



# Monaco Non-trading companies: what accounting requirements?

## 1. An obligation first imposed by law ...

Non-trading companies are subject to the obligation to keep accounts.

This consists of the accounting registration of all the operations that these companies carry out, in the form of a statement of income and expenditure.

In the event of a breach of this obligation, the manager(s) may be fined between 18,000 and 90,000 euros.

Documents relating to the accounts, as well as all the corresponding supporting documents, must be kept at the non-trading companies' headquarters for at least a five-year period.

The manager(s) can entrust the conservation of accounting records to a chartered accountant, a real estate agency, a property manager or a company whose purpose is the administration of non-trading companies, provided that the manager(s) make a prior declaration to the [Direction de l'Expansion Économique](#) (Business Development Agency) so that it is aware of the custodian of said accounting records.

## 2. ... but which can then come under more "practical" constraints

In addition to the Monegasque legal obligation, several typical cases may require specific accounts to be kept:

- ✓ Subject to compliance with the Civil Code, the statutes organize the management and administration of a non-trading company. Commonly, the management is generally expected to be returned six months after the closing so that the partners can rule on it;
- ✓ By the rise of obligations relating to the ownership of real estate, such as:
  - French real estate, requiring the production of French declarations;
  - Real estate the operation of which would be subject to VAT.

Certain contexts also sometimes impose their own constraints, such as for example the need to reconstitute the current account of a deceased partner, or even the valuation of the shares, with an inventory of assets and liabilities at their real value within the context of a dismemberment.

## 3. In conclusion

For anyone in charge of managing of a non-trading company, the foremost thing to remember is that its accounting requirements should be taken seriously, much like what is established for a commercial company.

This will not only allow sound management, but above all avoid any pitfalls when the situations for which they were initially created (inheritance, family assets management in particular) come into effect.



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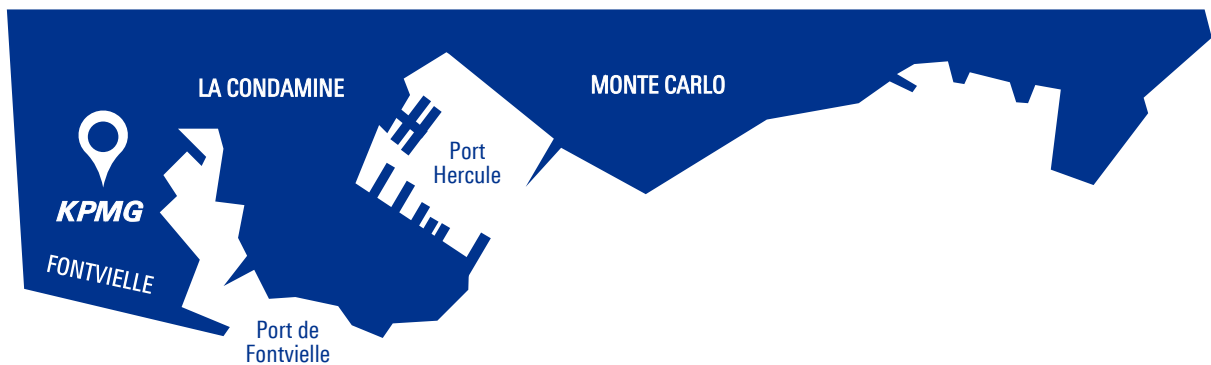
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