



Private limited liability companies incorporated as of 6 April 2011 are no longer required to comply with a minimum share capital of €5,000. The share capital of such companies shall be equal to the sum of the shares (*quotas*), which nominal amount cannot, however, be less than €1.

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#### New rules on share capital of private limited liability companies

##### 1. Amount of share capital

Under the Portuguese Companies' Code, private limited liability companies (*sociedades por quotas*) are required to have a minimum share capital of €5,000 (five thousand euro). Each share (*quota*) must have a nominal amount of at least €100 (one hundred euro).

Pursuant to the provisions of Decree law no. 33/2011, of 7 March 2011, which shall enter into force on 6 April 2011, the amount of share capital of private limited liability companies, including single shareholder limited liability companies, may be established by the shareholders in the incorporation documents without any limitation, i.e. it will be equal to the sum of the shares (*quotas*) of the shareholders. In addition, the minimum nominal amount of each share (*quota*) is reduced to €1 (one euro).

These provisions shall, however, not apply to companies subject to specific regulations, such as holding companies, to companies which incorporation is subject to specific government authorisation nor to public limited liability companies (*sociedades anónimas*).

##### 2. Subscription and payment

Also as of 6 April 2011, the share capital of private limited liability companies may be subscribed and paid up by the shareholders at the date of incorporation or until the end of the company's first financial year.

The financial year of a company shall, in principle, begin on 1 January and expire on 31 December of each year, unless the articles of association establish otherwise.

Each shareholder shall, nevertheless, be required to subscribe and pay within the above mentioned period at least an amount equal to the minimum nominal amount of the share (€1 (one euro)) and to state in the incorporation documents whether the such amount has been subscribed and paid up at the date of incorporation or will such payment occur until the end of the financial year. In this case, the shareholders will be required to state that they have already subscribed and paid up the above mentioned amount in the first shareholders' assembly taking place after the first financial year has expired.

It should be noted that in companies where the shares exceed the minimum nominal amount of €1 (one euro), shareholders may defer payment of the remainder of the share capital for a period of 5 years.

##### 3. Conclusion

Upon the entering into force of these new regulations, which shall occur on 6 April 2011, it will be possible to incorporate a two shareholder private limited liability company with a share capital of €2 (two euro), which may be subscribed and paid up until the end of the financial year. The traditional perspective of the share capital as creditors' guarantee is changing and companies will probably seek to obtain reliable information on the counterpart's assets as well as additional security before entering into a contract with such a company.

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