



Milan, 3 December 2010

## **COMPANY INCORPORATION IN ITALY**

### **SOCIETÀ A RESPONSABILITÀ LIMITATA (S.R.L.) IN ITALY** **(Private Limited Liability Company in Italy)**

by  
**Francesco Misuraca, Attorney at law**  
[www.smaf-legal.com](http://www.smaf-legal.com)

### **Rules governing the Italian Società a Responsabilità Limitata (Private Limited Liability Company in Italy)**

The Italian Società a Responsabilità Limitata - S.R.L. is equivalent of the Limited Liability Company and of the German G.M.B.H..

Most of the regulations concerning the incorporation and management of a Società per Azioni S.p.A. (equivalent to Joint Stock Company) also apply to an S.R.L, in fact, although there are certain regulations, which apply specifically to the latter, broadly speaking, an S.p.A or an S.R.L. can be both used to serve as a company having limited liability in Italy.

Each of S.R.L. and S.p.A. may be converted into the other type of company by resolution of a special quota/shareholders' meeting.



info@smaf-legal.com  
www.smaf-legal.com

misuraca@smaf-legal.com

Milan, 3 December 2010

The incorporation in Italy of the Società a Responsabilità Limitata is made by contract or by unilateral act and may have only one quotaholder (Società a Responsabilità Limitata unipersonale).

The minimum company stock capital of an SRL is € 10.000.

If the SRL is composed by just one partner, the share capital to be deposited in the bank account is € 10.000. If the SRL is composed by more than one partner, the share capital to be deposited in the bank account is an instalment of € 2.500.

The shareholders' contributions of an S.R.L. must be in cash, unless the deed of incorporation provides otherwise; any type of asset which can be economically evaluated can be the object of a contribution. If a contribution is in kind, or consists of a credit, a report of an expert must be submitted. A contribution can also consist of an insurance policy or a bank guarantee.

An individual or corporate entity may be the sole quotaholder of the Società a Responsabilità Limitata in Italy without such person losing limited liability status, regardless of similar holdings by the same quotaholder in other limited liability companies.

Each share is called "quota," no certificate thereto being issued by company and no public offering of financial instruments in connection therewith being allowed; company's charter may provide for them to be untransferable. About transfer of quotas, the By-laws of an Italian L.L.C. may contain a clause restricting the transfer of shares or conditioning transfers to the unanimous approval of the other quotaholders. Shares may be negotiated through assignments recorded in company's books.

It is not necessary to specify duration of company; company may issue debentures to extent provided in its articles of association.

A board of statutory auditors is mandatory for the Società a Responsabilità Limitata - S.R.L. under the following conditions:

**ROMA**  
Via Savoia, 78, 00198  
Ph.: + 39 (0)6 92938008  
Fax.: + 39 (0)6 89281051

**MILANO**  
Via Monti 8, 20123  
Ph.: + 39 (0)2 00615017  
Fax: + 39 (0)2 700508100

**BOLOGNA**  
Via Urbana 5/3, 40123  
Ph.: + 39 (0)51 6440543  
Fax: + 39 (0)51 0952565



Milan, 3 December 2010

- if the board is required by the By-laws;
- if the capital stock is greater than or equal to € 120.000.

Italian principles of accounting conform to internationally accepted principles of accounting.

In case of insolvency, the sole quotaholder will continue to have limited liability, provided all capital contributions have been fully paid-up or the S.R.L.'s sole quotaholder has been identified and the entity's sole quotaholder status publicized in the Registry of Companies.

### **Management of the Società a Responsabilità Limitata in Italy (Limited Liability Company in Italy)**

The Società a Responsabilità Limitata in Italy must have one or more directors who need not be quotaholders or Italian nationals.

The requirements of Società a Responsabilità Limitata in Italy are the same as for the Società per Azioni (S.p.A.), except that, unless otherwise stated in the By-laws (statuto), the management of the S.R.L. is entrusted to the quotaholders.

If the director to be appointed is a non E.U. resident, it is necessary to ask for business visa permit released by Italian government, it is necessary to submit a query and a list of documents.

### **Incorporation of a Limited Liability Company in Italy**

For incorporating a new S.R.L. each quotaholder may appoint attorneys-in-fact in order to be represented; such powers of attorney must be signed before a notary, whose signature, in case of a foreign notary, must be legalized by Apostille.



Milan, 3 December 2010

For the incorporation of the Italian S.R.L. is necessary a proxy to get the Certificate of Incorporation (atto costitutivo) and the Article of Association or By-laws (statuto) in front of a notary, the medium costs of a notary for these documents are € 2.000 which include: registration tax, governmental tax and notary fee.

## **Name of the S.R.L.**

To incorporate a Limited liability company it is necessary to apply for a suitable name for the company; there is no fees require to avail a name; but one needs to submit company form prescribed by the registry of company.

For the incorporation of a Società a Responsabilità Limitata in Italy is necessary:

- to enrol the company within 30 days at the competent Chamber of Commerce (Camera di Commercio), registration with Italian Registrar of Companies and publication in the Official Journal;
- to enrol the company at Tax office and to VAT office for the release of VAT code;
- to enrol the director of the company or any employees at the Welfare Fund (Istituto Nazionale Previdenza Sociale - INPS) which amount of the duty is 25% of the yearly wage of the director or of the employees; and to the Istituto Nazionale Infortuni sul Lavoro – INAIL) for insurance of injuries of director or employees;
- it is mandatory to get the release of the Smart Card for electronic signature of the director of the company;
- opening of bank account.

## **Certificate of Incorporation and By-Laws of the Italian Società a Responsabilità Limitata**

S.R.L. certificate and bylaws shall contain the following details:

- all data identifying each quotaholder and the part of capital subscribed by each of them;



info@smaf-legal.com  
www.smaf-legal.com

misuraca@smaf-legal.com

Milan, 3 December 2010

- the name of the company and the address of the legal office;
- a complete description of the purposes of the company;
- the corporate capital;
- name of those who have the power to represent the company and those who have to audit it;
- the approximate costs borne by the company for the incorporation.

The minimum capital requirement for a S.R.L. is € 10.000, Italian law requires that at least 25% of the subscribed capital be deposited with a Bank in Italy before the Certificate of Incorporation is executed (in the case of a sole quotaholder the entire capital be fully paid-in at the time of the incorporation), then the Bank will issue a certificate as to the deposit to be attached to the Certificate of Incorporation.

In the event of non-resident quotaholders, capital should be remitted from abroad and negotiated approximately one week before the date of incorporation.

**ROMA**

Via Savoia, 78, 00198  
Ph.: + 39 (0)6 92938008  
Fax.: + 39 (0)6 89281051

**MILANO**

Via Monti 8, 20123  
Ph.: + 39 (0)2 00615017  
Fax: + 39 (0)2 700508100

**BOLOGNA**

Via Urbana 5/3, 40123  
Ph.: + 39 (0)51 6440543  
Fax: + 39 (0)51 0952565