

Conversion of share capital and stock / share amounts from HRK to EUR

Checklist for Croatian companies

February 2023

The Croatian Companies Act has been recently amended in order to set the rules for conversion of share capital and stock / share amounts from HRK to EUR.

We have prepared a checklist of actions companies should take to implement mandatory conversions.

1. New EUR amounts

The table below sets out new EUR amounts of minimum share capital, stock / share amounts for relevant company types:

	JSC (d.d.)	LLC (d.o.o.)	Simple LLC (j.d.o.o.)
Minimal share capital amount	EUR 25,000 (previously HRK 200,000)	EUR 2,500 (previously HRK 20,000)	EUR 1 (previously HRK 10)
Minimal nominal stock / share amount	EUR 1 (previously HRK 10)	EUR 10 (previously HRK 200)	EUR 1 (previously HRK 1)
Nominal stock / share amount	Nominal stock with a value higher than EUR 1 should be expressed by the whole number	Nominal share with a value higher than EUR 10 should be expressed by the whole number which is multiple of number 10	Nominal share amounts should be expressed in EUR

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2. Timeline

JSC should adjust its share capital and stock amounts at the first regular general assembly, while LLC should implement that change with first amendment of the articles of association, division or merger of business shares or other status change. The adjustment changes should be carried out within the company's regular business, therefore no additional costs should be incurred to JSC or LLC in the process.

3. Procedure

Conversions are made by applying the official exchange rate (HRK 7,53450 per EUR 1) in line with the general conversion rules.

Once the share capital and stock / share amounts are recalculated under the general conversion rules, the general assembly should adopt the decision to decrease or increase the share capital in order to align it with the new mandatory amounts.

- **Alignment via share capital increase:** Share capital increase may be generally done via legal, capital or other reserves, retained earnings and undistributed profit from the business year.
- **Alignment via share capital decrease:** The amount remaining after the decrease of the share capital may be used for coverage of losses or may be included in the capital reserves. The decreased amount may not be distributed to the shareholders nor can it be used as a replacement for payment of stocks / shares.

4. Additional important considerations

- Decisions of the general assembly are adopted by the simple majority of votes; no quorum is required, irrespective of different internal rules.
- The decrease of the nominal stock / share amount would not be considered as decrease of the shareholding rights provided that the relations between the shareholders are not affected.
- All other monetary amounts expressed in HRK in the statute or articles of associations should be recalculated in EUR based on the general conversion rules.

For more background information on Croatia's switch to EUR as an official currency from 1 January 2023, refer to our article on [Road Map to the Introduction of the Euro in Croatia](#).

About Wolf Theiss

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