

CERHA HEMPEL CEE NEWSLETTER *Slovak Republic*

Amendments to the Slovak Commercial Code

On 1 October 2020, the new amendment of the Commercial Code entered into force that brought several substantial changes in the area of corporate law and the Commercial Register. The process of liquidating a company underwent the most significant transformation. Below is a summary of selected amendments.

The owner's signature on authorization to use property as its registered seat must be officially authenticated

When recording the registered seat of a company in the Commercial Register, it is necessary to provide proof of authorization to use the property or part thereof for that purpose. Pursuant to the new legislation, there is a new obligation according to which the authorization granted to use a property as a company's registered seat must contain an officially authenticated signature of the property's sole owner or the signatures of the majority of the property's co-owners.

The Commercial Register will operate exclusively by electronic means

Under the new legislation, applications to the Commercial Register for the registration of new data, applications for amending registered data, and applications for the deletion of registered data from the Commercial Register must be filed exclusively by electronic means. The Commercial Register will henceforth disregard applications submitted in written form.

Specific definition of entities that must be registered in the Commercial Register

The new wording of the Commercial Code exhaustingly defines the following entities that must be registered in the Commercial register:

- legal entities established pursuant to the Commercial Code: general commercial partnerships, limited partnerships, limited liability companies, joint stock companies, simplified joint stock companies;
- legal entities established pursuant to European Union law: European Economic Interest Groupings (EEIG), European Cooperative Societies (SCE), Societas Europaea;
- legal entities established by law or on the basis of the law if specific legal provisions establish that they must be registered in the Commercial Register;
- state-owned enterprises;
- organizational units of Slovakian legal entities;
- enterprises of foreign legal entities and organizational units of enterprises of foreign legal entities.

This amendment is related to the general revision of the Commercial Register. Based on this amendment, it will be possible to delete ex officio certain historic forms of businesses from the Commercial Register as well as, for instance, entrepreneurs conducting business as natural persons.

Additional registered personal data concerning the partner of a company

In addition to name, surname and address, the partner of a company must register his/her date of birth and birth number with the Commercial Register (or possibly other identification data in the case of foreign persons if a birth number has not been assigned). These data are stored solely



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for the purposes of the Commercial Register and will not be made publicly available. These data must be registered by 30 September 2021 at the latest.

Stricter rules when filing the financial statements with the Collection of Documents

Every business is obliged to file its financial statements with the Collection of Documents of the Commercial Register within nine months of their execution. If the company fails to comply with this obligation and also fails to file its financial statements within the additional period of six months, the court must decide on the dissolution of the company.

Amendments related to the process of liquidating a company

Under the previous legislation, a company had to commence the liquidation process at the time of its dissolution, i.e. the decision of the general meeting or a court. The new version of the Commercial Code requires the company to commence the liquidation process at the time at which the liquidator is registered with the Commercial Register.

The new amendment also tightens the preconditions for the performance of the duties of the liquidator. Under the previous legislation, the function of the liquidator could be performed by virtually any natural or legal person. The new Commercial Code requires this function to be performed by (i) a person who is registered in the list of administrators of the bankruptcy estate or (ii) a person who is registered in the Register of Natural Persons governed by the Ministry of the Interior of the Slovak Republic who agrees to be appointed to this position. Therefore, the duties of the liquidator may only be performed by a natural person who fulfils the requirement of integrity. If

the liquidator has to be appointed by the court, the court must do so by randomly selecting a liquidator from the list of bankruptcy estate administrators.

The relevant amendment introduces a brand new rule that the company must pay the advance for liquidation before the registration of the liquidator in the Commercial Register. This advance payment must be deposited with the notary.

These new amendments also concern the length of the liquidation process, which according to the new legislation must last at least six months from the time of notification of the company's entry into liquidation. If a company is in arrears with the payment of taxes, the liquidation process may not be shorter than 12 months.

The competences of the liquidator are also being expanded. At the time of the company's entry into liquidation, the competence of the statutory body of the company passes to the liquidator. The competence of the statutory body only applies to the convocation of the highest body of a company. The moment the company enters into liquidation, the company is no longer permitted to act unilaterally, e.g. orders, authorizations, and powers of attorney or procuration. For the sake of legal certainty, there is one exception to this rule; powers of attorney granted for the purposes of representation in court proceedings continue to apply.

The liquidator is also obliged to continue to enter the registered claims in the list of registered claims for the purposes of ensuring the transparency of the whole liquidation process and determining whether the liquidator is actually fulfilling his/her duties. The first list of registered claims thus compiled must be published by the liquidator



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in the Commercial Gazette within 45 days of publication of the notification of the company's entry into liquidation. The liquidator is obliged to file it with the Collection of Documents of the Commercial Register within 30 days of the execution of the list of registered claims.

For more information

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