

MONEGASQUE CIVIL COMPANIES (SCPs)

A legal structure for private asset holding
Legal framework and key features



DIRECTION DU DÉVELOPPEMENT ÉCONOMIQUE
Répertoire du Commerce et de l'Industrie

DEMANDE D'INSCRIPTION AU RÉPERTOIRE SPÉCIAL DES SOCIÉTÉS CIVILES (Formulaire modèle C1)

Loi n° 797 du 18 février 1966

RECOMMANDATIONS IMPORTANTES

La présente demande doit être rédigée en double exemplaire et signée par le représentant légal. Elle est remise au Service par lui ou par un mandataire muni d'un pouvoir spécial annexé à la demande. Toute demande qui n'est pas accompagnée des pièces justificatives requises est refusée par le Service (articles 5 et 5 bis de l'Ordonnance n° 3.573 du 11 mai 1966)

Monegasque civil companies are commonly used as legal vehicles for the holding and management of private assets.

While they are frequently associated with the ownership of French or Monegasque residential real estate, their use extends well beyond real estate ownership.

More generally, they are designed to hold and manage **civil assets, meaning private and non-commercial assets**.

They offer a simple, transparent, and well-established ownership structure, widely accepted by notaries, banks, and tax authorities, while avoiding many of the tax, compliance, and reputational issues often associated with certain offshore structures. They can provide private clients with a stable and flexible legal framework for long-term asset structuring, governance, and estate planning.

Their legal regime is primarily governed by **Law No. 797 of 18 February 1966** relating to civil companies, as subsequently amended, and by **Articles 1670 to 1711 of the Civil Code** relating to civil companies.

Drawing on our extensive practical experience in the incorporation and administration of such structures,

this guide provides an overview of Monegasque civil companies, their legal framework, the incorporation process, and the key obligations applicable throughout their lifecycle.

1. LEGAL FRAMEWORK

The legal framework governing Monegasque civil companies sets out the essential principles that determine how these entities may be structured and operated in practice.

1.1. SCPs or SCIs?

In Monaco, civil companies have historically been referred to as "**Sociétés Civiles Particulières**" (**SCP**). This terminology originates from former provisions of the Civil Code, under which civil companies were historically classified as either universal or particular. Universal civil companies did not pursue a specific activity, whereas particular civil companies were characterised by a defined and limited object.

The law governing companies was modernised by Law No. 1.573 of 8 April 2025. The distinction between universal companies and particular companies no longer exists as a matter of law. However, the terminology of "particular" civil companies has survived in practice.

Monegasque civil companies are also sometimes referred to as **SCIs** (“**Sociétés Civiles Immobilières**”), particularly when they are used to hold real estate.

The term “SCI” is not a distinct legal category under Monegasque law, but rather a term of practice, commonly used—by analogy with French law—when a Monegasque civil company’s main purpose is the ownership and management of real estate. It is merely part of the company’s name. A civil company called SCI XXX remains an SCP.

In substance, whether a company is referred to as an SCP or as an SCI, it remains the same type of civil law entity, governed by the same legal framework, subject to the same regulatory and compliance obligations, and offering the same flexibility in terms of governance, asset holding, and estate planning.

For the purposes of this article, the term “SCP” will be used to refer to Monegasque civil companies generally.

1.2. Legal personality

An SCP is a **separate legal entity**, distinct from its shareholders.

As a result, the assets held by the company are owned by the company itself and not directly by its shareholders. Shareholders hold shares in the company, not a direct interest in the underlying assets.

Although SCPs are sometimes described as “partnerships” in an English-law context, this terminology is incorrect. An SCP is a legal entity in its own right, and its members must be referred to as shareholders, not partners.

This distinction has important legal and practical consequences.

In particular, any change in the company’s shareholding—whether through a sale, a gift, or a transfer on death—does not affect the legal ownership of the assets held by the company. The property remains owned by the company at all times.

This structure provides a high degree of flexibility and continuity, especially in a family and estate planning context. Rather than transferring the property itself, which may trigger complex formalities and taxation, shareholders may transfer shares in the company progressively, for example to children

or other family members, while maintaining centralised management and control.

1.3. The civil nature of an SCP

For international clients, the concept of a “civil” company can be confusing, as it does not have a direct equivalent in many common law jurisdictions.

In the Monegasque legal system, the term civil refers to the nature of the company’s activity, not to its level of sophistication or importance. A civil company is one whose **purpose is non-commercial**. It is designed to hold and manage private assets, rather than to carry on a trading or business activity.

An SCP may therefore be used to own and manage assets such as real estate, investment portfolios, or intra-family receivables, provided that its activity remains civil in nature. By contrast, **it may not be used to carry on commercial operations, trading activities, or businesses generating recurring commercial income.**

This distinction is fundamental. It explains both the flexibility of SCPs as private asset-holding vehicles and the limits of their use. It also explains why, unlike commercial companies, **the incorporation of an SCP in Monaco does not require prior authorisation from the Monegasque authorities.**

Understanding the civil nature of the company is essential when structuring assets through an SCP, as engaging in activities that are considered commercial could render the structure inappropriate or expose it to legal or regulatory challenges.

1.4. Shareholders

From a corporate perspective, an SCP requires a minimum of **two shareholders**, with no minimum share capital requirement. In practice, a modest nominal share capital (for example €1,000) is commonly adopted.

The requirement for a minimum of two shareholders should be understood as a legal principle rather than an economic requirement.

Under civil law principles, a company is traditionally conceived as a legal relationship between at least two persons, reflecting the idea that a “société” is, by definition, a collective undertaking. This conceptual approach explains why SCPs require a minimum of two shareholders, even where the company is not intended to operate as a joint venture in economic terms.

As a result, the second shareholder may hold a **very small minority interest** (e.g. 0.1%) in the SCP. In practice, it is common for one shareholder to hold almost all of the shares, while the second shareholder holds a purely nominal participation.

1.5. Articles of association

One of the main advantages of an SCP lies in the **high degree of flexibility** offered by its articles of association (usually referred to as "statuts").

Monegasque law provides only a **general framework** for SCPs, leaving shareholders considerable freedom to organise the company's governance, management powers, decision-making processes, and economic arrangements through the drafting of the articles of association.

In practice, the articles may be tailored to reflect the specific objectives of the shareholders.

This contractual freedom makes the SCP a particularly effective tool for private wealth structuring and estate planning, as it allows the legal framework of the company to be closely aligned with the shareholders' long-term objectives.

1.6. Management

An SCP is managed by one or more directors (gérants), who are **responsible for the day-to-day management** of the company and for representing it vis-à-vis third parties, including notaries, banks, tenants, and public authorities.

The scope of the directors' powers is primarily defined in the articles of association. Unless limited by specific provisions, the directors benefit from **broad authority** to represent the company and to bind it in dealings with third parties.

Directors do not need to be shareholders. This provides additional flexibility. The manager may be a **natural person or a legal entity.**

Where several directors are appointed, the articles of association may specify whether they act jointly or separately and may allocate specific powers among them.

2. HOW TO INCORPORATE AN SCP

The incorporation of an SCP involves a number of formal steps. While the process is relatively straightforward, it must be properly structured and managed from the outset to ensure compliance with Monegasque law and, where relevant, with foreign

tax and regulatory requirements, and to avoid unnecessary delays or complications during the incorporation process.

2.1. Definition of the structure and objectives

At the outset, the shareholders determine the purpose of the company, the assets to be held, the governance structure, and the long-term objectives (including asset protection and estate planning considerations). They must also decide who the shareholders will be, the proportion of shares they will hold, and who will manage the company.

2.2. Drafting of the articles of association

The articles of association are drafted to reflect the agreed structure of the SCP. They define, in particular, the company's object, share capital, governance rules, management powers, rules governing the transfer of shares, and other key provisions.

Given the contractual flexibility of SCPs, careful drafting is essential, as the articles of association constitute **the core legal document governing the company.**

Once finalised, the articles of association must be signed by all shareholders.

Shareholders may include **minors**, provided they have legal capacity to do so and are duly represented by their legal representatives in accordance with the law governing their legal capacity, which is generally determined by the minor's nationality.

All shareholders must **sign the same original documents, in ink.** Electronic signatures are currently not accepted in Monaco for the execution of the articles of association.

Once executed, they must be filed with the Monegasque tax authorities for **registration** ("enregistrement").

The registration duty amounts to **1% of the company's share capital**, subject to a minimum charge of €50. Accordingly, an SCP incorporated with a share capital of €1,000 will be subject to a registration duty of €50, plus stamp duties of €1 per page.

The registration process generally takes around **one week**, after which the incorporation process may proceed.

2.3. Incorporation of the SCP with the Monaco Companies Register

Once the articles of association have been duly registered, the full incorporation file may be submitted to the Monaco Companies Register (Registre du Commerce et de l'Industrie – RCI).

The incorporation file typically includes, in particular:

- the registered articles of association;
- a registration form (Form C1);
- valid identification documents and proof of address for each shareholder and for the director(s);
- a declaration of non-conviction, where the director is not resident in Monaco;
- an attestation of domiciliation for the SCP.

For the purposes of the Monaco Companies Register, proof of address must consist of a **utility bill** (electricity, water, gas, or landline telephone) **dated within the last three months**. Mobile phone bills are not accepted.

In practice, we sometimes act for clients who reside in jurisdictions where **utility bills are not available or do not meet the applicable standards**. In such cases, the acceptability of alternative documentation must be assessed on a case-by-case basis with the Monaco Companies Register, and additional supporting documents may be required.

This highlights the importance of anticipating documentation issues at an early stage, in order to avoid delays or complications during the incorporation process.

The utility bill must be issued in the name of the relevant shareholder or director. Where this is not the case, an attestation of accommodation (“attestation d’hébergement”) must be provided.

Once the incorporation file has been approved, the company is formally incorporated and entered on the Monaco Companies Register. At that point, the SCP acquires full legal personality under Monegasque law, and a registration number is issued.

Registration with the RCI generally takes **a few working days**, depending on the completeness of the file and the authorities' processing time.

Once incorporated, an SCP may begin its activities, but it is subject to a number of **ongoing obligations** throughout its life.

3. ONGOING OBLIGATIONS UNDER MONEGASQUE LAW

The days when an SCP could be incorporated and left dormant without any further scrutiny are now firmly over.

In line with international transparency standards, Monaco has significantly strengthened the regulatory framework applicable to civil companies. In this context, Law No. 1.550 of 10 August 2023 introduced a number of ongoing obligations applicable to SCPs.

Once incorporated, an SCP must therefore comply with the following obligations.

3.1. Appointment of the Person Responsible for Basic Information (RIE)

Each SCP must appoint a Person Responsible for Basic Information (RIE). The primary role of the RIE is to **maintain adequate, accurate, and up-to-date information** relating to the company itself, its shareholders, and its beneficial owners. This information must be made available to the Monegasque authorities upon request.

Where the SCP does not hold a bank account in Monaco and none of its shareholders is resident in Monaco, **the RIE must be a professional** established in Monaco. This professional may be a company services provider (CSP), a legal adviser, a multi-family office (MFO), a chartered accountant, a notary, or an avocat.

The RIE must be appointed **within one month following the incorporation of the company**. A specific form (Form SC-EPNFD) must be filed with the Monaco Companies Register for this purpose. Any subsequent change relating to the RIE must also be notified to the RCI within one month of the change.

Failure to appoint an RIE may give rise to administrative sanctions, including financial penalties and the striking off of the SCP from the Monaco Companies Register.

3.2. Annual declaration

Each year, within one month **following the anniversary of its registration**, the SCP must file an annual declaration with the Monaco Companies Register (Form DA-SC).

The annual declaration is not required for the year of incorporation. It must be filed for the first time in the year following incorporation, and annually thereafter.

Through this declaration, the company must confirm that it continues to carry out its activities; and confirm that the information previously provided remains accurate, or disclose any changes that have occurred since the last declaration.

In particular, the declaration must confirm or update information relating to:

- the status of the company (active, dissolved, temporarily inactive);
- the company's corporate details, including its name, legal form, registered office, object, and share capital;
- the identity of the shareholders and directors, whether individuals or legal entities, together with their personal details;
- the identity of RIE;
- the existence of a bank account in Monaco, where relevant.

These requirements illustrate the level of transparency now expected from Monegasque civil companies and highlight the importance of maintaining accurate and up-to-date internal records on an ongoing basis.

In practice, this is a core responsibility of the RIE, who is in charge of keeping the relevant information up to date and ensuring that the annual declaration is properly prepared and filed.

Failure to file the annual declaration may give rise to administrative sanctions, including financial penalties and the striking off of the SCP from the Monaco Companies Register.

3.3. Accounting records and financial statements

Since the enactment of Law No. 1.550 of 10 August 2023, Article 8 of Law No. 797 of 18 February 1966 relating to civil companies now expressly provides that:

"Civil companies are subject to an obligation to maintain accounting records, the detailed arrangements of which shall be specified by Sovereign Ordinance. The accounting records and all related supporting documents must be kept at the registered office of the civil company for a period of ten years".

Although this requirement is now expressly set out in the legislation, maintaining accurate and consistent accounting records has long been regarded as best practice.

Proper accounts are essential when valuing the company's shares, as they make it possible to evidence the existence of company liabilities (such as bank loans or shareholder loans) and to determine the net value of the shares.

This obligation is particularly significant where the SCP owns French real estate, as the valuation of the shares may have direct consequences for French gift and inheritance tax purposes, notably in the context of intra-family transfers or succession planning.

It should also be noted that, where an SCP owns French real estate, it is subject to certain **French tax filing obligations**, particularly at the time of incorporation or acquisition. Readers should ensure that they are properly informed of these obligations and seek appropriate advice where necessary.

CONCLUSION

SCPs remain highly effective tools for the holding, management, and transmission of private assets, provided they are properly structured and carefully administered throughout their life.

This is where SQUARE SERVICES assists its clients, by supporting them at every stage of the life of their Monegasque civil company, including:

- structuring and incorporation;
- ongoing corporate administration and compliance;
- acting as RIE;
- assistance with the preparation of accounting records and the monitoring of annual declarations; and
- coordination with notaries, tax advisers, and other professionals in Monaco and abroad.

Through this long-term and hands-on approach, we help ensure that SCPs remain compliant, efficient, and aligned with their owners' objective.