NEWSFLASH

ON 28 APRIL 2026, LUXEMBOURG HAS ADOPTED A BILL WITH THE INTENT TO CONSIDERABLY SPEED UP THE INCORPORATION OF LUXEMBOURG COMPANIES WITHOUT REDUCING THE CREDITORS' COMMON PLEDGE.

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Since the introduction of the private limited liability company (SARL) into Luxembourg law in 1933, the amended law of 1915 provides that private limited liability companies must have a minimum capital currently set at EUR 12,000.-.

Unlike public limited companies where the minimum capital is EUR 30,000.- but can be subscribed to a quarter, the capital of SARLs had to be fully subscribed and paid up at the time of their incorporation.

Derogating from this minimum capital requirement, the legislator had already introduced the simplified private limited liability company with a capital ranging between EUR 1.- and EUR 12,000.-. However this type of company, which did not require to be incorporated by notarial deed, was restricted to the professions referred to in the law of 2 September 2011 regulating the access to the professions of craftsman, traders, manufacturer and certain liberal professions.

The Luxembourg government had acknowledged the difficulties economic operators may encounter in opening a bank account, and sought to speed up the process of setting up the SARL by deferring the date for the payment of its share capital.

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The bill aimed to facilitate incorporation via contributions in cash both for financial companies—which may raise significant funds but need to act swiftly or to structure themselves prior to the funding —and for commercial companies eager to start an activity but preferring to pay up the capital in several instalments.

The bill now adopted gives founders a 12-month period to pay up in cash the minimum legal share capital. This timeframe is considered sufficient to complete the necessary formalities for the contribution of funds without compromising the company's financial standing, the share capital being still regarded as a safeguard for creditors.

In this regard, although the capital may not be paid up immediately, it must nevertheless be fully subscribed upon incorporation, ensuring that the founders remain liable for the payment of said capital. Moreover, contrary to the minimum capital itself, any share premium or capital amount above the legal minimum shall still have to be fully paid-up at incorporation.

This flexibility regarding deferred payment necessitated adjustments to the regime of founder liability and disclosure requirements, modeled after the rules applicable to public limited companies (SA).

Consequently, although the list of shareholders is already published in the Luxembourg Trade and Companies Register pursuant to article 6 of the Law of 19 December 2002 on the Trade and Companies Register as well as the accounting and annual accounts of companies and amending certain other legal provisions, the new rules require companies to specifically disclose in the annual accounts the amounts still owed by shareholders to the company.

Similarly, the right to vote will be automatically suspended where called payments have not been settled.

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