

News Luxembourg

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■ THE LUXEMBOURG 1-1-1 COMPANY ON ITS WAY

A new type of private limited liability company, the "*Société à responsabilité limitée simplifiée*" ("**S.à r.l.-S.**"), is about to be introduced in the Luxembourg legal framework.

This new vehicle is designed for young entrepreneurs and/or for entrepreneurs having access to limited resources wishing to set up a new business in particular in the area of services.

Save for certain specific provisions, the S.à r.l.-S. will be governed by the existing rules applicable to the classic private limited liability company ("*S.à r.l.*").

MAIN CHARACTERISTICS OF THE S.À R.L.-S.

- **denomination:** it must state "*Société à responsabilité limitée simplifiée*" or "**S.à r.l.-S**"
- **incorporation:** possibility under private deed/ incorporation deed shall be published
- **corporate object:** activities submitted to business authorization delivered by the Ministry of Middle Classes (i.e. commercial, craft and industrial activities and certain liberal professions)
- **corporate capital:** minimum EUR 1 /maximum EUR 12,394.68 – to be fully subscribed and paid up by way of a contribution in cash or in kind at incorporation
- **members:** one or several natural persons only /membership limited to one S.à r.l.-S.
- **management:** one or several natural persons only
- **creditors' protection:** at least 5% of the net profits to be allocated to a non-distributable annual legal reserve until the aggregate amount of the corporate capital and of the reserve reach EUR 12,394.68

This new tool is dedicated to foster entrepreneurial initiative by reducing incorporation and subsequent costs and by implementing a faster, simplified and efficient incorporation process.

Please contact us should you require any further information.

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