

Limited Liability Companies in Portugal

The Cooperative as study case

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Introduction

In Portugal there are 3 types of limited liability companies:

- Private Company Limited by Shares
 - Single-member Private Company Limited by Shares
- Public Limited Company

Company	Denomination	Minimum capital	Minimum number of members
Private Company Limited by Shares	“Limitada” or “Lda.”	€ 2,00	2
Single-member Private Company Limited by Shares	“Sociedade Unipessoal” or “Unipessoal” before “Lda.”	€ 1,00	1
Public Limited Company	“S.A.”	€ 50 000,00	5

The Importance of the Cooperative

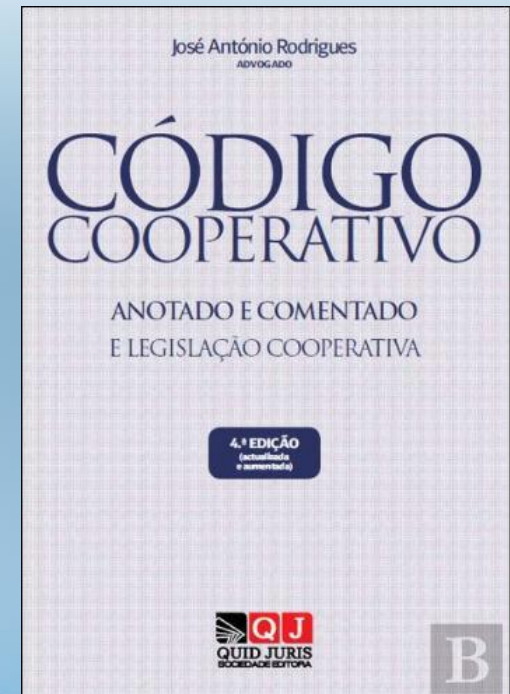
- Long history: 1867
- “Fraternal dos Fabricantes de Tecidos e Artes Correlativas”
- Plays an important role in Portuguese social economy



Portuguese Cooperative Code

- Revised in 2015
- Article 2 states that

“Cooperatives are an autonomous association of persons, united voluntarily, of variable composition and capital, which, through cooperation and mutual assistance on the part of its members and in accordance with cooperative principles, aims not at profit but at satisfying the economic, social, or cultural needs and aspirations of said members.”



Cooperative Capital

- Fixed minimum amount of capital: € 1 500
- The “open-door principle”
- Variable cooperative share capital



Number of partners

➤ Article 11 states that

*“the number of members of a cooperative is variable and unlimited but must be no less than **three** in primary cooperatives and **two** in higher-level cooperatives.”*

➤ Primary cooperatives

➤ Higher-level cooperatives are unions, federations and confederations



One person companies

Registered office

- The cooperative statutes must contain the location of its headquarters
 - ➔ The headquarters must be a physical address

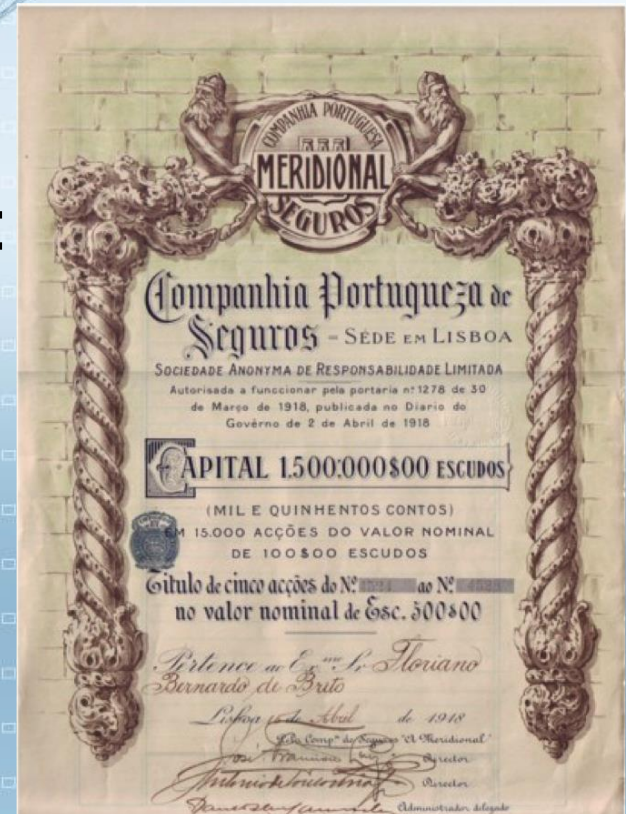
Transmission of Securities/Shares

The securities can be transferred:

- *Inter vivos*
- *Mortis causa*

Civil Liability of Partners

- Only the assets of the cooperative will answer for its debts



Trade register

Types of cooperatives:

- Consumer
- Trade
- Agricultural
- Credit
- Housing and Building
- Worker
- Crafts
- Fishery
- Cultural
- Services
- Education
- Social Solidarity

Trade register

Steps to establish a Cooperative:

- 1) Request registration of the name;



The screenshot shows the 'PORTAL DO CIDADÃO' website interface. At the top, there are navigation links for 'AUTENTICAÇÃO', 'ENGLISH', 'MAPA DO CIDADÃO', 'LINHAS DE APOIO', and 'BALCÃO DO EMPREENDEDOR'. The main content area is titled 'Pedido de Nome - Constituição de Entidade' and includes a sub-section 'Passo 1: Identificação do Requerente e do Subscritor'. A green information box contains the text: 'Your request for a Certificate of Admissibility will be made without authentication. If you have a valid Digital Certificate for online requests please login here.' Below this, there is a question: 'Antes de efetuar o seu pedido [faca aqui](#) uma pesquisa sobre os nomes (firmas e denominações) já existentes.' Further down, there is a question: 'Pretende beneficiar de transferência de emolumentos de pedido de certificado indeferido?' with radio buttons for 'Sim' and 'Não'. A note below states: '* O subscritor do pedido é o próprio requerente (ex: sócio ou associado). O subscritor do pedido está a agir em representação do requerente (ex: advogado, solicitador ou notário).' At the bottom, there is a section for 'Identificação do subscritor (ex: advogado, solicitador, notário, etc)' with a note: 'Identificação do subscritor, ou seja, da pessoa que faz o pedido em nome do requerente (ex: advogado, solicitador, notário, etc). É para o subscritor que serão enviadas todas as comunicações/notificações.' On the right side, there is a 'Steps' sidebar with a list of 7 steps: 1. Identification of applicant and subscriber, 2. Desired Name, 3. Registered Head Office, Object and CAE, 4. Submit Documents, 5. Resume of request, 6. Confirmation of Payment, and 7. Proof of registry request.

Trade Register

- 2) Assembly of the foundational minutes and approval of the statutes;
- 3) Business registration in any registry office;
- 4) Mandatory publications;
- 5) Early declaration of activity;
- 6) Social security cover;
- 7) Request of the Company Card;
- 8) Send to CASES

Registration

Articles of Incorporation:

- Minutes of the Meeting of Founders
- Statutes
- Management and Supervision

Board of Directors	Board of Directors	Executive Board of Directors
Supervisory Board	Audit Committee	General and Supervisory Board
	Statutory Auditor	Statutory Auditor

Taxation

- **Corporate Income Tax (IRC)**
- **Value Added Tax (IVA)**
- **Municipal Property Tax (IMI)**
- **Municipal Tax on Real Estate Transfer (IMT)**
- **Stamp Tax**

Benefits and features of cooperative

Cooperative Principles:

1st Principle: *Voluntary and open membership*

2nd Principle: *Democratic member control*

3rd Principle: *Members' economic participation*

4th Principle: *Autonomy and independence*

5th Principle: *Education, training and information*

6th Principle: *Cooperation among cooperatives*

7th Principle: *Concern for the community*



Final conclusions

Cooperative objective:

- The economic dimension
- The social purpose

