

International Trust Laws and Analysis

Supplement 3 (2020)

Before inserting this supplement, please arrange the existing material as follows:

Remove from binder Volume 9 divider and pages Vanuatu (VAN i to VAN 304) and place it in binder Volume 8 after page USA 810.

Supplement 3 of International Trust Laws and Analysis should be filed in the manner indicated below. It is recommended that this instruction sheet be filed in the front of the book.

Remove:

Volume 1

Prelims

ix-x

Foreword

FRW 1-2.18

Volume 2

Austria

AST i-ii

AST 4.1-4.2

Barbados

BAR i-ii

BAH 3-4.2

Insert:

Prelims

ix-x

Foreword

FRW 1-2.20

After divider Austria

AST i-ii

AST 4.1-4.2

After divider Barbados

BAR i-ii

BAH 3-4.2



Wolters Kluwer

10059664-0016

Remove:

Insert:

Volume 3

Brunei

BRUN i–ii
BRUN 5–6

After divider Brunei
BRUN i–ii
BRUN 5–6.2

Cyprus

CYP i–ii
CYP 3–4.2

After divider Cyprus
CYP i–ii
CYP 3–4.2

Volume 4

Hong Kong

HKO i–ii
HKO 3–4

After divider Hong Kong
HKO i–ii
HKO 3–4.2

Ireland

IRL i–ii
IRL 4.1–4.2

After divider Ireland
IRL i–ii
IRL 4.1–4.2

Volume 5

Macau

MAC i–ii
MAC 3–4

After divider Macau
MAC i–ii
MAC 3–4

Malta

MLT i–ii
MLT 3–4.2

After divider Malta
MLT i–ii
MLT 3–4.2

Remove:

Volume 6

Panama

PAN i–ii
PAN 3–4.2

Seychelles

SEY i–ii
SEY 3–4.2

Volume 7

Switzerland

SWZ i–ii
SWZ 3–6.2

Volume 9

Comparative Country Charts

CCC 1–4
CCC ANT 1–4
CCC BAR 1–2

CCC BRA 1–6
CCC BGR 1–6
CCC CHN 1–4

CCC SPA 1–4

Antigua and Barbuda

ANT i–ii
ANT 1–12

Insert:

After divider Panama

PAN i–ii
PAN 3–4.2

After divider Seychelles

SEY i–ii
SEY 3–4.2

After divider Switzerland

SWZ i–ii
SWZ 3–6.2

After divider Comparative
Country Charts

CCC 1–4
CCC ANT 1–4
CCC BAR 1–6

CCC BOL 1–4
CCC BRA 1–2
CCC BGR 1–6

CCC CHN 1–4
CCC GHA 1–4
CCC SPA 1–6

After divider Antigua and Barbuda

ANT i–ii
ANT 1–14

Remove:

Barbados

BAR i–ii
BAR 1–14

Bolivia

BOL i–ii
BOL 1–12

Brazil

BRA i–ii
BRA 1–16

Bulgaria

BGR i–ii
BGR 1–24

China

CHN i–ii
CHN 1–20

Ghana

GHA i–ii
GHA 1–14

Greece

GRC i–ii
GRC 1–22

Insert:

After divider Barbados

BAR i–ii
BAR 1–16

After divider Bolivia

BOL i–ii
BOL 1–12

After divider Brazil

BRA i–ii
BRA 1–18

After divider Bulgaria

BGR i–ii
BGR 1–26

After divider China

CHN i–ii
CHN 1–20

After divider Ghana

GHA i–ii
GHA 1–14

After divider Greece

GRC i–ii
GRC 1–22

Remove:

Volume 10

Spain

SPA i–ii
SPA 1–28

Texas

TEX i–ii
TEX 1–22

Insert:

After divider Spain

SPA i–ii
SPA 1–30

After divider Texas

TEX i–ii
TEX 1–24

BOLIVIA

This chapter is up-to-date as of June 2020

BOLIVIA

BOLIVIA

Analysis of the Company Laws	¶
Company Types	1
Licensing of Corporate Agents	2
Company Name	3
Fees	4
Registered Office and Resident Agent	5
Registration	6
Reporting and Recordkeeping	7
Formative Documents	8
Powers	9
Shareholders/Members	10
Single Member Companies	11
Share Capital	12
Directors and Officers	13
Meetings	14
Resolutions	15
General Accounting Practices	16
Mergers & Acquisitions	17
Liquidation/Dissolution	18
Governing Law	19
Forms	20
Economic Substance	21

BOLIVIA

BOLIVIA***ANALYSIS OF THE COMPANY LAWS**

[¶1] Company Types. The Code of Commerce recognizes the following commercial companies in Bolivia:¹

- (1) Partnership (referred to as “Sociedad Colectiva”)
- (2) Closed Limited Partnership (referred to as “Sociedad en Comandita Simple S.C.S.”)
- (3) Limited Liability Company (referred to as “Sociedad de Responsabilidad Limitada S.R.L. or Ltda.”)
- (4) Corporation (referred to as “Sociedad Anónima S.A.”)
- (5) Stock Limited Partnership (referred to as Sociedad en Comandita por Acciones S.C.A.)
- (6) Joint Venture (referred to as Asociación Accidental)
- (7) Mixed Economy Company (referred to as “Sociedad de Economía Mixta S.A.M.”)
- (8) Mixed Company (referred to as “Empresa mixta EM”)
- (9) Mixed State Company (referred to as “Empresa estatal mixta EEM”)
- (10) State Intergovernmental Company (referred to as “Empresa estatal intergubernamental EEI”)

Numbers 8, 9, and 10 above are State companies where the majority shareholder is the State but has participation from the private sector these Companies are regulated by the provisions of Law No. 466 and the Code of Commerce.²

The Cooperatives (co-op) are regulated by special law.³

In addition, there are general partnerships and nonprofit associations regulated by the Civil Code.

The most widely used type of Company is the Limited Liability Company followed by the Corporation for bigger investments. Both companies have limited liability for its partners or shareholders as a main characteristic.

[¶2] Licensing of Corporate Agents. Any person (natural person or legal entity) (foreign or national) can incorporate a Bolivian company. However, an attorney and an accountant, duly registered, shall assist them.

The filing must include articles of incorporation, signed by the incorporator(s), which must include the proposed corporation’s name, a registered office, at least two (2) partners for S.R.L. and/or three (3) shareholders in the case of Corporations; and a legal representative who must be Bolivian national or a foreign national with Bolivian resident visa.⁴

*This chapter is authored by Mauricio Becerra de la Roca Donoso, managing partner at Becerra de la Roca Donoso & Asociados S.R.L. in Santa Cruz de la Sierra, Bolivia. He can be reached at mbecerra@bda-lawfirm.com or by phone at +591 3 3334433.

¹See Art. 126 of Code of Commerce approved by Executive Order No. 14379, having the force of law, February 25th, 1977, G.O. 907, amended by Final provision eight of Law No. 466, December 26th, 2013 G.O. 600.

²In a Mixed Company the State has a share of 51% up to 70%, in a Mixed State Company, the State has a participation of more than 70% up to less than 100% and in a State Intergovernmental Company where the State has a participation between 51% and less than 100% and the rest are from Autonomous Territory Entities – ETA’s See Art. 6 of Law No. 466.

³See Law No. 356, April 11th, 2013 G.O. 509 and Supreme Decree No. 1995, May 15th, 2014 G.O. 645.

⁴Code of Commerce, art. 5,29 inc 4), 128,184,196,220 inc 1).

[¶3] Company Name. The name of the company must be clearly distinguished from any other existing company name, and shall contain one of the acronyms mentioned in ¶1 according to the company type.⁵

Once the procedure of company incorporation is initiated, the system will validate that there is no other similar company name registered and validate the chosen company name.⁶

[¶4] Fees. The expenses for registering a company vary according to the type of company to be incorporated. There are two expenses that must be paid. Those are: (i) Notary Public expenses, and (ii) Registry of Commerce fees.⁷

The rates may vary, in the chart below there is a summary of fees charged by the Registry of Commerce.⁸

CERTIFICATE TYPE	(in BS.)	(in USD) x6.86
Registration		
Incorporation (S.C, S.C.S, S.R.L)	455	66.3
Incorporation (S.A, S.C.A, S.A.M.)	584.5	85.2
Opening a branch of foreign company in Bolivia	584.5	85.2
Annual Reports		
Annual Update of registration (S.C, S.C.S, S.R.L)	455	66.3
Annual Update of registration (S.A, S.C.A. and S.A.M.)	584.5	85.2
Amendments		
Amendments to the Certificate of Incorporation (S.C, S.C.S, S.R.L)	245	35.7
Amendments to the Certificate of Incorporation (S.A, S.C.A)	315	45.9
Dissolution and liquidation of company		
Corporate Dissolutions and liquidation (S.C, S.C.S, S.R.L)	680.5	99.1
Corporate Dissolutions and liquidation (S.A, S.C.A)	875	127.5
Other		
Certificate of Merger of Domestic Corporations (S.C, S.C.S, S.R.L)	455	66.3
Certificate of Merger of Domestic Corporations (S.A, S.C.A)	584.5	85.2
Certificate of Change of the Designated Office of a Corporation (S.C, S.C.S, S.R.L)	136.5	19.8

⁵Code of Commerce, art. 174,185,197,218,358.

⁶It is possible to incorporate commercial companies in Bolivia through the web portal: <http://www.miempresa.gob.bo/>.

⁷The articles of incorporation, by laws and power of attorney must be notarized as public deeds before a Notary Public.

⁸Fees for registration of all types of act of commerce can be found at: www.fundempresa.org.bo.

CERTIFICATE TYPE	(in BS.)	(in USD) x6.86
Certificate of Change of the Designated Office of a Corporation (S.A, S.C.A)	175	25.5
Registration of Power of Attorney and/or Revocation (S.C, S.C.S, S.R.L)	136.5	19.8
Registration of Power of Attorney and/or Revocation (S.A, S.C.A)	175	25.5
Registration of minutes of partner's meeting (S.C, S.C.S, S.R.L)	136.5	19.8
Registration of minutes of BOD meeting or Shareholder's meeting (S.A, S.C.A)	175	25.5

¶5 Registered Office and Resident Agent. Every Bolivian company is required to have its main domicile in Bolivia, although it can have branches abroad. The main office address and any branches must be maintained up to date in the Registry of Commerce and inform of any changes. The legal representative of the company is required to be of Bolivian nationality or foreign person with a resident visa in Bolivia. Powers of attorney must be granted in accordance to the respective bylaws or articles of association, by a public deed.⁹

¶6 Registration. The company must be incorporated by a public deed, which must be filed in the Registry of Commerce. The company acquires legal personality the moment the articles of incorporation are filed in the Registry of Commerce. Since 2017, online filing to incorporate a company has been implemented through the portal: <http://www.miempresa.gob.bo/>

The articles of incorporation and bylaws must be drafted by a lawyer and must be notarized as a public deed which has to be published in the electronic gazette.¹⁰

¶7 Reporting and Recordkeeping.

Annual Filing. The partners' or shareholders' General Meeting is the governing body of the company, representing the shareholders' will.

The law requires the shareholders' General Meeting to meet at least one time per year, and in this assembly the agenda should address:

- (1) The approval of the financial statements, annual report, report of the comptroller, and any other subject related to the administration of the company. If the company has independent audits, the Board should also approve the independent auditors' reports.
- (2) Appointment and removal of directors and administrators and the remuneration of the directors and comptroller.
- (3) Determination on profits or losses of the company.
- (4) Liabilities of directors.

Minutes of partners' or shareholders' meetings as well as board of directors' meetings should be notarized and kept in chronological order.

⁹Supreme Decree No 26215, May 4, 2001, G.O 2321.

¹⁰See Ministerial Resolution No 141, June 1st, 2017, Art 4; Ministerial Resolution No 142, June 1st, 2017, see also: <http://www.gacetadecomercio.gob.bo/>.

The company shall maintain an up-to-date book of registry of shareholders or partners, with names, address, amount of their contribution, in case it applies any transfers and liens.

The company must file an annual report and pay its annual fees. The annual report should also be published online in the electronic gazette of the Registry of Commerce at www.gacetadecomercio.gob.bo.¹¹

[¶8] Formative Documents. The articles of incorporation must include the following information:

- (1) Place and date of issuance;
- (2) name, age, marital status, nationality, occupation, domicile and identity card number of natural persons and name, nature, nationality and domicile of legal entities involved in the formation of the company;
- (3) company name and address;
- (4) corporate purpose;
- (5) amount of the partner's equity, with indication of the minimum when it is variable;
- (6) amount of the contribution made by each partner in money, goods, securities or services and their valuation. In corporations, the authorized, subscribed and paid capital must also be indicated;
- (7) term of duration;
- (8) form of organization of the administration; the manner of appointing directors, administrators or legal representatives; internal oversight bodies and their powers, which depends on the type of company, and the duration of the appointment;
- (9) rules for distributing profits or bear losses (in case of silence, they will be understood in proportion to the contributions);
- (10) forecasts on the constitution of legal reserves;
- (11) necessary stipulations related to the rights and obligations of partners or shareholders between themselves and with respect to third parties;
- (12) stipulations regarding dissolution of the company and the basis for practicing liquidation and how to appoint liquidators;
- (13) commitment to arbitration, where appropriate, and
- (14) in corporations, the time and manner of convening meetings or setting up ordinary and extraordinary shareholders' meetings; the sessions of the board of directors; and
- (15) the way of deliberating and making decisions on matters within its competence.

In addition to the general requirements, the articles of incorporation must contain those established specifically for each type of company.

In case of omission of the requirements contemplated in subsections (8) to (14), the pertinent provisions of this Code of Commerce should be applied. (Articles 9, 24, 55 Civil Code).¹²

The articles of incorporation or its amendments, shall be issued and notarized as a public deed.

[¶9] Powers. The appointment and cessation of the administrators and legal representatives must be registered in the Registry of Commerce with an express

¹¹Administrative Regulation/AEMP/No 99, December 30, 2016, art 5, 10, 28.
Code of Commerce, art 235, 270.

Ministerial Resolution No 141, June 1, 2017, art 4.

¹²Code of Commerce Art. 127.

indication of the powers granted.¹³ Powers of Attorney should be notarized as public deed. The Legal Representative may grant, on behalf of the company, powers to other people, especially lawyers so that they can act in the name of the Company with public authorities.

¶10 Shareholders/Members. Every company must have at least two partners which can be either individuals or corporate entities; in the case of corporations at least three shareholders are required.¹⁴

Registration and Reporting. Corporations and Limited Liability Companies are required to submit a list of shareholders or members to the Registry of Commerce in the formative documents.

Residency and Nationality. There are no residency or nationality requirements or limitations for shareholders or partners.

¶11 Single Member Companies. Bolivian Law does not recognize single-shareholder or single-member companies. According to the Code of Commerce, a company is essentially a contract, which requires at least two parties to contribute to a common business purpose.¹⁵

Independent business persons that engage in business activities do have to be registered in the Registry of Commerce.¹⁶

¶12 Share Capital. The capital of corporations is divided into shares, each representing a fraction of the company's capital. In corporations, there are two types of shares, "common shares" and "preferred shares", depending on what the company's by-laws specify. "Common Shares" confer all the fundamental rights that the law recognizes to shareholders. In contrast, "Preferred shares" do not have voting rights in ordinary shareholder's meetings, but shareholders that own "preferred shares" have preferential rights in the payment of dividends and in case of liquidation of the company.¹⁷ It is important to note that Article 266 of the Code of Commerce specifies that "preferred shares" cannot exceed more than 50% of the company's subscribed capital.

In the case of companies other than corporations, all capital must be paid in full. In the case of corporations there is a differentiation between authorized capital, subscribed capital and paid capital. In corporations shares are usually free negotiable securities, although current shareholders have preferential rights to buy shares in proportion to their participation.

¶13 Directors and Officers. A corporation's business and affairs is managed by its board of directors, who can also name managers and administrators.¹⁸ A corporation must have at least three directors, and each director must be a natural person.¹⁹ In the case of limited liability companies there has to be at least one manager member or not.²⁰

Directors are liable for damages and losses caused to the company and can be suspended provisionally or definitively from their functions, according to what is

¹³Code of Commerce Art. 29 Num (5) and (9).

¹⁴Code of Commerce Art. 220 Inc (1).

¹⁵Code of Commerce Art. 125.

¹⁶Code of Commerce Art. 25 No. (1).

¹⁷Code of Commerce Art. 264.

¹⁸Code of Commerce, Art. 203.

¹⁹Code of Commerce, Art. 307.

²⁰Code of Commerce, Art. 203

stipulated in the by-laws or the provisions of the law, depending on the type of company.²¹

Partners or shareholders who exercise their functions as directors, managers and trustees of the company may, unless otherwise agreed, be remunerated with a fixed amount or a percentage of the profits for the year, as determined in the articles of association or bylaws or a shareholders meeting or corporate body competent, but not decided by themselves.

The directors must be appointed by the ordinary general shareholders meeting, for a certain period, and may be re-elected. Their appointment can be revoked, and their mandate terminated by the shareholders meeting.²²

The bylaws shall regulate the manner of appointing head and deputy directors.

When there are different classes of shares, the bylaws may provide that each one of them elects one or more directors, regulating the form of election and removal.²³

[¶14] Meetings. Every partner or shareholder shall have the right to participate in the decisions of the company and shall enjoy one vote for each quota of capital or shares, except for the limitations stipulated in the certificate of incorporation.²⁴

The legal quorum for the meeting shall be constituted with the presence of partners representing or shareholder at least half of the share capital, unless the articles of incorporation require a greater representation.²⁵

The participation of the partners or shareholders in the deliberations and decisions of the meetings is done in person or by means of a duly appointed representative.

In the case of Limited Liability Companies, meetings will be called by the board of directors, managers or administrators and, in the absence or omission of these, by the partners representing more than a quarter of the capital stock. If the by-laws do not specify the form and mode of convocation, it will be done by registered letter.

The publication or communication must contain the agenda and will be made eight days before the date set for the celebration of the assembly.²⁶

The annual meeting, the ordinary assembly, shall meet at least once a year in the domicile and time fixed in the social deed and, at the latest, within three months of the company's close of fiscal year. (Arts 206, 217, 218 Code of Commerce).

The articles of incorporation may establish cases in which certain matters do not require the approval of the assembly; to adopt agreements on the same, the texts of the proposals. The votes of these will be issued in writing.

The general meeting of shareholders, legally convened and gathered, is the maximum body that represents the social will and has exclusive competence to deal with the matters provided for in articles 285 of the Code of Commerce for ordinary meetings and art. 286 of same Code for extraordinary meetings.²⁷

It shall meet at the registered office and shall be presided over by the President of the board of directors or by the appointed person in cases of impediment, absence or disability, in accordance with the provisions of the bylaws.

²¹Code of Commerce, Art. 323.

²²Code of Commerce, Art. 172.

²³Code of Commerce, Art. 308.

²⁴Code of Commerce, Art. 208.

²⁵Code of Commerce, Art. 207.

²⁶Code of Commerce, Art. 206.

²⁷The amendment of bylaws, issuance of new shares or bonds, increase of capital share or mandatory reduction of capital share, anticipated dissolution, and others provided by law and/or the articles of incorporation are of exclusive competence of the extraordinary shareholders' meeting.

Decisions recorded in minutes of the general shareholders meetings are mandatory for all shareholders, even for absentees and dissidents, except as indicated in article 302 of the Code of Commerce.²⁸

¶15 Resolutions. Bylaws and shareholder or partners agreements govern the corporation's affairs and will regulate the quorum requirements and votes required for resolutions.

In the case of Limited Liability Companies, a quorum of at least 50% of partners is required and resolutions are approved by vote of partners representing more than half of the capital of the company.²⁹ For resolutions to amend the bylaws, admit new partners, authorize transfer of participations or to liquidate the company an affirmative vote of partners representing two thirds of the capital of the company is required.³⁰

In the case of corporations, a quorum at ordinary shareholders' meetings requires at least half of the outstanding shares, and resolutions are approved by absolute majority of shareholders present and not impeded from voting. In the case of extraordinary shareholders' meetings, the quorum necessary is two thirds of the capital shares and resolutions are approved also by absolute majority of votes unless the bylaws provide for a greater majority vote.³¹

If quorum is not present on first notice, the ordinary shareholders' meeting will be held validly with any number of shareholders on second notice; for extraordinary shareholders' meetings the quorum on second notice will be reduced to one third of outstanding shares.³²

Recent reforms in the Registry of Commerce have implemented the use of digital signature for Resolutions and documents to be recorded in the Registry of Commerce. However, documents still have to be notarized and the procedure for notarization of documents with digital signature is yet to be implemented.³³

¶16 General Accounting Practices. Every company is obliged to keep accounting records adequate to the nature, importance and organization of the company, on a uniform format to demonstrate the situation of their business and a clear justification of each and every one of the acts and operations subject to accounting, and must also keep in good condition the books, documents and correspondence that support them.³⁴

Every company must, obligatorily carry the following books:

- (1) Daily
- (2) Major
- (3) Inventory
- (4) Balances, and other books are specifically required by law.

It may also carry books and records that it deems appropriate for greater order and clarity, information and control. Business and accounting books that comply with the requirements of the law are considered as evidence among business persons in judicial or extrajudicial business controversies.³⁵

²⁸Code of Commerce Arts. 295, 299, 361.

²⁹Code of Commerce Art. 207.

³⁰Code of Commerce Art. 209.

³¹Code of Commerce Arts. 295, 296.

³²Code of Commerce Art. 297.

³³Ministerial Resolution MDPyEP No 72/2020, April 13, 2020.

³⁴Code of Commerce Art. 36.

³⁵Code of Commerce, Arts. 37, 62.

¶17] Mergers & Acquisitions. A merger occurs when two or more companies dissolve without liquidation, to constitute a new one, or when one of them incorporates another or others, which dissolve without liquidation.

The new company created in the incorporation acquires the rights and obligations of the dissolved company. The result of the definitive merger agreement is the total transfer of the dissolved company's respective assets.³⁶

Preliminary requirements. - In order to proceed with the merger, the following requirements must be met:

- (1) Commitment of merger signed by the representatives of the companies, approved by the majority of necessary votes that are required for the amendment of the agreement establishing a company.
- (2) Preparation of special balance sheets, at the date of the agreement, by each of the companies participating in the merger. These balance sheets should be made available to partners and creditors.

The latter may object to the agreed merger, if their rights are not duly guaranteed. Any discrepancy as to such guarantees shall be resolved by the summary judge.³⁷

Definitive agreement. Upon completion of the preliminary requirements, the final merger agreement shall contain:

- (1) The approval resolutions of partners or shareholders meetings of the participating companies;
- (2) The list of the members who will exercise their right of withdrawal and capital that they represent;
- (3) The list of the creditors that formulate their opposition and the amount of their credits;
- (4) The stipulations for the execution of the agreement that, in addition, must observe the fulfillment of the rules of dissolution of each company. It will clearly specify the participation of each member or shareholder of the companies that dissolve and their characteristics; and
- (5) special balance sheets and financial statements.³⁸

¶18] Liquidation/Dissolution. In the partnership, closed limited partnership and joint venture partnership, the death of a partner partially terminates the contract. However, in partnerships and closed limited partnerships it may be stipulated that the partnership should continue with the heirs of the deceased partner if they have the capacity to trade.

In the limited partnership the incorporation of the heirs can be conditioned to the transformation of its part in limited partnership.³⁹

For limited liability companies, the transfer of participation in case of death of a partner has to be authorized by the rest of partners, however if the bylaws permit the transfer to heirs it shall be obligatory to accept the heirs as new partners.⁴⁰

The causes of dissolution of a company are the following:

- (1) Agreement of the partners;
- (2) Expiration of the term, except extension or renewal;
- (3) Compliance with the condition to which its existence was contingent;
- (4) Obtainment of the object for which it was constituted or by the impossibility of the successor to achieve it;

³⁶Code of Commerce, Art. 405.

³⁷Code of Commerce, Art. 406.

³⁸Code of Commerce, Art. 407.

³⁹Code of Commerce, Art. 373.

⁴⁰Code of Commerce, Art. 212.

- (5) Loss of capital as stipulated in the agreement. In corporations, the provisions of article 354 of the Code of Commerce shall apply (the dissolution does not occur if partners agree to reinstate or increase capital);
- (6) Declaration of bankruptcy, except for the agreement of a preventive or resolution agreement;
- (7) Merger, as provided in Article 405 of the Code of Commerce;
- (8) Reduction of the number of partners to only one, and, in corporations less than three, provided that no new partners or shareholders are incorporated within three months (during that period, the sole partner or the remaining partners of the corporation will be limited and jointly responsible for the corporate obligations contracted);
- (9) Causes provided for in the articles of incorporation.⁴¹

Once the company is dissolved, it will be liquidated. The company in liquidation maintains its legal personality for this purpose only. During liquidation, the rules applicable to the type of company in question are applicable.⁴² The liquidators will draw up a complete inventory and a balance sheet, documents that will be made known and available to partners or shareholders, within thirty days of assuming the position. The term can be extended up to one hundred and twenty days by simple majority agreement. Its non-compliance is cause for removal and makes the liquidators responsible for the damages.⁴³

No partner or shareholder may receive the corresponding outstanding balance amount, as long as the company's obligations are not extinguished or are sufficiently guaranteed.⁴⁴

¶19 Governing Law. The main laws that govern companies in Bolivia are:

- (1) Constitution of Bolivia.
- (2) Code of Commerce, DL N° 14379, February 25th, 1977 G.O. 907.
- (3) Law No. 466, December 26th, 2013 G.O. 600.
- (4) National Department of Registry of Commerce and Companies Regulation, DL No. 16833 July 19th, 1979.
- (5) Law No. 356, April 11th, 2013 G.O. 509 and Supreme Decree No. 1995, May 15th, 2014 G.O. 645.
- (6) Regulation of Concession of the Registry of Commerce Service), DS N.º 26215, June 15th, 2001, Official Gazette Edition No. 2321.
- (7) Ministerial Resolution MDPyEP No 72/2020, April 13, 2020.

¶20 Forms. Certain forms are available online at: www.fundempresa.org.bo/tramites-requisitos-y-formularios/registros-y-otros.

¶21 Economic Substance. There no economic substance regulations enacted in Bolivia.

⁴¹Code of Commerce, Art. 378.

⁴²Code of Commerce, Art. 384.

⁴³Code of Commerce, Art. 388.

⁴⁴Code of Commerce, Art. 392.

COMPARATIVE COUNTRY CHARTS

BOLIVIA

This chart is up-to-date as of June 2020

Company Types ¶1	Licensing of Corporate Agents ¶2	Company Name ¶3
(1) Partnership (referred to as “Sociedad Colectiva”) (2) Closed Limited Partnership (referred to as “Sociedad en Comandita Simple S.C.S.”) (3) Limited Liability Company (referred to as “Sociedad de Responsabilidad Limitada S.R.L. or Ltda.”) (4) Corporation (referred to as “Sociedad Anónima S.A.”) (5) Stock Limited Partnership (referred to as Sociedad en Comandita por Acciones S.C.A.) (6) Joint Venture (referred to as Asociación Accidental) (7) Mixed Economy Company (referred to as “Sociedad de Economía Mixta S.A.M.”) (8) Mixed Company (referred to as “Empresa mixta EM”) (9) Mixed State Company (referred to as “Empresa estatal mixta EEM”) (10) State Intergovernmental Company (referred to as “Empresa estatal intergubernamental EEI”)	Any person (natural person or legal entity) (foreign or national) can incorporate a Bolivian company.	The name of the company must be clearly distinguished from any other existing company name, and shall contain one of the acronyms mentioned in ¶1 according to the company type
Registration Fees ¶4	Registered Office ¶5	Registration ¶6
The expenses for registering a company vary according to the type of company to be incorporated. There are two expenses that must be paid. Those are: (i) Notary Public expenses, and (ii) Registry of Commerce fees. Fees for registration of all types of act of commerce can be found at: www.fundempresa.org.bo	Every Bolivian company is required to have its main domicile in Bolivia, although it can have branches abroad. The legal representative of the company is required to be of Bolivian nationality or foreign person with a resident visa in Bolivia.	The company must be incorporated by a public deed, which must be filed in the Registry of Commerce.

COMPARATIVE COUNTRY CHARTS

BOLIVIA

Reporting and Recordkeeping ¶7	Formative Documents ¶8	Powers ¶9
<p>The law requires the shareholders' General Meeting to meet at least one time per year, and in this assembly the agenda should address: (1) The approval of the financial statements, annual report, report of the comptroller, and any other subject related to the administration of the company. If the company has independent audits, the Board should also approve the independent auditors' reports; (2) Appointment and removal of directors and administrators and the remuneration of the directors and comptroller; (3) Determination on profits or losses of the company; and (4) Liabilities of directors.</p> <p>The company shall maintain an up-to-date book of registry of shareholders or partners, with names, address, amount of their contribution, in case it applies any transfers and liens</p>	<p>Articles of incorporation must include all basic information i.e company, name and address, corporate purpose, amount of contributions, term of duration, form of organization of the administration, and others</p>	<p>The appointment and cessation of the administrators and legal representatives must be registered in the Registry of Commerce with an express indication of the powers granted</p>
Shareholders ¶10	Single Member Companies ¶11	Share Capital ¶12
<p>Every company must have at least two partners which can be either individuals or corporate entities; in the case of corporations at least three shareholders are required</p>	<p>Bolivian Law does not recognize single-shareholder or single-member companies. Independent business persons that engage in business activities do have to be registered in the Registry of Commerce</p>	<p>The capital of corporations is divided into shares, each representing a fraction of the company's capital. In corporations, there are two types of shares, "common shares" and "preferred shares". In the case of companies other than corporations all capital must be paid in full.</p>
Directors and Officers ¶13	Meetings ¶14	Resolutions ¶15
<p>A corporation's business and affairs is managed by its board of directors, who can also name managers and administrators. A corporation must have at least three directors, and each director must be a natural person.</p> <p>In the case of limited liability companies there has to be at least one manager member or not.</p>	<p>Every partner or shareholder shall have the right to participate in the decisions of the company and shall enjoy one vote for each quota of capital or shares, except for the limitations stipulated in the certificate of incorporation.</p> <p>Decisions recorded in minutes of the general shareholders meetings are mandatory for all shareholders, even for absentees and dissidents, except as indicated in article 302 of the Code of Commerce</p>	<p>Bylaws and shareholder or partners agreements govern the corporation's affairs and will regulate the quorum requirements and votes required for resolutions.</p>

COMPARATIVE COUNTRY CHARTS

BOLIVIA

General Accounting Practices ¶16	Mergers & Acquisitions ¶17	Liquidation/Dissolution ¶18
<p>Every company is obliged to keep accounting records adequate to the nature, importance and organization of the company, on a uniform format to demonstrate the situation of their business and a clear justification of each and every one of the acts and operations subject to accounting, and must also keep in good condition the books, documents and correspondence that support them</p>	<p>A merger occurs when two or more companies dissolve without liquidation, to constitute a new one, or when one of them incorporates another or others, which dissolve without liquidation.</p>	<p>Once the company is dissolved, it will be liquidated. The company in liquidation maintains its legal personality for this purpose only. During liquidation, the rules applicable to the type of company in question are applicable</p>
Governing Law ¶19	Forms ¶20	Economic Substance ¶21
<p>(1) Constitution of Bolivia. (2) Code of Commerce, DL N° 14379, February 25th, 1977 G.O. 907. (3) Law No. 466, December 26th, 2013 G.O. 600. (4) National Department of Registry of Commerce and Companies Regulation, DL No. 16833 July 19th, 1979. (5) Law No. 356, April 11th, 2013 G.O. 509 and Supreme Decree No. 1995, May 15th, 2014 G.O. 645. (6) Regulation of Concession of the Registry of Commerce Service), DS N.º 26215, June 15th, 2001, Official Gazette Edition No. 2321. (7) Ministerial Resolution MDPyEP No 72/2020, April 13,2020</p>	<p>Certain forms are available online at: www.fundempresa.org.bo/tramites-requisitos-y-formularios/registros-y-otros.</p>	<p>Bolivia does not have economic substance regulations</p>