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Luxembourg company law: Deferred payment of the share capital of Sàrl and Sàrl-S

Adopted on **28 April 2026**, the long?awaited reform introduces an optional regime allowing the **deferred payment of the minimum share capital** of Luxembourg private limited liability companies, applicable to both **Sàrl** and **Sàrl?S**, significantly enhancing flexibility at the incorporation stage.

1. **What does the new law change in practice?**

In December 2025, we commented on Bill of Law 8669 concerning the deferred payment of the minimum share capital of Luxembourg private limited liability companies (*sociétés à responsabilité limitée* — **Sàrl**).
The text adopted by the Chamber of Deputies on 28 April 2026 introduces an optional regime for the deferred payment of minimum share capital, applicable both to Sàrl and simplified private limited liability companies (*sociétés à responsabilité limitée simplifiées* — **Sàrl-S**).

Subject to certain conditions, a Sàrl may therefore be incorporated without the immediate payment of the full amount of the relevant share capital, while the obligation to fully subscribe the share capital upon incorporation remains unchanged.

2. **Can the share capital of an Sàrl now be paid after incorporation?**

For Sàrl, the minimum share capital remains fixed at EUR 12,000. This share capital must still be fully subscribed upon incorporation.

The change concerns its payment: where the shares are subscribed for in consideration of cash contributions, the minimum share capital may now be paid up, in whole or in part, after incorporation, within a maximum period of 12 months. The same optional deferred payment mechanism also applies to cash contributions subscribed upon incorporation of Sàrl-S.

In practice, the company may therefore be incorporated before the relevant share capital is actually paid, meaning that incorporation no longer needs to depend systematically on the prior opening of a bank account.

3. **Is this regime automatic?**

No. Deferred payment is an option, not an obligation. It must be provided for and organised in the articles of association, in particular as regards the payment timetable, capital calls and the role of the management. Failing this, the share capital must be paid up under the ordinary regime.

4. **Does the deferral apply to all contributions?**

No, its scope is strictly limited. Only cash contributions made upon incorporation may benefit from deferred payment. Contributions in kind must still be fully paid up upon incorporation. In addition, any amount exceeding the minimum share capital must be paid up immediately. Any share premium must also be fully paid upon incorporation.

5. **What about shares issued after incorporation?**

They are not covered by the new regime. Any share issued after incorporation, including in the context of a share capital increase, must still be fully paid up at the time of its issue. The same applies to any related share premium.

6. **Why do the articles of association become decisive?**

The new regime does not merely allow deferred payment: it requires the payment mechanics to be organised. The articles of association become of paramount importance, as they must clearly determine when and how the share capital is to be paid up: fixed

payment dates, capital calls decided by the management, payment deadlines, notification formalities and the consequences of default.

In practice, the articles of association become the central instrument of the new regime. A clause that is too general may create uncertainty as to when the amounts due become payable and may complicate the enforcement of capital calls.

7. **Default in payment: what are the consequences?**

The law provides for several safeguards in the event of default in payment. If a shareholder fails to pay amounts that have been validly called and have become due, the voting rights attached to the relevant shares are suspended until the outstanding amounts have been paid.

The shareholder remains liable for the unpaid amount. In the event of a transfer of partly paid shares, the unpaid balance should therefore be treated as a specific transaction point: who bears future capital calls, from what date, and with what guarantees? In practice, any transfer of partly paid shares should clearly identify the outstanding amount and allocate responsibility for it in the transfer documentation.

8. **Will unpaid share capital be visible?**

Yes. The reform introduces transparency requirements. The list of shareholders who have not yet fully paid up their shares, together with the indication of the amounts still due, must be published after the balance sheet. In practice, unpaid share capital will therefore not be merely internal information: it must be identifiable in the company's accounting documentation.

9. **The real practical benefit: regaining control over the timeline?**

The main advantage of the reform is not that it removes banking or KYC/AML formalities. Those remain. The benefit lies elsewhere: the incorporation of a Sàrl no longer depends on the prior opening of a bank account or the immediate payment of the minimum share capital.

In practice, this makes it possible to incorporate the vehicle when it is legally needed, and to organise the payment of the share capital at a later stage, within the 12-month limit. This dissociation is particularly useful for:

> special purpose vehicles (SPVs) incorporated in the context of M&A transactions;
> private equity, real estate or private debt structures;
> incorporations subject to a tight signing or closing timetable;
> situations where the vehicle must exist quickly, while cash flows will only occur later.

The reform therefore does not remove bank onboarding. It prevents bank onboarding from blocking, by itself, the incorporation of the company.

10. **Are there new risks to consider?**

The reform provides flexibility, but it also creates a new execution risk. The main risk no longer lies in the timing of incorporation, but in how the subsequent payment of the share capital is organised. Four points will need to be anticipated:

> articles of association risk, if the payment mechanics are not sufficiently detailed;
> execution risk, if capital calls are not validly decided or notified;
> transactional risk, in the event of a transfer of partly paid shares;
> governance risk, if the suspension of voting rights affects the balance between shareholders.

In practice, deferred payment should be treated as an active legal mechanism, not as a mere administrative convenience.

CONCLUSION

The deferred payment of the share capital of Sàrl and Sàrl-S is a welcome development in Luxembourg corporate law. It addresses a clearly identified practical issue: preventing the prior opening of a bank account from delaying, by itself, the incorporation of a vehicle.

However, this flexibility should not be confused with a mere formality. The new regime will need to be anticipated and organised from incorporation, in particular in the articles of association, capital calls and documentation relating to transfers of partly paid shares.

The reform therefore does not remove all constraints: it shifts them. Less banking-driven, they become more statutory, operational and transactional. These are precisely the points on which implementation will need to be secured.

We trust that you have found this note informative. Should you have any questions or require further assistance, please feel free to reach out to our partner Pierre-Alexandre Degehet at pierre-alexandre.degehet@kleyrgrasso.com. We will be pleased to keep you updated on any future developments.

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