



*Expansion beyond  
Horizon*



We're business lawyers who offer practical, value-driven solutions through outstanding legal knowledge, experience and distinguished reputation.

At STA, we offer bespoke, flexible service delivered by entrepreneurial people. Our team strives for innovative and lateral legal and business solutions to achieve our clients' business objectives.

Expansion beyond Horizon...

## OUR EXPERTISE

STA has extensive legal experience in all forms of corporate and commercial matters across the United Arab Emirates. We provide a range of corporate and commercial services and advice, including:

- **ADX, Nasdaq Dubai, ESCA, and DFM**
- **Corporate governance**
- **Capital market and private equity transactions**
- **Due Diligence**
- **Joint ventures and shareholder agreements**
- **Mergers and acquisitions - including reverse and hostile takeovers, compulsory acquisitions and divestments**
- **Private equity and venture capital raising**
- **Trust structures**

We have advised a range of businesses including:

- Financial services
- Construction and infrastructure
- Mining, energy and resources
- Fast moving consumer goods
- Hospitality and tourism
- Transport and aviation

We have earned an outstanding reputation as trusted legal advisors who are closely aligned with our clients, who can add value and who are easy to work with on all corporate and commercial transactions and governance issues

## Why STA?

STA has a highly experienced corporate team, providing commercially sound and cost effective legal advice in a wide range of complex corporate as well as commercial transactions. At STA, we strongly believe 'Good is not good enough'; we aim to set high standards in the legal profession.

### GLOBAL COMPANY FORMATION

At STA, we're not just commercially-minded; we're entrepreneurial, clear and also result oriented. At STA, we render legal advice that is timely, practical and individually tailored to meet specific requirements of our clients.

We don't simply form companies. We pay careful attention to varied aspects of formation. We deploy our senior associates and associates to carefully understand clients' requirements. We brainstorm and discuss the right structure, the right entity type or the legal form, tax implications, and shareholder structuring. We draft necessary business plans, forms, and contracts including shareholders' agreement, management contracts and other necessary documents to ensure that contentious shareholder disputes are best avoided. That is why we call 'expansion beyond horizon...'

### DISCLAIMER

Although STA makes every effort to ensure that the information supplied herein is true and correct, please be advised that information supplied herein does not constitute legal or financial advice. You must under every circumstances obtain necessary legal counsel and financial advice.

**COMPANY FORMATION - CZECH REPUBLIC**

<b>S. No.</b>	<b>Particulars</b>	<b>Limited Liability Company (SRO)</b>	<b>Joint Stock Company (AS)</b>	<b>Partnership</b>	<b>Branch Office</b>	<b>Cooperatives</b>
<b>1</b>	Domestic law governing the entities	Governed by Czech Republic Code (1991) Companies must be registered in the Commercial Register and Trade Licensing Office.	Governed by Czech Republic Code (1991) Companies must be registered in the Commercial Register and Trade Licensing Office.	Governed by Czech Republic Code (1991) Companies must be registered in the Commercial Register and Trade Licensing Office.	No legal personality. A trade license must be obtained from Trade Licensing Department.	Governed by Czech Republic Code (1991) Companies must be registered in the Commercial Register and Trade Licensing Office.
<b>2</b>	Minimum share capital requirement	CZK 1 (if company has a single shareholder). Further, minimum 30% of each shareholders contribution must be paid before the company is incorporated.	Minimum share capital of CZK 2 million (USD 81,562). Further, minimum 30% of the registered capital must be paid.	Partners must contribute at least CZK 5000 (USD 203).	No prescribed minimum share capital.	Minimum share capital of CZK 50,000 (USD 2,038)
<b>3</b>	Minimum number of shareholders	Minimum 1 shareholder required.	Company exists independently. Therefore, no prescribed minimum number of shareholders.	Minimum 2 shareholders required. They could be persons or legal entities.	No prescribed minimum share capital.	Minimum 5 shareholders required.
<b>4</b>	Requirement of shareholder who is a citizen	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	No requirement of shareholder who is a citizen.	Foreigner individuals may only be statutory representatives of the co-operative if they have a Czech residency permit.
<b>5</b>	Liability of the shareholders or partners	Shareholders are liable for a portion of all company debts.	The shareholders are not liable for the debts/obligations of the company.	Partners assume unlimited liability for the debts/obligations of the partnership.	NIL	Members are not liable for the debts/obligations of the co-operative.

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S. No.	Particulars	Limited Liability Company	Joint Stock Company	Partnership	Branch Office	Cooperatives
		<b>(SRO)</b>	<b>(AS)</b>			
6	Minimum number of directors (only natural persons)	Minimum 1 managing director is required.	Must have one of the following: i) Board of directors and supervisory board. ii) Managing board and statutory director.	No prescribed minimum number of directors, members or company secretary.	Founder must appoint a director who acts on behalf of the founding company.	No prescribed minimum number of directors, members or company secretary.
7	Requirement of resident director or manager or company secretary	No requirement of a director, manager or secretary who is a citizen.	No requirement of a director, manager or secretary who is a citizen.	No requirement of a director, manager or secretary who is a citizen.	No requirement of a director, manager or secretary who is a citizen.	No requirement of a director, manager or secretary who is a citizen.
8	<b>Auditing requirements</b>	Subject to a mandatory statutory audit if at least one of the criteria is met for both the current and previous year: i) The net turnover exceeds CZK 80 million; ii) The total assets exceed CZK 40 million	Subject to a mandatory statutory audit if at least one of the criteria is met for both the current and previous year: i) The net turnover exceeds CZK 80 million; ii) The total assets exceed CZK 40 million	N/A	N/A	Subject to a mandatory statutory audit if at least one of the criteria is met for both the current and previous year: i) The net turnover exceeds CZK 80 million; ii) The total assets exceed CZK 40 million
9	<b>Company registration fees</b>	Must be registered with the Commercial Register and the fees for first-time registration is CZK 6,000.	Must be registered with the Commercial Register and the fees for first-time registration is CZK 6,000.	Must be registered with the Commercial Register and the fees for first-time registration is CZK 6,000.	Trade license fee.	Must be registered with the Commercial Register and the fees for first-time registration is CZK 6,000.
10	<b>License fees</b>	i) Trade license: CZK 1,000 ii) Industrial Trade: CZK 10,000 iii) Concession trade: CZK 2,000 iv) Industrial concession trade: CZK 20,000 The court registration fees for incorporation of an AS is CZK 12,000	i) Trade license: CZK 1,000 ii) Industrial Trade: CZK 10,000 iii) Concession trade: CZK 2,000 iv) Industrial concession trade: CZK 20,000 The court registration fees for incorporation of an AS is CZK 12,000	N/A	N/A	N/A

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		<b>(SRO)</b>	<b>(AS)</b>			
<b>11</b>	<b>Tax liability</b>	Standard Corporate Income Tax of 19%, with a reduced rate of 5% applying to income from investment funds. 15% tax for investments received by Czech companies from abroad.	Standard Corporate Income Tax of 19%, with a reduced rate of 5% applying to income from investment funds. 15% tax for investments received by Czech companies from abroad.	Standard Corporate Income Tax of 19%, with a reduced rate of 5% applying to income from investment funds. 15% tax for investments received by Czech companies from abroad.	Czech-Sourced Income Tax at corporate rate. No branch profits tax.	N/A
<b>12</b>	<b>Are 'shelf companies' allowed?</b>	Allowed	Allowed	Allowed	Not allowed	Not allowed
<b>13</b>	<b>Approximate time period for company incorporation</b>	5-6 weeks	5-6 weeks	5-6 weeks	5-6 weeks	5-6 weeks