

## **INCORPORATION OF A LIMITED LIABILITY COMPANY IN CZECH REPUBLIC**

### **(A) Who can set up a company in Czech Republic?**

Any foreign investors (companies or individuals) may incorporate a company in Czech Republic. If the foreign investor or the person who controls the foreign investor does not reside in a member state of European Union, the foreign investment may be exceptionally subject to approval or verification by the Ministry of Industry and Trade of Czech Republic.

### **(B) How to set up a company in Czech Republic?**

The limited liability company is set up by a deed of incorporation. The deed of incorporation has to be formalized by a notary public.

### **(C) Which documents are needed?**

1. With respect to the shareholder(s) and its representative(s):
  - a) If the shareholder(s) is a company, a current excerpt of the shareholder(s) from the companies' register; the excerpt from the companies' register shall explicitly include the name and the registered office of the company and the names of the persons who can act on behalf of the company together with the information whether they can act independently or jointly;
  - b) if the company is set up by means of a power of attorney, a power of attorney for set up of the company.
2. With respect to the company to be incorporated (the "Company"):
  - a) if the director(s) of the Company is a company, a current excerpt of the director(s) from the companies' register;
  - b) current excerpt from the criminal records register of the (i.) director(s) of the Company and (ii.) member(s) of the supervisory board of the Company (if applicable). If the director(s) of the Company is a company, excerpt of the company and of each member of the governing body of the company from the criminal records register is required.
  - c) consents with registration into the Commercial Register signed by the (i.) director(s) of the Company and (ii.) member(s) of supervisory board of the Company (if applicable);
  - d) consent of the owner of the building in which the registered office of the Company is located;
  - e) confirmation on the payment of the registered capital of the Company;
  - f) power of attorney for registration of the Company into the Commercial Register.

Signature(s) on documents under Section 1 b) and Section 2 c), d), e) and f) must be notarized. If any document is issued or signed in a foreign country, an apostille or legalization is needed (depending on the country where the document is issued or signed).

**(D) Further information needed for the preparation of the incorporating documents**

1. Company name;
2. business scope;
3. full address where the Company will have its registered office in Czech Republic;
4. information about shareholders of the Company, namely: (i.) company name, (ii.) registered office and (iii.) registration number;
5. amount of the contribution of the shareholder(s) into the registered capital of the Company; minimum capital requirement in case of a limited liability company is CZK 1 for a share;
6. identification of a bank with which the registered capital of the Company will be deposited; the bank must be registered in Czech Republic. If the registered capital does not exceed CZK 20 000, the registered capital does not have to be deposited onto a bank account and can be deposited for example onto an escrow account kept by a notary public or a notary.
7. members of the governing body of the Company, namely whether the Company will have a sole director or several directors; in case of several directors, the way of acting (independently or jointly) should also be specified;
8. members of the supervisory board, if the shareholder(s) decide to establish it (supervisory board of is not obligatory for a limited liability company);
9. ultimate beneficial owner(s) of the Company.

**(E) Incorporation timing and costs**

Once all the documents and information are collected, an appointment with the notary can be organized in few days. Once the Company is set up by the notary, the shareholders shall pay out the registered capital and the Company shall apply for business licenses with the Trade Licensing Office; it takes approx. two weeks to issue the licenses. Once these steps are accomplished, the company can be registered into the Commercial Register within a few days.

The costs partially depend on the amount of the registered capital. If the company has a minimum registered capital, fee for the incorporation of a company including notary's and court's fees and other administrative fees can amount in a range between EUR 1.500 and 3.000.

Reference contact in Czech Republic

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