NEW COMPANY CODE

FOCUS

Withdrawal and exclusion at the expense of the company's assets in the BV/SRL

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The new Code of Companies and Associations (hereinafter: "CCA") introduces for the first time in the private limited company (hereinafter: "BV/SRL") an exit option for partners whereby a shareholder can voluntarily sell his shares or be forced to sell them without the intervention of the court. An overview of the most important rules:

- Both the withdrawal and exclusion at the expense of the company's assets are exit possibilities for partners that need to be **implemented through the articles of association.** In this way, it are not the other shareholders, but it is the company itself that will take over the shares **without any legal proceedings**
- This makes it possible for a shareholder to **voluntarily leave the company at any time** without having to find a buyer, or to **evict a shareholder at any time** for a reason set out in advance in the articles of association
- The regime is regulated by a number of mandatory provisions and a large number of rules from which it is possible to derogate under the articles of association, allowing to put in place a **flexible exit mechanism**
- It is noteworthy that the **separation share** (the amount paid out to the withdrawing/excluding partner in exchange for the shares) corresponds to the partner's original contribution. In reality, the value of the shares is usually - substantially - higher than the original contribution, which **necessitates an adjusted valuation formula.**

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