



Are you a joint-stock company with shares in certificated form? Do you tender for public contracts? Read on.

The New Public Procurement Act will go into effect on 1 October 2016, according to which contracting entities will now be obliged to exclude from public procurements all joint-stock companies that do not have book-entered shares.

If your joint-stock company does not have book-entered shares, but tenders for public contracts, there are several solutions to prevent being excluded from public procurements. The first and most obvious is to book-enter the company's shares. Another solution is to transform the joint-stock company into a limited liability company. Alternatively, if you wish to keep the current form of the company and its shares, you can transfer the company's enterprise to the registered capital of a subsidiary limited liability company (or a joint-stock company with book-entered shares), which would subsequently participate in the public procurement. Naturally, there are other possibilities and the adequacy of any solution always depends on specific needs of each company.

Since all of the solutions are time-consuming, we recommend starting as soon as possible, so your company won't be barred from taking part in tenders for public contracts after 1 October 2016.

Michal Pálinkás, Senior Associate

[Back](#) <

