

Simplified form of the *société à responsabilité limitée*

News - 12/01/2017

The law introducing a new ready-to-go / simplified form of private limited liability company ("S.à r.l.-S") will enter into force on 16 January 2017.

This light capital vehicle aims at supporting young and new entrepreneurs with limited financial means to start their activity enjoying the advantages of limited liability, without having to meet the capital formation requirements linked to the incorporation of the ordinary private limited liability company (i.e the S.à r.l.). The provisions governing this new corporate form are outlined in this client briefing.

The idea to create in Luxembourg a simplified private limited liability company is a longstanding project to attract entrepreneurs and promote the development of new start-ups.

The legal regime of the *société à responsabilité limitée* simplifiée or the "S.à r.l.-S" allows the creation of small businesses with limited costs and lightened formalities compared to a standard private limited liability company.

The S.à r.l.-S is a simplified Luxembourg private limited liability company whose characteristics are as follows:

- the document constituting the S.à r.l.-S may be in the form of a private deed or a notarial deed (i.e. the implication of a public notary is not mandatory);
- the share capital may be symbolic as it may range between EUR 1 and EUR 12,000;
- Only private individuals can become shareholders of a S.à r.l.-s and one person cannot become shareholder of more than one S.à r.l.-S;
- Similarly, only private individuals can become managers of a S.à r.l.-S;

- the S.à r.l.-S shall have a business licence; and
- the shareholders' contributions may be in cash or in kind.

The corporate object of the S.à r.l.-S must fall within the scope of the law of 2 October 2011 governing access to the professions of craftsman, merchant, manufacturer and other independent professions, as amended from time to time (the **Law on Business Licences**) and shall have therefore a business licence for the purpose of the activities permitted by such law and an effective place of the operating activities with the relevant infrastructure. The scope of the business activities is not restricted as the law of 23 July 2016 on the S.à r.l.-S (*société à responsabilité limitée simplifiée*) (the **Law**) does not provide with any limitative list of professions subject to its application. In order to obtain such business licence, the process may take a maximum of three months and the absence of approval within that period shall be considered as an implicit approval. Among the obligations applying to the S.à r.l.-S, one of its managers shall comply with the experience, honourability and qualifications required by the Law on Business Licences.

The articles of association shall be in their entirety published with the Luxembourg trade and companies register.

The shareholders take decisions by way of general meetings; decisions of the ordinary general meetings are taken by a majority of the votes cast representing at least half of the share capital of the S.à r.l.-S and decisions of extraordinary general meetings are taken by a majority of shareholders representing three quarters of the share capital, unless the articles of association provide otherwise.

As for Luxembourg private limited liability liabilities, the shares are freely transferable amongst existing shareholders but any transfer of shares to third parties requires the approval of shareholders representing three quarters (can be lowered down to half) of the share capital and shall be notified pursuant to the terms of article 1690 of the Luxembourg civil code.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

This client briefing has been prepared for clients and professional associates of Ogier. The information and expressions of opinion which it contains are not intended to be a

comprehensive study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.

Regulatory information can be found under [Legal Notice](#)

Meet the Author



[Bertrand Gérardin](#)

Partner

[Luxembourg Legal Services](#)

E: bertrand.geradin@ogier.com

T: [+352 2712 2029](tel:+35227122029)

Key Contacts



[Laurent Thailly](#)

Partner

[Luxembourg Legal Services](#)

E: laurent.thailly@ogier.com

T: [+ 352 2712 2032](tel:+35227122032)