

Winding up of Business Subjects	Slovenian Economic Mirror	IMAD
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Setting up and winding up of business subjects, broken down by quarters of 2003								
Business subjects	Set up	Wound up	Set up	Wound up	Set up	Wound up	Set up	Wound up
	Q I		Q II		Q III		Q IV	
Economic subjects – legal persons	787	1,102	246	198	579	1,689	823	857
Individual private entrepreneurs	1,403	1,827	580	451	1,048	1,138	1,232	1,612
Other natural persons	308	139	102	125	292	113	392	190
Institutions, bodies and organisations	501	121	165	41	298	209	358	188
Total	2,999	3,189	1,093	815	2,217	3,149	2,805	2,847

Source of data: Agency for Public Legal Records and Related Services (APLRS), quarterly data from the Business Register of Slovenia for 2003.

More business subjects were wound up than set up in all quarters of **2003**, except the second one. Establishments outstripped closures in institutions, bodies and organisations in all quarters of the year because of the large number of associations and federations of associations.

A business subject is wound up and deleted from the register following: (i) the completion of a bankruptcy or liquidation procedure; (ii) a deletion pursuant to the Financial Operations of Companies Act; (iii) a deletion pursuant to other laws; (iv) a decision on fast-track winding up taken by partners, founders or shareholders; (v) an acquisition, merger or distribution; and (vi) the APLRS' alignment of the Business Register with the primary registers.

The area of **bankruptcies and liquidations** is regulated by the Compulsory Settlement, Bankruptcy and Liquidation Act. The bankruptcy procedure is launched against a debtor that has been insolvent or heavily indebted for a longer period of time, and in other cases defined by law. The initiator can be a debtor, creditor or a partner with personal liability. According to data from the Ljubljana district court, as much as 60% of bankruptcy procedures are launched by the debtor, while others are launched by a creditor. In 2003, 708 bankruptcy procedures (39.1% more than in 2002) and 9 liquidation procedures (a quarter less than in 2002) were launched in the courts, according to figures from the Official Journal of the Republic of Slovenia. All liquidation procedures involved legal persons. Out of 708 bankruptcy procedures, 363 or 51.3% involved legal persons (12.0% more than in 2002) and 345 or 48.7% involved individual private entrepreneurs. If the assets of the business subject involved are insufficient to cover the cost of the bankruptcy procedure, the court makes an order to launch and close the bankruptcy. Such cases are most common among individual private entrepreneurs and small limited liability companies. In other cases, the bankruptcy procedure may take two years or more on average.

According to the Financial Operations of Companies Act, the **court deletes a business subject** from the register of companies without liquidation in the following cases: (i) if the company fails to submit its annual report or financial statement to the organisation authorised to process and publish such data for two consecutive years (the APLRS will begin to look for such cases after 23 July 2004); (ii) if the company has no assets; (iii) if there is a reason for deletion without liquidation, as stipulated by other laws (see SEM 2/2001:24). According to data from the Official Journal, courts issued orders on the deletion from the register of companies to 476 legal persons in 2003 (57.2% less than in 2002) while it deleted 754 legal persons (60% less than in 2002).

Graph: **Bankruptcy and liquidation procedures launched in the courts in 1999-2003**

