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Share capital

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In short: Share capital is the value of the shares a company has issued to its shareholders. Some countries set a minimum (for example €25,000 for a German GmbH, of which half must be paid in), while the UK, Ireland, the Netherlands and many others allow a company to start with a nominal amount such as £1 or €0.01.

Terms you will meet: **issued** capital is the shares actually allotted; **paid-up** capital is the part shareholders have paid; **authorised** capital (in some countries) is the maximum the company may issue. Shareholders' liability is generally limited to any unpaid amount on their shares, which is the basis of limited liability.

Capital may usually be paid in money or, with a valuation, in kind (for example equipment or intellectual property). Banks, landlords and some licensing regimes look at capital as a sign of substance even where the law allows a minimal amount. The minimum for each country is in its guide and in the comparison table.

See also

- Limited liability
- Comparison of company formation by country

References

1. Set up a limited company . GOV.UK. Accessed November 2026.
2. Companies Act 2006, section 546: Issued and allotted share capital . legislation.gov.uk. Accessed November 2026.

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