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Summary

This report analyzes some of the legal forms available among legislations of chosen EU Member States, that potentially may be utilized for the purposes of Demonstrator programme. Suggestions on possible legal forms for Demonstrator programme focus on limited liability companies, associations and foundations, which exist in different forms in every EU Member States and are formulated basing on their national laws.

Approval

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1 General remarks

Demonstrators usually function as an intermediary between the conceptual and industrial phases of a R&D project. Because of that, they require an advanced form of organization, which allows not only for further development of the existing intellectual property, but also for its practical implementation. These goals constitute the following detailed requirements for the legal form of the Demonstrator:

First of all, Demonstrator will use the intellectual property generated by the partners as the input necessary to produce material results. This use may happen in different forms, all of which require a lack of property-management restraints. Therefore, transferring the partners' IP or granting unlimited licenses to the Demonstrator's entity is highly suggested. It is unlikely that the partners will agree to designate one of them as the sole beneficiary of the generated results, responsible for the execution of the entire phase. **A transfer of the IP to a newly created entity is much more likely**.

Secondly, certain familiarity with the chosen form of organization is important. Existing commercial entities have rich experience with traditional entities, which are deeply rooted in the legal European legal culture. Pan-european legal entities may be well-developed and suited for large scale-business, but they are not well known by the entrepreneurs. **Therefore, using a legal person which has its counterparts in each of the Project's members countries is a must.**

Because of the two above-mentioned conditions, the further analysis focuses on limited liability companies, associations and foundations, which exist in different forms in every EU country.

The legal entity should function as a formal link between the hitherto partners and the future industrial operators. Therefore, **adequate representation of partners in Demonstrator's organs should be provided**. [Requirement No 1 – R1]

Demonstrator will function in a dynamically-changing commercial environment, much different from the R&D conditions of the previous stage. Because of that, the ability to make and execute quick decisions is a must. These **decisions should be supervised by the partners in a way which does not hinder the day-to-day management**. [R2]

Furthermore, the construction of a nuclear site is a complex, expensive and time-consuming operation. **The legal entity should be suited for this kind of large-scale enterprise**, both in terms of financial and operational capabilities. [R3]

Another aspect of this issue is the commercial credibility of the Demonstrator in relation to potential industrial partners. This requirement could be met either by **strong state support, i.e. by direct government affiliation or by using a business-oriented legal form with clear market position and goals**. [R4]

The nature of the project creates certain R&D, technological and market risks. These risks should not pose a direct threat to the functioning and existence of the hitherto partners. Especially, **maximum financial safety of the partners must be provided**. [R5]

It has to be noted that The Demonstrator requires participation of multiple external contractors and consultants. Applying the rules of public procurements may further prolong the construction process, up to the point of Project failure. Therefore, **a legal form which does not require the use of public procurement is strongly suggested**. However, this requirement depends not only on the legal form of the entity, but also on the public or private nature of its founders. Furthermore, public procurement rules in the EU are subject to constant change, which makes the analysis of this issue less useful.

2 Legal forms in Members States of European Union as regulated by the relevant national laws:

Public limited-liability (joint stock) company and a private limited-liability company are analysed in this section as the most probable legal forms for the Demonstrator programme, taking into account the criteria described in section I above.

Furthermore a foundation and an association based on the relevant national laws have been analysed as suitable legal form provided in legislation of EU Member States for NC2I.

2.1 France

2.1.1 General remarks

French law gives multiple choices in terms of commercial legal entities. Three of them (SA - *société anonyme, SARL- société a responsabilité limitée* and *SAS - société par actions simplifiée*) are suitable in regard to the Demonstrator's phase of the Project.

All of the abovementioned companies require their articles of association (articles of association) to be concluded in writing form, indicating the name of the company and its registered office, based on a legal title to the property. The registered office of a French commercial company should be located within the borders of France in the same location as its head office and management body. Registration in the commercial and companies register (*registres du commerce et des sociétés*) is essential for establishing a company as on this moment it obtains legal personality. It is obligatory to publicly inform about the registration in appropriate official journals. A bank account for a new company has to be opened as well. In each of these companies, the shareholders' liability is limited to the amount of their contribution.

Companies are subject to income tax from legal persons - the rate of this tax is 33,33%.

In addition, French law recognizes two primary legal forms of not-for-profit, non-governmental organizations: associations and foundations. Generally, this organizations may receive donations, grants, and other contributions without incurring any income tax liability.

2.1.2 Limited-liabilities companies

2.1.2.1 French public limited-liability (joint stock) company (société anonyme - SA)

It is a form of a public limited-liability company, designed for major investments, with the ability of selling its shares on the stock exchange.

The starting share capital is 37000 EUR at least a half of which must be deposited at registration and the other half in maximum five years. The capital is divided into shares and the shareholders have a limited liability to the extent of their share contribution.

The minimum of two shareholders is required in order to set up a French SA and the type of legal personalities of the founders are not limited in any way. In case where the state entities are shareholders of the SA and possess more than 51% of its capital, a special regime of SEM (*société d'économie mixte)* is applied. The participation of state entities may not exceed 85 %. Non-French natural and legal persons may be the shareholders as well.

SA is usually controlled by an executive board (*conseil d`adminstartion*), chosen by the shareholders, has between 3 and 18 members and can consist of both moral and legal persons. The term for the members of the board is defined in the articles of association of the company, but is no longer than 6 years.

The board of directors chooses its president *(le président du conseil d'administration)* among the members of the board who are moral persons. It has to be noted that the president is not necessarily the same person as the general director (*le directeur général*), who is equivalent to a chief executive. However, these two functions are frequently performed by the same person bearing the title of president-general director (*le président-directeur general* or *P.-D.G.*). The director is proposed by the president and chosen by the board. He does not have to be one of the shareholders, which allows for employing professional managers in a simplified way. The maximum term of the president is 6 years. In order to provide assistance and support, the board may designate additional delegated directors (*Directeurs Généraux Délégués).*

It has to be noted that the SA may have a different internal management structure, based on German law, with a directorate and a supervisory board as main bodies. The members of the supervisory board are chosen by the shareholders, as in the executive board. Similarly, a president of the board is chosen by its members. The term for the members of the board is defined in the articles of association of the company, but is no longer than 6 years. The role of the supervisory board is to supervise the directorate, based on the reports provided every three months. The directorate is composed of 1 to 5 members, but the maximum number is limited by the share capital – less than 150.000 EUR forces a single-person directorate. The term of the directors is from 2 to 6 years, 4 by definition.

Among the French companies, the SA is probably the most difficult to establish. However, the registration requirements of the SA depend on its ability to sell shares on the public stock exchange. In case where there is no public offer, apart from the registration in the commercial and companies register, a declaration to and authorisation from the Minister of Economy are required. This is followed by publications in official journal (*JAL - Journal d'Annonces Légales* and *Bulletin officiel des annonces civiles et commerciales*). In case of a public offer company, the registration process is significantly more complex. The project of articles of association need to be deposed in the commercial court and published in BALO (*Bulletin officiel des annonces légales).* Additionally, a description of the articles of association has to be sent to the Financial Markets Authority (*l'Autorité des Marchés Financiers)*, i.e. the official stock market regulator in France. Finally, before the company may be registered, a general assembly has to be organized.

The financial audit of SA's accounts is obligatory every year. The auditor is designated for the periods of 6 financial years without possibility of dismissal.

The biggest advantage of an SA over a SARL is that all risk is limited to the extent of the investment and all executives can be regular salaried employees of the company.

2.1.2.2 French simplified joint-stock company (société par actions simplifiée - SAS)

It has to be noted that a special variant of a company, based on the joint stock model exists in France:. This type of company was modelled after the limited liability companies of the common law, particularly the Delaware limited liability company. During the time they were implemented in the French law, they were supposed to function as subsidiaries of large, publicly traded corporations. Afterwards they became general-purpose entities, usually chosen for their flexibility and ease of establishment. In SAS, only the president is externally responsible for the company's course of action, even if additional governing and supervisory bodies exist. Shares may vary in regard to the attached rights and obligations, e.g. profit, voting or nominations. There is no bottom limit of the share capital.

2.1.2.3 French private limited-liability company (société a responsabilité limitée - SARL)

SARL is the a private limited-liability company in the French legal system. It is a basic form of a company, capable of conducting both small and large business. Usually it is used for small and medium sized investments .

There is no bottom limit to the share capital. However, one-fifth of it has to be paid in in cash at the time of incorporation. Apart from the cash and in-kind contributions, professional services, e.g. specific work along with related know-how, can be declared as well (*l'apport en industrie).* This grants the status of a shareholder, but without any direct, numerical representation in the share capital.

After the incorporation, external transfer of shares is limited in multiple ways, e.g. by imposing an obligation to notify other shareholders, and by giving them a pre-emption right.

SARL could be established even by a single shareholder. A special regime of EURL (Entreprise unipersonnelle à responsabilité limitée) is applied in this situation. In the multi-shareholder option, the number of individuals or legal entities cannot exceed 100. The type of legal personalities of the founders are not limited in any way.

The general assembly functions as the supreme body of SARL. It convenes at least once a year. However, it does not manage the company on a day-to-day basis. Instead, it chooses a single or multiple directors (*les gérants*) to perform this function. The director of SARL has to be a natural person. The length of his term should be specified in the articles of association, unless the shareholders opt for an indefinite nomination. The assembly may also remove the director from the office, provided it is adequately justified. The lack of intermediaries between the assembly and the director simplifies the management structure, although as the number shareholders increases this direct dependency may become a burden.

An auditor has to be appointed if the company meets two of the following conditions: it has more than 50 employees, has a net turnover over 3.1 million EUR or the total balance sheet exceeds 1.55 million EUR.

SARL is relatively easy to incorporate, manage and operate. Furthermore, the limited liability companies are very common in Europe and function in a similar way. Thanks to that, in case of multi-national

participation, the administrative and organizational barriers are low. The formal restraints in regard to the transfer of shares

2.1.3 French foundation

A foundation based on French law is a private organization with legal personality. which fulfils public utility purposes. It has to be noted that multiple types of foundations exist in the French legal system. For instance, specific provisions are applied in case where the foundation is established by companies or public entities (corporate foundation - *une fondation d'entreprise*), which would be the case of Demonstrator.

The establishment of a corporate foundation requires one or several legal persons to irrevocably assign some goods, rights, or resources to the fulfilment of a public interest and not-for-profit purpose. There is no bottom limit of this contribution. However, significant planning has to be performed before the establishment, as the articles of association must describe the foundation's activities in terms of its financial commitments of at least 150.000 EUR during the next 5 years.

The possible statutory goals of a foundation are defined in a broad way and include scientific activities. Additional analysis would need to be performed to ascertain that Demonstrator meets the legal criteria in this matter. During the foundation's registration process, these issues would be analysed by the prefect as the competent regional authority, which verifies the articles of association of the foundation.

The main management bodies of the foundation are the administrative council and the president. In this aspect, the foundation is similar to a French SA. However, the membership in the council is organized in a different way: 2/3 of the members are chosen among the founders and the employees and 1/3 are individuals specialized in the foundation's domain.

Foundations must have their own patrimony. This attribute distinguishes them from associations, which are simply groupings of individuals or legal entities with a common goal. The foundation may receive public subventions.

Reports concerning the activities and financing of the foundation have to be filed each year to the prefecture.

Using the foundation as the Demonstrator's form would greatly limit its commercial activities, as the foundation, even in its corporate version, is a non-profit initiative.

2.1.4 French association

The chief aim of the association in French law is to help citizens organize and conduct their non-profit efforts, thus allowing them a more effective representation and participation in the society. Because of that, the association is relatively easy to establish and operate, but has some limitations in regard to its commercial activities.

To establish an association in France at least two natural persons are required. Legal persons may join an association that was already established.

An association may have its own patrimony, receive subventions and grants. A key principle of a French association`s is that profits generated by the commercial activity of the association are not allowed to be distributed amongst its members.

Internal structure of the foundation is not strictly defined by the law. Articles of association specify the association's bodies and its governance mode. Typically, a president, secretary and treasurer are appointed, the first of them acting as the chief representative, of the foundation. None of the persons managing an association are entitled to any kind of remuneration. Apart from the management bodies, the general assembly of all members has to be convened at least once a year.

As an association is subject to registration with territorially competent prefecture. During the registration process, a draft of association`s articles of association should be provided, specifying its goal, activities, management and resources.

2.2 Finland

2.2.1 General remarks

Finnish law provides four possible legal forms in which the Demonstrator programme may be operated. There are the limited-liability companies - both a private and a public type, the associations and the foundations. It should be duly noted that neither an association nor a foundation can be established for business purposes. If the purpose of the foundation is to carry on a business or if its main purpose evidently is to bring direct financial gain to the founder or a functionary of the foundation, it will not be granted with a permission necessary for its formation. Similarly, an association cannot be founded to attain profit or other direct financial benefit for its members and its activities cannot be primarily financial - an association may only practice a trade or other economic activity that has been provided for in its rules or that otherwise relates to the realisation of its purpose or that is to be deemed economically insignificant. Therefore neither a foundation nor an association seems to be appropriate legal form for the Demonstrator programme, however both those types of legal entities will be briefly analysed below.

Companies are subject to legal persons income taxation - the corporate income tax rate is 20%.

If the corporate entity in Finland is an association or a foundation promoting for the public good, any receipts of business income or income derived from real property will be taxable. If an association or foundation is not deemed as an entity promoting for the public good, it is liable to pay 20% tax on all income.

2.2.2 Limited-liabilities companies

Finnish law makes a distinction between private and public companies limited by shares. The mark “oy” (an abbreviation of osakeyhtiö) stands for private companies limited by shares, and “oyj” (an abbreviation of yksityinen osakeyhtiö) for the public ones. The private company limited by shares is the most common form of limited company in Finland, and its economic function is the equivalent of Ltd in England and GmbH in Germany. The type of company suitable for larger enterprises is an oyj whereas an oy is designed for private businesses with clear and stable shareholder structure. Commercial companies in Finland are legally independent entities and - in case of limited liability companies - shareholders act under the protection of corporate veil as, in general, they bear no liability exceeding the amount of their share contribution.

The minimum capital in a private company limited by shares is 2500 EURO, and in a public one 80000 EURO. Since the 2006 reform it is no longer necessary for the shares to have a nominal value and the share capital also does not need to be fixed in the articles of association. Contribution made by shareholders can be both in cash and in kind. The share capital must be deposited to the bank account before registration, therefore it is obligatory first to open one for the company.

Every limited liability company is obliged to file a start-up notification first, before they come into being through registration. A limited company must be registered with the Finnish Trade Register (administered by the National Board of Patents and Registration) before it becomes legally valid - those companies are founded and granted with legal personality after the registration procedure in the trade register is completed. To establish a limited-liability company in Finland, both a public and a private one, a memorandum of association needs to be created and appended with the articles of association. The Trade Register must be notified within three months of signing the memorandum of association - otherwise the foundation of the company becomes void. The company registration in Finland has three major consequences: it protects the company’s name, has a constitutive effect and has a publicity effect.

Board of directors is the only mandatory organ in the Finnish companies and it is appointed by the general meeting of shareholders. The company’s articles of association stipulate the term of office for the board members. Although it is frequently the case that the board does not work on a continuous basis in the company, it is, however, the organ actually responsible for its administration. The board of directors is a central managing organ of the company, consisting of one or more members. If fewer than three members of the board are nominated, one substitute member must also be appointed. If the oyj`s share capital is higher than the statutory minimum, the management board must have more than three members and a managing director. Unless the company has been granted an exceptional allowance, at least one member of the board must be a resident of the European Economic Area. Also a Finnish headquarters is obligatory.

Finnish companies are obliged to submit their financial statements to the Trade Register and elect an auditor for performing an audit of their accounts. Companies have monthly, quarterly and annual notification obligations to authorities. It is not mandatory for an oy to name an internal auditor unless certain financial and employment conditions are met. On the other hand, an oyj is obliged to provide semi-annuals reports as it can be listed on the stock exchange.

2.2.3 Finnish foundation

Foundation is the general term in Finland, an equivalent to the term charitable trust and a type of non-profit organization. Foundations are categorised unofficially according to their operational purpose as operative foundations (for example nursing homes and housing foundations), grant-making foundations and mixture of operations and grant making. They always have to be for public benefit only and need to be registered to be able to have the non-profit status and to get the tax benefits or exemptions.

According to Finnish Foundations Act, the establishment of a foundation is subjected to permission - an application for such permission should be made to the National Board of Patents and Registration, which should, at the same time, be requested to confirm the by-laws of the foundation. The permission will not be granted if, under the by-laws, the purpose of the foundation is to carry on a business or if its main purpose evidently is to bring direct financial gain to the founder or a functionary of the foundation.

A deed of foundation, stating its purpose and property, needs to be drawn up and signed by a founder and attested by two persons. A foundation should have approved by-laws (the means of carrying out foundation`s purpose should be indicated in its by-laws), and it should be entered in the register of foundations. A notice on the registration of a foundation should be made within six months from the date when the permission of establishment was granted - otherwise the permission of establishment should lapse.

When a foundation has been registered, it can acquire rights and undertake obligations as well as sue and be sued in its own name. A foundation should not carry on any business that is not referred to in its by-laws and which does not directly further its purpose.

A foundation should be administrated and represented by a board of trustees with a chairman and a minimum of two other members - at least one of those persons should be a resident of Finland.

The annual accounts should be drawn up and indicate in general terms how the foundation has proceeded in furtherance of its purpose during the financial year. An audit of a foundation should be conducted by a minimum of two auditors and two deputy auditors appointed to verify its accounts and administration.

2.2.4 Finnish association

Freedom of association is one of the basic political rights guaranteed in the Constitution of Finland. In accordance with Finnish Associations Act, an association may be founded for the common realisation of a non-profit purpose - an association cannot be founded to attain profit or other direct financial benefit for its members and its activities cannot be primarily financial. An association may only practice a trade or other economic activity that has been provided for in its rules or that otherwise relates to the realisation of its purpose or that is to be deemed economically insignificant.

After registration in the Register of Associations (maintained by the Finnish Patent and Registration Office) an association is endowed with legal personality and becomes entitled to obtain rights, make commitments and appear before a court or other authority as a party. What is more, the members of a registered association should not be personally liable for its commitments. On the other hand, an association that is not entered in the register may not acquire rights or undertake obligations, nor sue or be sued in its own name. Liability for an obligation caused by an act on behalf of an unregistered association rests with the persons who took part in the act or decided on it personally and jointly and severally. Other members of the association should not be personally liable for such obligation.

To establish an association at least three persons are required - private individuals or corporations as well as foundations. Foreigners can also act as founders. A charter should be drawn up both with the rules of association (as an annex thereto). The persons signing the charter must be members of the association entitled to vote.

The members exercise their power of decision at the meetings of the association. Administration of an association should be vested on the executive committee which should consist of no less than three members. The association is represented by the executive committee.

A non-profit association can operate either as a registered or an unregistered association, however only the registered associations have legal capacity - ability to own property, enter into contracts and file different petitions and applications, if necessary. Members of a registered association are not personally liable for the commitments of the association.

The number of auditors and their term of office have to be stated in the rules. An association must have at least one ordinary and one deputy auditor. An auditing organisation may also serve as an auditor. The accounting period is a 12-month term specified in the rules.

In Finland the freedom of association also covers foreign natural persons and foreign organisations having legal capacity. Consequently, foreigners may in Finland found associations, join them and act in them, also as members of the Executive Committee, and be entitled to sign the name of the association. The only restriction is laid down in reference to the chairperson, who has to be a resident of Finland. This restriction also applies to the vice-chairperson.

2.3 Hungary

2.3.1 General remarks

According to laws of Hungary, following legal forms seem to be adequate for the purpose of Demonstrator programme: the limited-liability companies - both a private and a public type, the associations and the foundations. It is important to acknowledge that Hungarian non-profit organizations - like associations and foundations - are generally allowed to engage in any economic activities that do not jeopardize the mission-related activity of the organization. On the other hand, none of the abovementioned legal forms may distribute profits to any person as they should be used to carry out the purposes of the organization. Their income from any type of support, allowance, or membership fees is exempt from corporate income tax but only if it is allocated either to public benefit activities or other mission-related activities of the organization as indicated in its statute or by-laws.

Execution of registration procedure is necessary to obtain legal personality. Such procedure pursued at the Hungarian Court of Registration is mandatory to establish a commercial company and non-profit organization.

The corporate tax rate in Hungary is 10% up to the amount of 500000000 HUF and 19% over this amount. Foundations and business associations are also subject of such tax obligation, however an association or foundation's income from any type of support, allowance, or membership fees is exempt from corporate income tax if it is allocated either to public benefit activities or other mission-related activities of the organization as indicated in its statute or by-laws. In order to qualify as a public benefit organization, an organization's statute must state that "the organization does not distribute profits, but spends the profits on the public benefits activity defined in its statute". Hungary also exempts from corporate income tax an association or foundation’s income derived from public benefit or mission-related economic activities, with unrelated economic income subject to tax under certain circumstances.

2.3.2 Limited-liability companies

In Hungary, the most preferred legal forms to set up a company are the limited liability company - korlátolt felelősségű társaság (KFT) and the company limited by shares - részvénytársaság (NYRT or ZRT). Regardless of the type of company, there are rules applicable to all types of business associations. First, a new company must prepare the articles of association signed by all its initial members and notarized. To establish a commercial company in Hungary, it is obligatory to register it properly in the trade register and to obtain a tax identification number as registration with the Hungarian tax authority and the Hungarian statistical office is also mandatory. Finally a bank account for the financial contribution of the founders should be open for a company.

The shareholders of the companies have limited liability (to the amount of their contribution (that can be deposited both in cash and in kind). The companies founded by a single member must have the minimum capital paid up prior to the application for the Court of Registration. Generally however, a company can be incorporated if at least half of its declared share capital in cash is deposited in the company’s bank account. The remaining amount should be paid within one year from registration.

While a Hungarian joint stock company is a legal form designed for conducting business on a large scale, a private limited-liability company is best suited for small and medium size enterprises.

A joint stock company in Hungary requires a minimum capital of HUF 5000000 if it is private, and HUF 20000000 if it is public (the difference is that the public one - NYRT - is listed on the stock exchange). A KFT requires lower incorporation costs and a minimum share capital of 3000000 HUF(a minimum of 1000000 HUF must be in cash contribution). Contributions can also be made in kind.

An RT can be opened by one or more founders and is managed by the board of directors, which consists of three to eleven members elected for 5 years. The number of shareholders is unlimited in a KFT is unlimited and it should be managed by one or more directors who are elected for 5 years extendable without restrictions.

For all RTs at least a yearly shareholders meeting must be called together to approve the use of profits. An independent auditor who certifies financial statements is therefore also required as RTs should prepare yearly financial reports. On the other hand, KFTs must appoint an auditor only in case it has just one member or its registered capital or sales exceeds 50000000 HUF. Nevertheless, all KFTs are obliged to prepare a yearly financial report and call a shareholders' meeting for its approbation. In case of RTs a supervisory board is another mandatory body.

2.3.3 Hungarian foundation

Hungarian foundation is a legal entity established to pursue a permanent, long-term public interest. It should be registered at the state court register and it acts as a legal person from the date of such registration.

The liability of a foundation established under the laws of Hungary is limited to its asset and neither the founder nor the officers should be liable for its obligations. The founder must provide sufficient assets to achieve the foundation's purposes. When the foundation's application for registration is submitted, the founder must have provided at least the amount necessary to begin the foundation's operations; the remaining amount of committed assets must be provided within one year of registration.

A foundation must elect a board of trustees to function as a management body with a broad discretionary power to dispose over the asset in the line of the purpose of a foundation as the asset is not required to be kept intact.

If a foundation intends to conduct business, such activity should be restricted to supporting its main non-profit purpose.

A foundation cannot be established for the benefit of the founder, donor, officer, or member of the foundation, or their relatives. Remuneration to the officers of the foundation does not violate this provision.

2.3.4 Hungarian association

Taking into consideration that the right of association is one of the fundamental constitutional freedoms in Hungary, private persons, legal persons and their organizations not possessing legal personality may form and operate civil society organizations - at least ten natural persons, legal persons, and/or organizations without legal personality are required to form an association.

Once formed, a civil society organization should apply for court registration. As such, a civil society organization comes into existence only upon court registration. Upon request, the court should register aa association within 60 days - failure to meet this deadline results in automatic registration. Courts can only deny registration if the purpose of the organization violates the laws of the country, including the Constitution.

An association should be established for the continuous realization of the common, permanent aim. It cannot be formed for the purpose of economic activity, though it may conduct economic activity that is directly related to the realization of the organization's purpose - associations may engage in economic-entrepreneurial activities for the achievement of their declared aims.

2.4 Belgium

2.4.1 General remarks

The general rules regarding the establishment and functioning of companies in Belgium are similar to the ones described in regard to France. However, differences become apparent at the registration stage, as the creation of a company in Belgium requires the notarial act, irrespective of the company type. Apart from that, a financial plan for the first two years has to be written and provided to the notary. Regional limitations also include a Belgium bank account, which must be opened by one of the shareholders whose name will appear as the titular of the account and designation of a local accountant. Another formal requirement is the registered office, which has to be located on the Belgium territory.

Before starting its activity, any company should be registered at the Belgian Central Commercial Register, supervised by the Minister of the Middle Class, SMEs, Self-employed and Agriculture. A copy of the articles of incorporation must be filed at the registry within 15 days of the final articles of incorporation being drawn up. Once enrolled on this register, the company wishing to engage in commercial activities must register as trader at the Crossroads Bank for Enterprises.

Belgian legal entities operating as a profit-making organisation or performing profit-making activities are subject to corporation tax in rate of 33,99%.

2.4.2 Limited-liabilities companies

2.4.2.1 Belgian public limited-liability (joint stock) company (naamloze vennootschap / société anonime - SA / NV)

The status of an SA is mainly favoured by large enterprises due to fact that it can sell shares on the public stock exchange.

To establish a public limited-liability company in Belgium at least two shareholders are required - individuals or legal entities, no matter what residence or citizenship they have. An official deed drawn up before a notary is required for the incorporation of an SA/NV. Information concerning the establishment of the company is published in an official journal (*Moniteur Belge*).

The minimum share capital is 61500 EUR, with no minimal value shares. The capital is divided into transferable shares which can be registered at the stock market. 25% of the value of shares must be paid in at the time of incorporation. In case of an in-kind contribution, an additional report made by a qualified inspector is required and the shares should be paid in within 5 years.

The management of the SA/NV may be simplified, as there could be no intermediary between the general assembly and the main management body, i.e. the board of directors. In principle, at least three members of the board must be appointed. However, where the company is incorporated by two founders or has no more than two shareholders, the board may be limited to two members. To facilitate day-to-day administration, one of the members may be designated as the chief representative (*l'administrateur délégué*). A third person may perform this function as well. The practice of nominating such representatives brings the SA/NV very close to the French SA.

Additional supervisor, the commissary-reviser (*commissaire-réviseur*) has to be appointed in case of larger companies when at least two of the following conditions are fulfilled: the company has more than 50 employees, its balance sheet exceeds 3.650.000 EUR or the turnover exceeds 7.300.000 EUR. In any case, the commissary is obligatory if there are more than 100 employees or the company is a part of a group which falls under the aforementioned rules.

2.4.2.2 Belgian private limited-liability company (besloten vennootschap met beperkte aansprakelijkheid / société prive à responsabilité limitée - BVBA / SPRL)

BVBA/SPRL is designed for small and medium businesses.

The Belgian BVBA/SPRL is formed by at least one shareholder - regardless of citizenship or residence - with a share capital of 18.500 EUR (6.200 paid at incorporation if there is more than one member and 12.400 paid at incorporation if there is only one shareholder). 20% of the value of shares must be paid in

at the time of incorporation. In case of an in-kind contribution, an additional report made by a qualified inspector is required. Non-capital shares are not allowed.

In case of a single shareholder company (SPRLU), the same person may not create more than one BVBA/SPRL of this kind. Information concerning the establishment of the company is published in an official journal (*Moniteur Belge*).

External trading of shares is allowed the if a consent is given by at least half of the shareholders representing 3/4 of the capital. However, the articles of association may specify the third parties to which the transfer of shares is allowed without such procedure.

BVBA/SPRL is managed by one or more directors (*gérants*) nominated in the articles of association or chosen by the shareholders. It has to be noted that moral persons may perform this function as well. The position of a statutory manager, i.e. mentioned in the articles of association is stronger than that of a non-statutory manager appointed by the general meeting of the shareholders, as the latter one may be easily removed from the office by the general assembly. In case of multiple directors, they form a board (*un collège de gestion*). In comparison to a SA/NV, the board does not act collegially, i.e. each of the directors acts independently. In relation to that, any limitations imposed on the director in the articles of association are generally not effective in regard to third parties.

Additional supervisor, the commissary-reviser (*commissaire-réviseur*) has to be appointed in case of larger companies when at least two of the following conditions are fulfilled: the company has more than 50 employees, its balance sheet exceeds 3.650.000 EUR or the turnover exceeds 7.300.000 EUR. In any case, the commissary is obligatory if there are more than 100 employees or the company is a part of a group which falls under the aforementioned rules.

It has to be noted that a variant of the BVBA/SPRL, designed especially for start-ups exists. Its minimum share capital amounts to 1 EUR. Additionally, at least 20% of its revenue must be relocated to reserves. This form may be useful for young entrepreneurs, but its commercial credibility is very low and as such it may not be used at the Demonstrator stage.

2.4.3 Belgian foundation

Two types of foundations exist in Belgium law: the private foundation and the public utility foundation. Because of the elaborate registration procedure of the latter and the specific, non-public purpose of the Demonstrator only the private foundation is interesting in regard to the Project.

The establishment of a foundation begins with an authentic act drafted prepared by a notary, along with the bylaws that precisely set out the purpose of the private foundation and the activities that will be deployed to pursue that purpose. Internal organization, seat, conflict resolution methods and board of directors nominees should be specified as well. The registration process is performed at *Service public fédéral Justice - Direction générale de la Législation et des Libertés et Droits Fondamentaux*, with the Minister of Justice responsible for granting the legal personality to the foundation.

The foundation has its own patrimony, which is not divided between shareholders or members. According to Belgian law, a foundation is not entitled to make any distributions to its founders or directors, however directors may be remunerated for their services.

A private foundation must have a minimum of three members (either individuals or legal entities), forming the board of directors (*conseil d'administration*). The rules for their appointment, dismissal and mode of representation (individual or collegial) should be set out in the bylaws. The board of directors may designate a third person to perform the day-to-day management of the foundation.

Similarly to the Belgium companies, the commissary-reviser has to be appointed in case where when at least two of the following conditions are fulfilled: the company has more than 50 employees, its balance sheet exceeds 3.650.000 EUR or the turnover exceeds 7.300.000 EUR. In any case, the commissary is obligatory if there are more than 100 employees.

2.4.4 Belgian association

Changes introduced in 2002 allow the associations in Belgium to conduct industrial or commercial activities, provided that their general purpose is non-profit. This is reflected in the name of this form of organization, i.e. *Association sans but lucrative* (ASBL).

Belgium association is founded by at least three persons, moral or legal. The registration procedure is performed before a greffe at the Commerce Tribunal (*Greffe du Tribunal de Commerce*).

Unlike in a commercial company, no minimum capital is required to establish an association in Belgium, which simplifies the procedure. On the other hand, an association - like all non-profit entities in general - cannot aim to make a profit and cannot distribute profits to its members. It is allowed for an association to charge membership fees and organise activities in return for payment, but only if these are compatible with its purpose. The ASBL may employ moral persons on a regular basis.

To acquire legal personality, ASBL should have its registered office in Belgium. The articles of association, containing certain information (including among others the purpose of the organization, the conditions governing the appointment of directors, the persons responsible for managing the accounts and budgets) must be recorded in writing. They may be drafted in the form of a private deed, in the presence of the founders only, or in the form of an official deed drawn up before a notary. Legal personality is acquired on the date when the articles of association and the deeds relating to the appointment of the directors are filed with the court registry.

ASBL's main body is the general assembly, acting as a gathering of the association's members. The management of the ASBL is performed by the board of directors, consisting of at least three moral persons (two if the number of members is minimal), chosen by the assembly. It has to be noted that the duties of the board have to be clearly defined in the articles of association. By definition they are limited in favour of the assembly. The number of members of the council may not exceed the total number of ASBL's members. Similarly to the Belgium foundation, a person may be designated to perform the day-to-day management of the foundation.

The accounting and reporting procedures depend on the size of the association and its economic status. In case of large ASBLs, the commissary-reviser has to be appointed. Two of the following conditions have to be fulfilled in this matter: the ASBL has more than 50 employees, its balance sheet exceeds 3.125.000 EUR or the turnover exceeds 6.250.000 EUR. In any case, the commissary is obligatory if there are more than 100 employees.

In case where it is revealed that an association is engaging in profit-making operations or is in fact a commercial company posing as a non-profit organisation, it will be subject to corporation tax and will need to comply with the relevant accounting rules.

2.5 Netherlands

2.5.1 General remarks

Two main commercial types of legal entities exist in the Dutch system: the private company with limited liability (BV) and the public company with limited liability (NV). Both are limited liability companies, which means that in principle shareholders are normally not liable for liabilities of the company. The two types of companies are similar in their organisation and structure and identical in their tax treatment, however currently only the NV form can be used for public listed companies.

Recent changes in the Dutch corporate system allow for the simplification of the management structure of the companies. A possibility of creating one collegial body composed of executive and non-executive directors was introduced. The non-executive directors are supposed to supervise the chief executive, so that to additional supervisory board is required.

It has to be noted that the older, traditional system may still be used. In this model, the management is performed by a management board (*Raad van Bestuur*) whose members (directors - *bestuurders*) are appointed and dismissed by the general meeting of shareholders. There is no limitation in regard to the nationality or legal personality of the directors. The supervisory board, if appointed, may consist only of natural persons.

Both NV and BV require a deed of incorporation executed by a civil law notary and written in Dutch. The deed of incorporation is then registered by the notary with the Dutch Companies Register (that falls under the regulations of the Chamber of Commerce) and the Dutch tax authorities.

The corporation tax rate is relatively favourable and depends on the taxable amount. The taxable amount is the taxable profit in a year less deductible losses. If the taxable amount is less than 200000 EUR the tax rate is 20% and if the taxable amount is 200000 EUR or higher, the tax rate is 25%.

The ease of establishment and operation of a Dutch-based companies is somewhat countered by elaborate state supervision mechanisms. A special investigation procedure may be initiated by the shareholders, a trade union whose members are employed by the company or by the advocate-general at the Amsterdam Court of Appeal. The procedure is performed by the Enterprise Chamber of the Amsterdam Court of Appeal if there are *well-founded reasons to doubt the correctness of the company's policy.* During such investigations, company's books, premises and personnel should be fully available to the investigators. The inquiry may have far-reaching repercussions, including the removal of directors, temporary transfer of shares or even the winding-up of the company.

Legal forms of association or foundation can be used for non-profit organizations. In the Dutch law, an association is defined as a legal person directed towards object other than meeting the material needs of its members by contracts concluded in the business set up by the association. A foundation, on the other hand, is a legal person established by a legal act, which has no members and is directed towards the realisation of an object as set out in its articles, with the help of assets used for that purpose.

2.5.2 Limited-liabilities companies

2.5.2.1 Dutch public limited-liability (joint stock) company (naamloze vennootschap - NV)

The Dutch public company (NV) is frequently used by foreign entrepreneurs. As a company which may be listed on the stock exchange, it may issue bearer shares as well as named shares.

The minimum share capital for opening a public company in the Netherlands is 45.000 EUR. Shares of an NV must be denominated in euro, payment for the shares can, however, be made in other currencies. On incorporation of an NV a bank statement and. In case of an in-kind contribution, a description of the assets to be contributed along with a statement from an official auditor have to be provided.

A general meeting of shareholders must be held at least once a year, within six months from the end of a company's financial year.

As a rule, a company must have its accounts audited and published by filing the accounts with the Trade Registry. The general meeting of shareholders typically appoints the company's auditor.

2.5.2.2 Dutch private limited-liability company (besloten vennootschap met beperkte aansprakelijkheid - BV)

Dutch private limited-liability company (BV) is significantly more popular than the NV. It is used for all kinds of commercial activities, both small and large scale. It is higly flexible in terms of its internal organization.

Furthermore, recent changes in the Dutch legal system facilitated the establishment of the BV by lowering the minimum share capital. A Dutch BV may be created by one or more individuals or legal entities, Dutch or foreign, with a minimum paid in capital of 0,01 EUR. Although no minimum share capital is required, at least one share with a voting right should be issued. There is no upper limit of the number of the shareholders.

The deed of incorporation must specify the incorporators, the initial members of the board, their amounts of participation and payments of initial capital, as well as the Articles of Association.

The rights and obligations of the particular shareholders may vary. For instance, it is possible to create shares without profit or voting rights. Some shares may be associated with the right to nominate or appoint directors or supervisory directors. Transfer of shares may be regulated in a broad manner, including different prices of shares in certain situations or lock-up provisions. Finally, the role of the shareholders may be emphasized by giving them the right to issue specific instructions to the management board, by the means of a general assembly or other body.

The shareholder's liability is limited to the total sum of his participation. However, a company director or officer may be held liable as a private person if he has acted negligently or culpably. In the formation phase of the company, a director may be liable for the company's acts. This liability ends as soon as the legal person is incorporated and the acts are confirmed by the company. As long as the company has not been registered in the Trade Register, directors' and officers' liability continues.

2.5.3 Dutch foundation

Contrary to most European regulations, the Dutch foundation (*stichting)* requires no official approval from authorities. It may be created by its founders by the means of a donation. However, the form of a notarized deed is required.

The foundation may have all kinds of goals. Usual limitations in regard to the payment of benefits to the founders, the members of the board or third persons are applicable. Payments to third persons are allowed if they have an idealistic or charitable character.

The foundation's charter functions as articles of association and should be prepared and notarized. While the deed of formation creates of the organization, the charter determines the activities and the management of the foundation. An important aspect to keep in mind is that both of the abovementioned documents must be written in Dutch.

The foundation is managed by the foundation's council, which may consist of both legal and moral persons.

Dutch foundations may perform their activities abroad. Their main purpose is not to carry out business, however they are allowed to make profits, but the use of such profits is subject to restrictions. It should be duly noted that foundations registered with the Dutch Companies Register are allowed to carry out regular commercial activities even if their main purpose is a social one. On the other hand, if registered for commercial purposes, foundations will be required to pay the same tax as the corporations.

2.5.4 Dutch association

Associations are usually established as non-profit organizations and are not required to register with the Dutch Trade Register. As a legal person with members, an association should pursue a particular purpose and it may not distribute profits among its members. Associations may pursue all manner of objects, not just non-profit objects, but also commercial objects. The only restriction is that the association may not distribute profits to its members (or members of its internal bodies).

An association should be established by a notarial deed containing articles of association. The directors of an association are responsible for its registration in the commercial register, and must deposit a certified copy or an authentic extract of the notarial deed of incorporation at the office of that register. As long as no application has been lodged with the commercial register, each director is jointly and severally liable, in addition to the association, for juridical acts through which he has committed the association.

The governance structure of an association includes the board of directors, the general meeting and the council of members. Within the Association, the general meeting is conferred with all powers that are not granted by law or the articles of association to other of its bodies. The board of directors is charged with the administration and management of an association. The council of members consists of delegates for the general meeting if the articles of association stipulate so.

2.6 Slovakia

2.6.1 General remarks

The laws of Slovakia provides several legal forms that should be taken into consideration for Demonstrator Programme, like the limited-liability companies - both a private and a public type, the associations and the foundations. The abovementioned types of companies are allowed to be established for purposes other than the conduct of business, unless prohibited by the law, whereas foundations are strictly prohibited from engaging in business activities and associations' right to engage in economic activities is recognized so long as economic activities are not their primary purpose.

The shareholder' liability does not extend beyond their unpaid contributions to the company's registered capital.

Corporate income tax is paid on income deducted of specific expenses. Tax rate in Slovakia is 22%, and the accounting period is one year, regardless of the turnover or type of business activity. Foundations and associations are not established for a business purpose and as such are not subjected to tax on income from grants and membership dues.

2.6.2 Limited-liability companies

Slovak limited-liability companies types are an A.S. - a joint stock company and an SRO - a private limited-liability company. Joints stock companies are more adequate when the number of shareholders should exceed over 50 or in fields of business that require higher investments. SROs on the other hand are the most popular type of commercial company in Slovakia, designed for medium sized enterprises.

Joint-stock companies in Slovakia may be founded by a single legal entity or by two or more individuals or legal entities, both Slovak resident or non-resident. This legal form may be public or private, with the difference that a public joint-stock company can issue all or part of its shares through a public offer for subscription shares and its shares are accepted by the stock exchange to be traded on the securities market.

The minimum joint-stock capital requirement is 25000 EUR. Non-monetary contributions are allowed, however they need to be valued by an official appraiser. For the SROs the minimum amount of the registered capital is 5000 EUR, with the minimum percentage of the member at least 750 EUR. An official appraiser must value non-monetary contributions. At least 30% of each partner's monetary contribution, and in cases of non-monetary contributions at least 50%, must be paid up before the SRO is entered in the commercial register.

In the case an S.A. is established by a single founder, a founder's deed must be drafted and signed. If two or more people found the company, they must conclude a founding agreement. Both types of founding documents should be notarized. Founding document should be accompanied by the company's by-laws (articles of association). Similar documents are necessary for formation of an SRO.

A company gain its legal personality and is ready to start its commercial activities only when is registered in the commercial register. The registration cannot be submitted after 90 days from signing the foundation documents. The Slovak Trade Register's activities are conducted by the Ministry of Interior. The commercial entities cannot perform any commercial activities until is not registered in the Commercial Register.

The general meeting of shareholders is the supreme body for both types of limited-liability companies. This organ is empowered, among others, to amend the articles of association, approve changes to the registered capital, issue debentures, elect and recall members of the board of directors, approve financial statements and profit distribution.

The board of directors is the statutory managing body of the joint stock company. Its members are elected for a maximum of five years. The board of directors acts in the company's name according to guidelines approved by the general meeting of shareholders. In an SRO the executive directors are those responsible for it administration and management. By law, only a citizen of the EU Member State or the Organization for Economic Cooperation and Development may become an executive director. There are no quantitative restrictions for the number of executive directors.

Joint-stock companies are also required to have a supervisory board of at least three

members elected for a maximum of five years. A Supervisory Board may be established, but is not required, for an SRO.

2.6.3 Slovak foundation

The founder of the foundation in Slovakia can be both natural as well as legal person. The foundation is established by a foundation charter signed by the founders whose signatures should be officially certified. Such document must indicate public benefit purposes which the foundation will support.

By the laws of Slovakia, a foundation should be a purposeful grouping of property established for the support of public benefit purpose that become a legal person after its registration in the Registry of Foundations, maintained by the Ministry of Interior. For the formation of the foundation is required to submit application for registration accompanied by a foundation charter.

In Slovakia foundations are strictly prohibited from engaging in business activities. Slovakia also imposes restrictions on investing the endowment of a foundation.

2.6.4 Slovak association

Although there is no explicit language to this effect in the Slovak Law on Associations, an association is generally considered to have the right to engage in economic activities, as long as economic activities are not its primary purpose.

It should be noted that legal entities may not establish an association (as this type of organization is generally designed for citizens), but they may join it as members. All foreigners are granted with the same rights and privileges under Slovak law as Slovak citizens, except in limited circumstances (such as political parties), therefore foreigners could theoretically found an association.

2.7 Poland

2.7.1 General remarks

Any company incorporated in Poland has to be registered at the Polish trade register - National Court Register in order to obtain legal personality. The Register is managed by the Polish Ministry of Justice. Other entities, such as foundations and associations based on Polish law should also be entered into the abovementioned register in the section designated for associations, social and professional organizations and public health service establishments. Those entities obtain legal personality when the registration procedure is completed.

A bank account opened in the name of the company registered in Poland is an obligatory element in the registration process. The initial capital of the company should be deposited there after the incorporation.

The corporate income tax rate in Poland is 19% and it applies to limited liability companies, organizations and organizational units without legal personality however public benefit organizations are exempt from paying corporate tax on income devoted to their statutory goals.

Associations and foundations are two primary forms of non-profit, non-governmental organizations according to laws of Poland. Proceeds from economic activities of an association must serve the association's statutory goals and not be shared among the association's members. As for foundations, it has been ruled that a foundation may not pay dividends to its founder or to members of its board. In theory, an association could be formed primarily for economic purposes, though excessive economic activity would render it ineligible to become a public benefit organization. In case of foundations, the economic activities should be authorized by their articles of association.

2.7.2 Limited-liabilities companies

2.7.2.1 Polish public limited-liability (joint stock) company (spółka akcyjna - SA)

This type of a company is most suited for experienced investors with a higher capital and those who intend to conduct business that can increase its capital by listing its shares at the stock market.

The liability of the shareholders is limited by their contribution to the capital, which can be made both in cash and in kind. In order to incorporate an S.A., it is necessary to provide at least 100.000 PLN as a share capital and the nominal value of each share should be at least 0,01 PLN. In-kind contributions have to be paid up in the first year after incorporation. Other shares have to be paid at least in 25% at the time of incorporation. Both bearer and named shares may be issued. Named shares may be associated with additional privileges, such as stronger voting or profit rights.

The first step for incorporating an S.A. is to draw up the articles of association in the form of a notarial deed. The articles of association together with relevant application form should be submitted to the registry court for the purpose of registration in the National Court Register - register of entrepreneurs.

A Polish joint-stock company is obliged to be governed by certain bodies: a management board, composed of at least one individual, as an administrative and representative of an SA, a mandatory supervisory board and a general meeting of shareholders, which is the supreme decision-making body.

As this type of company is noted in the stock exchange, its accounting and filing requirements are more elaborate than those of Sp. z o. o., however both of this companies are obliged to submit their annual financial statements to the trade register.

2.7.2.2 Polish private limited-liability company (spółka z ograniczoną odpowiedzialnością - Sp. z o. o.)

Most of the entrepreneurs who decide to invest in Poland choose a Sp. z o. o. (limited-lability company) as this structure seems to be better suited for their business purposes. Like in many jurisdictions, this type of company is also the most popular in Poland. It is generally used by investors who want to open medium-sized and large companies and it owes its popularity to its flexible structure and relatively easy incorporation procedure.

The incorporation of a Sp. z o. o. requires a minimum share capital of 5000 PLN, divided into non-transferable shares. At least one shareholder (an individual or a legal person), one director and a registered office are necessary for this type of company formation in Poland. The liability of its shareholders is limited by their contribution to the capital, which can be made both in cash and in kind. Shares have to paid in at the time of incorporation

The first step for incorporating an Sp. z o. o. is to draw up the articles of association in the form of a notarial deed. The articles of association together with relevant application form should be submitted to the registry court for the purpose of registration in the National Court Register - register of entrepreneurs.

The main governing body for any Sp. z. o.o is the shareholders' meeting, however the company is represented and administrated by a management board, composed of at least one individual. The rules of representation depend on the provisions of the articles of association. Both individual or collegial representation is possible. Supervisory Boards are mandatory for limited-liability companies which have an initial share capital that exceeds 500.000 PLN and have more than 25 shareholders.

2.7.3 Polish foundation

From the legal perspective, only one type of foundation exists in Poland. In regard to their function, only a few are grantmaking (and even fewer are endowed) and most of them are operational ones, which means that they have to fundraise, constantly competing with associations.

A foundation may be formed by Polish citizens or foreigners who are of legal age, or by domestic or foreign legal persons. Polish law on foundations does not define the term of the foundation, but generally speaking, a foundation is a non-membership organization established by a founder (who provides the initial endowment) that pursues economically and socially beneficial objectives subject to the essential public interest. Therefore, unlike associations, foundations are subject to a public benefit requirement.

Foundations may be established through a notarized document expressing the wish of a founder to form a foundation, or by a will - in both cases the governing document should state the purpose of the foundation. The law does not establish a minimum or maximum value for the initial endowment, however if a foundation plans to engage in economic activities, it is required to set aside at least 1000 PLN for those activities. A foundation may engage in business activity within the scope of its aims.

Internal organization of a foundation is described in its statutes. Detailed provisions regarding functioning, patrimony and goals should be specified, along with rules of nominating the board and representing the foundation to the external world.

2.7.4 Polish association

Polish law on associations defines an association as a self-governing, lasting (membership) organization, formed of free will and with a non-profit motive. Associations obtains their legal personality when they registered in relevant state register. An association may be established for either mutual benefit or public benefit purposes.

Associations may be formed by Polish citizens or by foreigners who are domiciled in Poland, however only physical persons, individuals - legal persons are not allowed to be founders of the Polish association. However, they may join the association at a later stage, No one may be forced to join an association or prevented from freely withdrawing from one, and an association cannot require members to unconditionally obey its authorities.

A special form, known as the "simplified association," is somewhat easier to create than a regular association. Simplified associations are not very common, however, because they are not legal persons and their powers are severely limited.

Finally, the law permits a "union of associations" to be established by a minimum of three associations; other legal persons may also act as founders. Unions of associations are subject to the same rules as other associations.

3 Conclusion

As mentioned before, the requirements which were specified in the section I. “General Remarks” should provide a general guidance in regard to possible legal forms for the Demonstrator programme. The country-specific analysis provided above proves that at all of the proposed forms at least marginally meet the R1-R5 criteria.

However, some legal forms are clearly better suited for the activities of the Demonstrator. This exceptional conformity is described in the table below:

Country	Form	R1	R2	R3	R4	R5
France	SA/SARL/SAS	+	+	+	+	+
	foundation		+			
	association		+			
Finland	oyj/oy	+	+	+	+	+
	foundation					
	association					+
Hungary	NYRT/KFT	+	+	+	+	+
	foundation					
	association		+			
Belgium	SA/SPRL	+	+	+	+	+
	foundation	+	+	+		
	association	+	+	+		
Netherlands	NV/BV	+	+	+	+	+
	foundation	+	+			
	association					
Slovakia	AS/SRO	+	+	+	+	+
	foundation					
	association		+			
Poland	SA/Sp. z o.o.	+	+	+	+	+
	foundation	+	+			
	association	+	+			

R1: adequate representation of partners in Demonstrator's organs should be provided

R2: decisions of the legal entity should be supervised by the partners in a way which does not hinder the day-to-day management

R3: the legal entity should be suited for a large-scale enterprise

R4: either a strong state support, i.e. by direct government affiliation or a business-oriented legal form with clear market position and goals should are required

R5: maximum financial safety of the partners must be provided

It has to be noted that (at least theoretically) it is possible to use the same legal solutions that were applied during the research phase. However, the recommended solutions in this matter may be different than the ones for Demonstrator. Keeping them at the Demonstrator stage may prove highly inefficient in terms of management and marketing of the Project. On the other hand, the continuity of the Project's entity has multiple advantages, both legal and practical. In result, the final decision in regard to the legal form of the Demonstrator has to be made after careful consideration.