

A limited liability company is a legal subject that acquired that status by enrolling in the Register of legal subjects which is run by The Agency for Business Registry. Business (name) of the limited liability company can be personalized - refers to the name of a corporate member, or realistic - refers to the activity which is being performed. Members of the company often manage business and are employed in the company. This is the most typical and most common form of the business organization.

Capital companies (Joint Stock Company and a limited liability company) are such business entities in which the capital is decisive in relation to personal characteristics of the founder. These companies, unlike crafts, property of the company is separate from the assets of members. Therefore, for undertaken obligations towards third parties corresponds only the company with its entire assets. If the company is operating with losses and has obligations to third parties, member of the company can lose only what was invested in the company; personal property is separate from the company's assets. Accordingly, members of the society cannot be responsible or get sued for the obligations of company, but bear the business risk and only to the extent of invested part.

BASIC CHARACTERISTICS

of Limited Liability Company

- Limited Liability Company is a company whose core capital is divided into shares.
- For obligations of the Limited Liability Company, a company member corresponds with his share.
- In Limited Liability Company which has no Supervisory Board, authority is conducted by the members of the company who also constitute the Assembly.
- Limited Liability Company is founded by the contract in written form which is concluded by the founders whose signatures are certified in accordance with the Law.
- When Limited Liability Company is founded by only one person than the founding act is the decision on the establishment.



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CITY OF ZENICA

HOW
to register
a ltd
in 9 steps

INVEST
IN
ZENICA

➤ 1. PREPARATION AND DRAFTING OF THE FOUNDING ACT

Drafting and certifying of the founding act or founding contract is done by the notary.

Founding act of the limited liability company must contain (prescribed by the Article 313 of the Law on business organizations):

1. First name, last name and address of residence or company and headquarters of the founder;
2. Name, headquarters and activity of the company;
3. Amount of basic capital of the company, number and amount of members' stake;
4. Rights and obligations of members of the company;
5. Process in the case if one of the founders does not pay his stake by the agreed deadline or fails to fulfill other obligations;
6. Method of settling the costs of establishing a company;
7. The appointment of persons authorized to conduct business and represent the company and the application for entry of the company into the court registry;
8. The consequences of a failed establishment;
9. Special regulations if the company is established at a limited time;
10. Certified signature of the founder or authorized representative for the registration of the company in B&H (signature verification is performed by a notary).

PRICE: Notary fee = **400 BAM – 450 BAM**

➤ 2. PAYMENT OF THE FOUNDING CAPITAL

Founding capital has to be deposited in the bank. Basic capital of the Limited Liability Company with more than one founder is at least **10.000 BAM**, and with one founder is at least **2.000 BAM**. The value of individual share cannot be lower than **2.000 BAM**.

➤ 3. REGISTRATION IN MUNICIPAL COURT

1. Certified signature of the person authorized for representation on the form of the application for registration for municipal court;
2. Notarized founding act;
3. Statute established by the notary;
4. Bank certificate of payment of capital in cash, i.e. proof of cash value of assets and rights entered into company;
5. The decision on the appointment of the authorized representative if it is not appointed in the founding act;
6. Certified signature of the authorized representative;
7. Proof of insurance funds for the unpaid amount of founding capital (cash part), i.e. value of non-entered, non-cash stake.

➤ 4. MAKING THE STAMP

Stamp contains name and address of the business organization. Making the stamp is performed by the authorized diesinker. A copy of the decision regarding the entry of the company into the court register shall be enclosed. Price: approx. **30 BAM** (depending on the size of the stamp).

➤ 5. ISSUING AN ID NUMBER

Submitting the request for the Tax Administration in order to obtain the identification number and the Notification regarding the broader classification of the activity;
Price: Copy + certification of documentation = approx. **30 BAM**.

➤ 6. OPENING THE BANK ACCOUNT

Opening a bank account can be done in one of the commercial banks in B&H. Company can have multiple accounts. Necessary documentation for opening the account in commercial bank is:

- > Certified copy of the Court decision,
- > Statute of the company,
- > A copy of the identity card,
- > CIPS applications,
- > A copy of the ID number,
- > Signature specimen.

➤ 7. REGISTRATION TO THE VAT SYSTEM

After obtaining the ID number, company that has a turnover of over 50,000 BAM or expects to have taxable turnover of 50,000 BAM shall perform the registration of the company in the system of taxpayers of value added tax (VAT). Company engaged in export and import must have a customs number. The customs number is issued after registration in the Department of indirect taxation.

PRICE: administrative fee + copying + certification = approx. **50 BAM**

➤ 8. SIGNING THE COMPANY AND EMPLOYEES IN THE TAX ADMINISTRATION

In order to sign in company in the competent tax institution, the following documentation is necessary (original or certified copy):

- > Decision on the registration into the court register,
- > certification of the registration / ID number,
- > Completed form for company application.

WITHOUT EXPENCE (you already have these documents)

➤ 9. FISCALISATION

Applying for initial fiscalisation;

PRICE: fiscalisation + fiscal device = approx. **700 BAM**