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## ***Newsletter***

***Establishment of Societas Europaea***

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Dear client,

you surely know, that in the EU member states, there is the possibility to carry out business also by means of the legal form the Societas Europaea (hereinafter as „SE“). Did you know that this multinational form of business has several advantages for the companies, even if the process of its establishment may be more demanding?

In this context, we would like to announce, that accace offers to its client services by the establishment of SE and also consultancy services regarding accountancy and taxes concerning this form of company.

Our corporate department offers, besides the establishment of different forms of companies and their registration, the services like sell of shelf companies, provision of registered seat, registration of changes in the Commercial Register, liquidation of companies and others.

We would like to present you the brief characteristics of SE and its advantages in the following text.

## ***01 Basic Characteristics of SE***

SE has an unified form - joint stock company, whose business is based on the EU law to simplify free movement of capital and unify the law concerning the companies.

As mentioned above, SE is established as the joint stock company on the basis of EU law, whereas its registration is made in particular member states according to the state of its registered seat.

In conformity with the system of function of SE in the EU states, it is governed by business and tax law valid in the state of its registered seat.

### ***01/01 Ways of Establishment***

- corporate consolidation of two or more joint stock companies or SE, which is governed by different legal systems
- establishment of SE as a holding company consisting of two or more companies (LLC, joint stock company) which is governed by different legal systems or legal systems of two founding companies, which have at least two years the subsidiary company or branch in other member state,
- establishment of European subsidiary company by SE or more legal entities which is governed by different legal systems
- transformation of joint stock company, which have at least two years the subsidiary company or branch in other member state, to SE

### ***01/02 Finance and Organizational Structure of SE***

The basic capital of SE shall be at least in the amount of EUR 120,000.

The founders of SE may choose to organize SE in a two-tier or one- tier system.

- **Two-tier (dual) system**

SE shall be organized by the Board of Directors as the statutory body of the company, and by the Supervisory Body as the executive body with the powers to control the activities of the Board of Directors.

- **One-tier (monistic) system**

It is simplified and more flexible method of SE organization. In this case the Administrative Organ shall perform the powers of the statutory body of the company

## 01/03 Participation of Employees

The way how the employees participate on SE management plays significant role in the SE setting-up process. The issue of employees' participation is required to be solved otherwise this international company can not be established. The powers of the employees to manage SE include the right to be informed and to discuss, as well as the right to elect and to be elected, to nominate or recommend or to express their disapproval with election or appointment of Administrative Organ or Supervisory Body of SE.

## 01/04 Benefits of SE

- **Change of registered seat of SE**

The possibility to remove the seat of SE within the entire EU, without necessity to liquidate the company. The SE may change its seat several times in the year.

- **Tax optimization**

One of the most attractive inducements of establishment the SE is the possibility to choose the seat of the company ( tax residence) and also possibility to choose the most suitable tax system, so-called country shopping. Change of the seat in certain circumstances allows to solve optimization of taxation of business transactions, e.g. claims trade, goods trade, purchase and sale of business shares, financing and development of software, dividend payout, internet services etc.

- **More convenient business environment and higher legal confidence in business**

The option to choose a suitable legal system which will be more stable for SE and which will provide higher confidence and option to enforce its right for the company.

- **Saving of management expenses**

The one-tier system of SE management enables to save administrative and overhead expenses in contrary to the ordinary joint-stock company.

Other advantages of SE are for example protection of property and consolidation of property structure (utilization of contracts or agreements about protection of investments) or business image.

Other benefits of SE are property protection and consolidation of assets structure (applying the treaties or deeds on investment protection) or business image.

In conclusion we would like to point out, that the issue of SE establishment is very complex one, so it might be useful to discuss the contingent details or analyse the particular advantages for your company at a meeting in person. therefore feel free to contact us regarding the need of any further information, we will be glad to meet you and answer all your questions.

Yours accace team.