

Silent Company Legal Regulation in the Republic of Macedonia

Dr. Ljupcho Petkukeski

Assistant Professor, School of Law, University American College Skopje, Treta Makedonska
Brigada“60, 1000, Skopje. E-mail: petkukeskiljupco@yahoo.com

Dr. Marko Andonov

Professor, School of Law, University American College Skopje, Treta Makedonska
Brigada“60, 1000, Skopje. E-mail: andonov@uacs.edu.mk

Dr. Maja Stefkova Shterleva

Adjunct Teacher, School of Business Economy and Organizational Sciences, University
American College Skopje, Treta Makedonska Brigada“60, 1000, Skopje. E-mail:
maja.stefkova-shterleva@kb.com.mk

Ljubomir Radenkov, LL.M

Associate, School of Law, University American College Skopje, Treta Makedonska Brigada
“60, 1000, Skopje. E-mail: ljubomir.radenkov@yahoo.com

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Abstract

A silent company is a company in which a person (a sleeping partner) invests, i.e. participates with a cash or non-cash contribution in the enterprise of another person - the entrepreneur - a public shareholder and on the basis of the contribution acquires the right to participate in the profit and loss share of the enterprise. This company is created by concluding an agreement between the silent and the public shareholder.

The silent company is not a trading company in compliance with the macedonian Company law. This company has no legal personality and no company name. It exists only in the relations between the sleeping partner and the entrepreneur - the public shareholder, and it does not appear in the legal relations with third parties. This company is not registered in the registrar of companies that is managed by a competent authority. The entrepreneur is the subject who acts in the legal relations with third parties and is an exclusive holder of all rights and obligations that arise from the business operation.

Most commonly this type of company is used to implement business operations that are

intended to stay hidden from the public. Reasons like the legal simplicity in the establishment of the company, the wide flexibility in arranging the relations between the public and the sleeping partner, the possibility of an easier way of financing the enterprise, the possibility of securing profits through a secret (silent) investment, make the silent company one of the good forms for successful realization of the business enterprise of the entrepreneur, on the one hand, and on the other hand it serves to satisfy the interest of the secret (silent) investor in a way that his investment will be hidden away from the general public.

The main goal of this paper is to present and clarify the legal bases of the silent company in the Republic of Macedonia, to encourage the need for its re-regulation in the legislation of the Republic of Macedonia, as well as to indicate its advantages or weaknesses within the realization of the business operation.

Keywords: Silent company, entrepreneur, company, sleeping partner, public shareholder, profit, loss

1. Introduction

The silent company is established by concluding an agreement between the silent and the public shareholder. For the conclusion of the agreement the general legal rules are applied in the same way as for the conclusion of any other legal act.

In the macedonian legislative a silent company is referred to as a secret company. The authors of the paper think that the term silent company and undisclosed partnership are more appropriate expression to use. When talking about this kind of company, it can not be said that they are entirely secret companies.

In the essential sense of the word silent company is the matter of investing capital on a contractual basis without an open participation in the company's membership, hence the name. (Note 1)

The silent company can be found in the modern legislations of many countries. In continental Europe there are two dominant models: german and french.

The english law does not recognize the silent company as a special form of a company or as a legal relationship with an independent legal arrangement, but allows any enterprise, whether owned by an individual or a trading company, to have its own sleeping partner. Briefly, the essence of the silent company is that it does not act as such in external relations, i.e. relations with third parties and that the sleeping partner contributes own capital to another's enterprise in order to gain adequate participation in the profits share of the company. This is common for all continental laws, but sometimes they differ in the ways of arranging the silent company as permanent, as one-time use or combined. (Note 2)

The decisions in the legislation of the Republic of Macedonia basically did not differ from the decisions regarding the silent company in the legislation of Germany (Note 3), the Republic of Croatia (Note 4), the Republic of Slovenia (Note 5) (where this company existed, but with the amendments of the law from 2012 it was deleted). In the closer surrounding of the Republic of Macedonia, the legislation of the Republic of Serbia (Note 6), the Republic of Montenegro (Note 7), the Federation of Bosnia and Herzegovina (Note 8) do not contain any regulations for the secret society, i.e. it does not exist in these countries. With the Law on Amending and Supplementing the Company law ("Official Gazette of the Republic of Macedonia" No. 120/18 of 29 July 2018), which came in force on 06.08.2018, the Republic of Macedonia abolished the existence of this company. (Note 9)

The silent company did not enter the group of companies in compliance with the Company law of the Republic of Macedonia. (Note 10) In compliance with the legal solutions in this Law, it can be said that the silent company represented a special form of the partnership agreement whose basic framework for regulating mutual relations was prescribed by the Company law.

The conclusion that this is a special form of a partnership agreement comes from the provisions of the macedonian Company law (Note 11), which stipulated that on the relations between the entrepreneur and the sleeping partner, which are not regulated by the agreement

and with the provisions of the Company law, the provisions of the Law on obligations and contracts shall be applied. (Note 12)

Very little is known and spoken about the silent companies in the Republic of Macedonia. There are a number of reasons for that, such as economic, social, entrepreneurial. The lack of necessary information, lack of legal knowledge about its significance are certainly one of the basic reasons for the lack of interest in establishing such a type of company. Additionally, in this direction it is its abolition with the adoption of the Law on Amending and Supplementing the Company law ("Official Gazette of the Republic of Macedonia" No. 120/18 of 29 July 2018).

2. The term silent company

A silent company is a company in which a person (a sleeping partner) invests, i.e. participates with a cash or non-cash contribution in the enterprise of another person - the entrepreneur - a public shareholder and on the basis of the contribution acquires the right to participate in the profit and loss share of the enterprise.

The silent company was introduced in the legal system of the Republic of Macedonia with the adoption of the Company law in 1996. (Note 13) The Company law from 2004 is the current law in legal force in the Republic of Macedonia and until recently it regulated the silent company. There was no significant difference between the provisions stipulated in the Company Law from 1996 and the Company Law from 2004. With the Law on Amending and Supplementing the Company law ("Official Gazette of the Republic of Macedonia" No. 120/18 of 29 July 2018) the silent company was abolished from the legislation of the Republic of Macedonia.

The Company law of 2004 (Note 14), with its provisions regulating the silent company, used an approach that stated how this type of company was created. In compliance with this law, the silent company came into existence with an agreement in which one person (sleeping partner) invests, i.e. participates with a cash or non-cash contribution in the enterprise of another person - the entrepreneur - a public shareholder and on the basis of the contribution acquires the right to participate in the profit and loss share of the enterprise. (Note 15) For the purpose of clarification, entrepreneur means any natural or legal person who carries out an organization engaged in performing trade activities, which invests its own resources, knowledge and skills for that purpose, and which accepts the risk of possible negative or positive consequences from the performance of trade activities. Pursuant to the Company law of the Republic of Macedonia, "the enterprise is a set of rights, property and factual relationships that have property value and belong to the merchant's trade activity, and these elements comprise the assets of the trader, but also cover its obligations. The enterprise is a complete and independent legal entity that can do business on the market. (Note 16)

The share invested by the sleeping partner entered the property of the entrepreneur - the public shareholder. (Note 17) Important characteristic of this company is the fact that it did not have its own legal personality and it had no company name, i.e. it did not register as a trader in compliance with the Company law. This company existed only in the relations

between the sleeping partner and the entrepreneur - the public shareholder and it did not appear in the legal relations with third parties. The entrepreneur acted in the legal relations with third parties and was an exclusive holder of all rights and obligations that arose from the business operation. (Note 18) The legal relations between the sleeping partner and the public shareholder were regulated by an agreement and for the relations that were not regulated by the company's founding act. subsidiary application of the provisions of the Law on Obligations and contracts (Note 19) was stipulated, which regulate the partnership agreement. (Note 20) In the regulation of their mutual relations the sleeping partner and the public shareholder enjoyed complete freedom in terms of the goals, the forms, the extent and the conditions of the work of the silent company. (Note 21)

Despite the fact that the secret society was regulated by the Company Law, it could not be regarded as a trade company, i.e. it did not represent as a trader, it did not have legal personality and it did not register in the register of companies run by the Registrar of companies of the Republic of Macedonia in compliance with the Law on the one-stop-shop system and keeping a trade register and a register of other legal entities. (Note 22)

2.1 General Legal Characteristics of the Silent Company

Pursuant to the macedonian Company Law of 2004, the silent company had the following general legal characteristics:

- the silent company was an unincorporated company,
- silent companies represented a special form of the partnership agreement whose basic framework of regulation of mutual relations was stipulated by the macedonian Company law,
- silent companies existed only among it's members,
- the legal basis for the establishment of this company was an agreement in which the purpose for its establishment was determined,
- sleeping companies had no status of legal entity, had no legal personality, nor was it considered as a trading company in compliance with the macedonian Company law,
- the company existed only in the relations between the sleeping partner and the entrepreneur - the public shareholder and it did not appear in the legal relations with third parties,
- the entrepreneur acted in the legal relations with third parties and was an exclusive holder of all rights and obligations that arose from the business operation,
- sleeping partners could not have more rights than those stipulated by the macedonian Company law,
- sleeping companies did not have their own property,
- the company had no joint property, on the contrary the invested property of the sleeping partner became the property of the entrepreneur (the public shareholder),

3. Advantages and Weaknesses of the Silent Company

3.1 Advantages of the Silent Company

The secret society undoubtedly has advantages that need to be mentioned.

1) The silent company is very simple. Deprived of legal personality, its establishment does not at all represent a burden, it does not last long and does not go through complex procedures, such as the establishment of a trading company. It comes down to the conclusion of the silent company agreement, which does not even have to be signed in written form. This advantage is not to be neglected at a time when entrepreneurs often complain about the high rigidity of the establishment and the low efficiency of the functioning of the company in relation to certain business operations.

2) Silent companies are a discreet form of realization of business operations. The discretion regarding the establishment and functioning of the silent company is based on the fact that it is exempted from the obligation of publicity: it is not registered in the registrar of companies and the facts about their existence are not published. This discretion, however, does not exist for the public revenue authorities, because the existence of the silent company must be reported to them. This secret character is nevertheless the reason for the poor reputation that silent companies enjoy in the field of removing competition.

3) Silent companies possess great elasticity. With the establishment of the silent company, the partners avoid the many rules imposed on the trade companies, even in the most flexible forms, as is the case with the public trading company. When it comes to silent companies, the law prescribes very few restrictions; it can be freely said that almost everything is possible. Shareholders freely agree on the goals, forms and dimensions of the interests and conditions of the operation of the silent company. (Note 23) The silent company is much closer to the contracting techniques and in general to the autonomy of the will rather than the techniques of establishment and functioning of the trade companies that, as it is known, are very compulsory. (Note 24)

3.2 Weaknesses of the Silent Company

Apart from the above-mentioned advantages of the silent company, it also has its own weaknesses.

Weaknesses are expressed primarily in the limited effectiveness of the silent company. Usually, third parties know only the entrepreneur (the public shareholder) and do not know that he acts on behalf the sleeping partner. The public shareholder needs to demonstrate indisputable solvency so that he can gain the trust of third parties. The silent company is therefore more difficult to function if the realization of the business operation is delayed or it should be realized over a longer period of time. In such a case, it becomes necessary to start creating a trading company that has the status of a legal entity, as well as its own property and representation bodies. (Note 25)

4. The Purpose of Creating a Silent Company

The company represented a legal community. The common goal of the partners was determined by the agreement that founded the company. In compliance with the Company Law, the founders freely settled about the purposes, forms and dimensions of the interests and conditions of the silent company operations. (Note 26) This means that the partners with the agreement for establishing a silent company agreed upon its purpose. It could have been any allowed purpose, but the purpose could not be contrary to the enforced regulations, the Constitution, and the morale of the company.

The main purpose of the silent company was stipulated by the Company law and it was participation in the profits and losses share in the company of the public shareholder. The sleeping partner and the public shareholder as members of the company had a common purpose which was to participate in the profit or loss share of the silent company, with the business being realized only by the public shareholder. The general reason for its establishment were the economic interests of the partners. The sleeping partner for his own specific economic reasons, invested in the public shareholder, and the public shareholder received funds that he could have not obtain or could have received under much worse bank conditions. The investments of the sleeping partner entered into the enterprise of the entrepreneur and became property owned by the enterprise. In return for his investment, the sleeping partner received the agreed profit from the part that belonged to the public shareholder in compliance with the agreement for the establishment of the silent company.

5. Responsibility in the Performance of Agreed Duties

In compliance with the Company law, for the entrepreneur and for one or more sleeping partners, for the performance of their duties in the silent company, an obligation was stipulated to proceed with the caution that they dedicate to their own affairs. (Note 27) This means that the starting point was the own attention as a measure and that is the performance of a certain person in relation to other people's affairs when that person, in relation to them, would proceed with the caution he has when dealing with his own affairs. For the damaged caused the shareholders are held responsible in compliance with the Law on obligations and contracts.

6. Functioning of the Silent Company

When talking about the functioning of the secret society, it refers to the the mutual functioning of the public shareholder and the sleeping partner and the functioning of the company in relations with third parties.

6.1 Relations Between the Public Shareholder and the Sleeping Partner in the Silent Company

Relations between the public shareholder and the sleeping partner were regulated by an agreement. (Note 28) The relations between the entrepreneur and the sleeping partner, which were not regulated by the agreement itself or with the provisions of the Company Law that regulated the silent company, were regulated by the provisions of the Law on obligations and

contracts that stipulate the partnership agreement. (Note 29)

The silent company was established by concluding an agreement and its conclusion followed the same rules that apply to all other legal matter. Members of the company were free in determining the content of the agreement, in which they had to take into account the particularity of this type of company stipulated by the Company law, meaning that this is a special form of a partnership agreement with an obligation for the sleeping partner to invest its share in the property of the entrepreneur, and the regulation of the issue of profit and loss share for the sleeping partner.

Considering the fact that it is an agreement regulating the mutual rights and obligations of the public shareholder and the sleeping partner, we will mention their rights and obligations.

6.2 Rights and Obligations of the Public Shareholder and the Sleeping Partner

6.2.1 Rights and Obligations of the Sleeping Partner

The main obligation of the sleeping partner in compliance with the concluded agreement was to enter the agreed cash or non-cash deposit in the enterprise of the entrepreneur - the public partner and to participate in covering the loss of the entrepreneur, of course if this was not otherwise regulated by the agreement for establishing the silent company, or if the parties had agreed that, the sleeping partner would not be obliged to participate in covering the losses of the entrepreneur.

In order to protect his rights and interests, the sleeping partner, had the right to request a copy and to inspect the books and records of the enterprise of the entrepreneur, among which he had the right to request a copy of the annual accounts, to inspect their correctness and orderliness by comparing them with the company's books and scripts. At the request of the secret partner, the court, in a non-contentious procedure, at any time, could have ordered the entrepreneur - the public partner, to give the sleeping partner the annual accounts or other explanations, as well as to make the company books and records available to him. The rights of the sleeping partner, could not be excluded nor restricted, with the agreement for establishing the silent company. (Note 30)

6.2.2 Rights and Obligations of the Entrepreneur - The Public Shareholder

The entrepreneur had the right and obligation to act in the legal relations with third parties and he was an exceptional holder of all rights and obligations that arose from the business operation. (Note 31)

The entrepreneur had the obligation to calculate the profits and losses of the silent company at the end of each business year and to pay up the sleeping partner profits that belonged to him. (Note 32)

6.3 Silent Company Relations with Third Parties

Considering the fact that it was a silent company, the sleeping partner was the entity that generally determined this kind of character of the company. His goal was to make the contribution secret, not known about, and because of this fact he was excluded in the legal

relations with third parties. The name of the silent partner could not be entered in the company name of the entrepreneur. In case the name of the sleeping partner was inscribed in the firm of the entrepreneur, there was a possibility for responsibility of the sleeping partner to the creditors of the company, in which case the sleeping partner was responsible for the obligations of the entrepreneur towards the creditors, if he knew or had to know about it. The sleeping partner obligation to the creditors for the obligations from the work of the silent company was unlimited and solidary with the entrepreneur. (Note 33)

7. Termination of the Silent Company

The Company law of 2004 stipulated the conditions for the termination of the silent company.

According to the Law, the silent company terminated with:

- 1) the expiration of the time for which the silent company agreement was concluded;
- 2) concluding an agreement between the entrepreneur and the sleeping partner;
- 3) achievement of the purpose for which the silent company agreement was concluded or, if the achievement of the purposes became impossible, regardless of whether the agreement was concluded for a definite or indefinite period;
- 4) the death of the entrepreneur, the termination of the entrepreneur operations and
- 5) opening a winding up procedure over a company in which the entrepreneur is a public shareholder or a sleeping partner.

In all the mentioned cases, the termination of the silent company comes as an automatic termination, unless otherwise stipulated by the company's agreement.

Also, with the death of the sleeping partner, the company ceased to exist, unless otherwise stipulated by the contract. (Note 34)

8. Abolition of the Silent Company in the Republic of Macedonia

8.1 Law on Amending and Supplementing the Company Law (Note 35)

The Law on Amending and Supplementing the Company law from 2018 (Note 36) abolished the existence of this company in the Company law. The silent company is no longer subject to regulation in the Company Law and this law is no longer applicable to this company. (Note 37) The provisions of the law regulating the silent company were entirely removed and from 06.08.2018, the Company law no longer regulates this issue. (Note 38)

On the day of entry into force of the Law on Amending and Supplementing the Company law (August 6, 2018), the legal possibility for establishing silent companies in compliance with the Company law terminated, i.e. the concluded agreements for establishing silent companies ceased to exist. (Note 39) In compliance to this law, the application of the agreements concluded with a sleeping partner or a silent company can proceed to exist only in compliance with the provisions of the Law on Obligations and contracts. (Note 40)

The explanation of the draft Law on Amending the Company law submitted to the Parliament

of the Republic of Macedonia, stated that the reasons for this proposal were the need to increase transparency, reduce tax evasion, need for information access about the real owner of the legal entities for tax purposes. The silent company was a company that did not have a form of legal subjectivity and did not enroll in the trade register, and that the identity of the secret partner was not known to third parties.

In addition, according to the proposer of the law, if this company remained in existence, it could have affected the assessment of the Republic of Macedonia for exchange of information for tax purposes at the request of the OECD. (Note 41)

Despite the decision to abolish the silent company, the question remains whether the legislator has completely answered the general question, and that is whether the particularity of the silent company naturally imposes the need for this company to be part of the Company law or not, and whether it was not necessary for tax purposes to intervene in the tax legislation, and not its complete abolition.

The creation of the silent company was in the function of facilitating the realization of business operations. With this purpose the relation between the public shareholder and the sleeping partner was created, and that was a relation of investing a property, which property in compliance with the law became part of the company's property. The relations in the silent company logically followed the logic of the company law regulation. The realization of the tax and other purposes stated in the draft Law on Amending the Company law could have been accomplished with interventions and solutions in tax regulations and with them the purposes that were wanted could have been achieved, without the abolishment of the silent company. The provision of Article 5 paragraph 2 of the Law on Amending and Supplementing the Company law, according to which all agreements that were concluded with a sleeping partner or a silent company, could continue to exist with the exclusive application of the provisions of the Law on obligations and contracts does not solve the issue as a whole. The subsidiary application of the provisions of the partnership agreement from the Law on Obligations and contracts cannot mean a complete replacement or equalization of the subject of regulating relations in terms of particularity of the silent company in compliance with the Company law. The legal nature of the silent company in compliance with the Company law and the legal nature of the partnership agreement in compliance with the Law on Obligations and contracts are different matters. Between these two categories of agreements exist essential differences that relate to the legal relations of the partners in terms of shares, their legal fate, the right to manage the partnership. For example, in the partnership agreement, the managements right belong to all partners, while in the silent company, the entrepreneur - the public shareholder had the right and the obligation to act in the legal relations with third parties and was the exclusive holder of all rights and obligations from the business operation, while the sleeping partner was excluded from any rights to do so.

9. Taxation of the Silent Partner's Income

The silent company is an unincorporated company; it does not have legal personality and is not a trading company. For these reasons, the question arises as whether the income on the basis of the sleeping partner's participation in the public shareholder's capital may be subject

to taxation.

If the sleeping partner is a natural person, the answer should be located in the Personal income tax law (Note 42) which regulates the issue of income that is subject to taxation. In compliance to this law the income from the capital gains is taxable. (Note 43) Capital gain is the income that the taxpayer earns from the sale of securities, share in capital and real estate. Capital gain is the difference between the selling price of the securities, the share in the capital and the real estate and the purchase price. (Note 44) A personal income taxpayer for the capital gains income is the natural person that acquires the capital gain. (Note 45) The main question is what kind of profit is realized by the sleeping partner - a natural person, in compliance with the agreement for establishing the silent company and consequently, the basis for the tax liability can be found in compliance with the Personal income tax law. The sleeping partner receives profits on the basis of participation in the capital of the enterprise through the public shareholder. The profits of the sleeping partner were paid from the public shareholder profit share in accordance with the agreement for establishing the silent company and in compliance with the law. This means that both the public shareholder and the sleeping partner were subjects to taxation of personal income tax on income derived from the participation in the company's capital. On the sleeping partners that were legal entities, the regulations governing the issue of profits taxation on legal entities were applied.

10. Conclusions

The silent company in the Republic of Macedonia was defined as a company in which one person (a sleeping partner) invested, i.e. participated with cash or non-cash contribution in the enterprise of another person - an entrepreneur - a public shareholder and on the basis of the share he acquired the right to participate in the profits and loss share of the enterprise. This company came into existence by concluding an agreement between the sleeping partner and the public shareholder. It was about investing capital on an agreement basis without membership participation in the trade company. This company was regulated by the Company Law, it was not considered a trading company and did not represent a trader due to the fact that it had no legal personality and was not registered in the registrar of companies.

From the content aspect, the decisions in the legislation of the Republic of Macedonia concerning the determination of the silent company, the entities that can conclude the agreement, the relations between the contractual parties, the agreement and its conclusion, the purposes, the legal relations with third parties, as well as the termination of the silent company and, basically does not differ from the solutions that are accepted in the modern legislation of Europe and who have accepted the German model of this type of companies. The provisions of the Company law regulating the silent company, as well as in other legislation, were quite broad and enabled its flexibility in terms of its establishment, relations arrangement, etc., in order to achieve the agreed profit. Unfortunately, with the adoption of Law on Amending and Supplementing the Company law ("Official Gazette of the Republic of Macedonia" no. 120/18 from July 29, 2018), the silent company was abolished. The decision to abolish the silent company for the purpose of achieving tax purposes could have been achieved throughout adequate solutions in the tax legislation.

The silent company is not entirely a secret category, not for tax services. In order to increase the security of control over the origin of money or property that are invested in silent companies, a possible solution would be to establish a registrar of these companies in front of a competent body, not abolition. This registrar would be introduced by law and it would regulate issues on the manner of managing the register, the access to this register, the entities that can access it, in a way that would not disturb the basic concept, legal nature and particularity of the silent company.

The particularity of the agreement for establishing a silent company is the reason why this company was established in compliance with the Company law. The silent company financed the realization of the business operation in compliance with the rules of the company law. The advantages for its further existence in the Company law are greater than its weaknesses. Therefore, there is a need to re-think and return the silent company in the Company law of the Republic of Macedonia.

We hope that with this paper we managed to highlight key aspects related to the issue of the silent company in the legislation of the Republic of Macedonia, as well as to point out the need for its reinstatement as part of the Company law. We expect that this paper will cause additional incentive for further observations of this issue by the expert public.

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Note 10. Company law ("Official Gazette of the Republic of Macedonia" No. 28/04).

Note 11. Company law ("Official Gazette of the Republic of Macedonia" No.28 / 04, 84/05, 25/07, 87/08, 42/10, 48/10, 24 / 11,166 / 12, 70/2013, 119/13, 120/13, 187 / 13, 38/1, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18 and 120/18), Article 570 paragraph 2.

Note 12. Law on obligations and contracts ("Official Gazette of the Republic of Macedonia" No.18 / 2001, 78/2001, 4/2002, 59/2002, 84/2008, 161/2009 and 123/2013), provisions of the partnership agreement, Articles 667 – 703.

Note 13. Company law ("Official Gazette of the Republic of Macedonia" no. 28/96, 7/97, 21/98, 37/98, 63/98, 39/99, 81/99, 37/00, 31/01, 50/01, 61/02, 4/03 and 51/03), Articles 669 – 681.

Note 14. Company law ("Official Gazette of the Republic of Macedonia" no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24 / 11,166 / 12, 70/2013, 119/13, 120/13, 187/13, 38/1, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18 and 120/18).

Note 15. Ibid, article 567, paragraph 1.

Note 16. Ibid, article 3, paragraph 1, line 40.

Note 17. Ibid, article 567, paragraph 2.

Note 18. Ibid, article 568.

Note 19. Law on obligations and contracts ("Official Gazette of the Republic of Macedonia" No. 18/2001, 78/2001, 4/2002, 59/2002, 84/2008, 161/2009 and 123/2013), provisions of the partnership agreement, Articles 667 – 703.

Note 20. Company law ("Official Gazette of the Republic of Macedonia" no.28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11,166/12, 70/2013, 119/13, 120/13, 187/13, 38/1, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18 and 120/18), article 570.

Note 21. Ibid, article 569, paragraph 1.

Note 22. Law on the one-stop-shop system and keeping a trade register and a register of other legal entities ("Official Gazette of the Republic of Macedonia" No. 84/2005, 13/2007, 150 /2007, 140/2008, 17/11, 53/11, 70/13, 115/14, 97/15, 192/15 и 53/16).

Note 23. Ibid, article 569, paragraph 1.

Note 24. PhD Milan Nedkov and PhD Tito Belicanec “Pravo na drushtvata”, second book, “Sigmoidpres”, Skopje, 2008, page 481.

Note 25. Ibid.

Note 26. Company law (“Official Gazette of the Republic of Macedonia” no.28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11,166/12, 70/2013, 119/13, 120/13, 187/13, 38/1, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18 and 120/18), article 569, paragraph 1.

Note 27. Ibid, article 569, paragraph 2.

Note 28. Ibid, article 570, paragraph 1.

Note 29. Ibid, article 570, paragraph 2.

Note 30. Ibid, article 574.

Note 31. Ibid, article 568, paragraph 3.

Note 32. Ibid, article 573, paragraph 1.

Note 33. Ibid, article 575.

Note 34. Company law, article 577.

Note 35. Law on Amending and Supplementing the Company law (“Official Gazette of the Republic of Macedonia” no. 120/18 from July 29, 2018).

Note 36. Ibidem.

Note 37. Ibid, article 1, 2, paragraph b.

Note 38. Ibid, article 3.

Note 39. Ibid, article 5, paragraph 1.

Note 40. Ibid, article 5, paragraph 2.

Note 41. Explanation of the Draft Law on Amending and Supplementing the Company law, June 2018.

Note 42. Personal income tax law (Official Gazette of the Republic of Macedonia No. 80/93, 3/94, 70/94, 31/96, 40/96, 71/96, 28/97, 2/99, 8 / 01/02, 50/01, 52/01, 2/02, 44/02, 96/04, 120/05, 52/06, 139/06, 6/07, 160/07, 159/08, 20/09, 139/09, 171/10, 135/11, 166/12, 187/13, 13/14, 116/15, 129/15, 129/15, 199/15 and 23/16).

Note 43. Ibid, article 3. line 6.

Note 44. Ibid, article 50, paragraph 1 and 2.

Note 45. Ibid, article 51.

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