

DIFFERENTIATE BETWEEN DIVISION AND SEPARATION OF ENTERPRISES

DIVISION OF ENTERPRISES

- Object: Limited liability and joint stock company
- Definition: to divide an initial company into two or more new companies.
- Work: to divide assets, rights and obligations, members, shareholders to establish two or more new companies
- Legal consequence: the divided company ceases to exist



Initial enterprise



New enterprise No.1



New enterprise No.2

SEPARATION OF ENTERPRISES

- Object: Limited liability and joint stock company
- Definition: to separate an initial company into one or some new companies.
- Work: to partly contribute assets, rights and obligations, members, shareholders to establish one or several new companies.
- Legal consequence: the separated company still exists, one or several new companies is/are created.



Initial enterprise



Initial enterprise



New enterprise

Legal basis: Article 198 and Article 199 of Law on Enterprises 2020.