other forms of business

A sole proprietorship incorporated in Slovakia is the most common form a small business can take and it is managed by a single investor fully liable for the debts. His personal assets are also subject to a claim in case of insolvency.

The foreign investors are invited to incorporate a Slovak branch of their parent company, which will have the entire capital provided by it and will have no legal personality. Other option would be to open a subsidiary or for research purposes, a representative office.

Incorporation procedure in Slovakia

The Slovakian particularity related to company formation is that the companies can be incorporated by a third party invested with Power of Attorney, fact which can be very appealing especially for the foreign investors. The only condition is that the Power of Attorney is fully notarized and apostilled.

The first step a newly formed entity must take is checking the chosen name for its new company at the Commercial Register, process which takes around one day and has, as a result, the issuing of a certificate of name reservation. After that, the specific documents must be notarized. The main company documents consist in the Memorandum of Association or a Foundation Deed and in certain cases, the Articles of Association for the private limited liability companies while the stock companies must provide a Deed on Establishment, a Memorandum of Association and the Articles of Association.

A trading license must be obtained from the Slovakian One stop shop which will also provide a unique income tax number and the registration with the Health Insurance Company.

The following step is the registration with the Commercial Registrar in Slovakia based on the following documents and information:



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- a standard application;
- the proof of the uniqueness of the name;
- a bank certificate stating the capital;
- the Memorandum of Association;
- the Deed of Incorporation and the Articles of Association.

*Certain documents can be specifically requested by the Registry in certain cases.

The last requirement for entity incorporation in Slovakia is registering as an employer within 8 days of the first employment contract and registering of all employees with the Social Insurance Company before they start working. Our company formation specialists in Slovakia can help you incorporate your company in this country, by providing you with complete guidance throughout the entire procedure. If you want to set up a company in Belgium, for example, we recommend our partners who are experts in company formation matters in Belgium. We can also put you in contact with our partners from Romania, in case you want to set up a company in that country.

Steps for opening a company in Slovakia

Those who want to open companies in Slovakia must respect the following procedure:

- choosing the appropriate business form - our company formation agents in Slovakia can assist you in selecting the type of company;
- having the documents needed to file with the Trade Register prepared, which implies their drafting and notarization with a public notary;
- filing the documents with the Companies House in Slovakia and obtaining the company's Certificate of Registration;
- registering for taxation purposes, obtaining the VAT number (if necessary) and registering for employment purposes;
- applying for the necessary licenses and permits which allow a company to undertake activities in a specific business field.

How long does it take to open a company in Slovakia?

The company formation process in Slovakia will usually respect the following timeline:

- the company name reservation takes less than one day and is subject to a small fee;
- the drafting and notarization of the company' statutory documents take one day;
- the opening of the corporate bank account and deposit of the share capital take another day;
- obtaining the tax form showing the shareholders have no debts to the state takes about 5 days;
- the registration of the company with the Trade Register and the tax authorities takes about 9 days;
 - the registration for VAT purposes will take another 25 to 35 days;
 - the registration as an employer for health and pension benefits will take one day.

Our local office can guide you through the company registration procedure of a Slovak company.



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Other ways of starting a company in Slovakia

One of the most employed ways of starting a business in Slovakia is by purchasing a shelf company. This type of company, also known as **ready-made** or aged company, is already registered and available to start operating as soon as the transfer of ownership has been completed.

Most of the shelf companies in Slovakia are registered as limited liability companies and can operate at national and international levels.

Among the advantages of buying a shelf company, we mention that it is a very flexible business form, which allows for privacy by appointing nominee shareholders. Also, the Slovak ready-made company is operational in a few days after being purchased.

Our company formation representatives in Slovakia can help foreign investors who want to buy shelf companies.

Taxation of companies in Slovakia

One of the most important aspects related to starting a business in Slovakia is taxation. According to the Tax Code, companies in Slovakia must pay the following taxes:

- the corporate tax which is imposed on all the sources of income at is levied at a rate of 21%;
- withholding taxes on dividend payments which are levied at a rate of 35%;
- withholding taxes applied to interest and royalties payments which are also levied at a 35% rate;
- the value added tax which is applied at different rates (the standard rate is 20%).

It should be noted that Slovakia has signed numerous double taxation agreements under which reduced rates apply to foreign investors with business activities here. For an easy understanding of the taxation system in Slovakia, we offer accounting services. If you also need legal assistance in Slovakia, we can put you in contact with our partner law firm.

Economy overview in Slovakia

Many foreign businessmen are willing to start businesses in Slovakia, mainly because of the financial environment (currency is in EUR, the flat tax is 19%, dividend tax is 0%), but also for the highly trained workforce. Situated in Central Europe, with a highly developed infrastructure, Slovakia is a favorable environment for traders. It is a NATO, EU, OECD, WTO member, assuring a stable economic environment. This country has signed double tax treaties with more than 60 states, offering an attractive perspective for entrepreneurs thinking of a startup in Slovakia.



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Info Slovak Republic

Company foundation with legal, tax and financial experts

Other services and offers:

- Opening company bank accounts and private bank accounts
- Establishment of an office and addresses structure
- Mediation of licenses
- Nominee service
- Accounting
- Marketing

We have already established companies (shelf companies) in stock.