**Alterations to Civil Code by Law no. 13.792/2019**

The recent Law no. 13.792/2019 amended provisions of the Civil Code regulating *limitadas*, with a view to making relations between partners more flexible and the procedure for removing an administrator and excluding a partner less complex.

The first amendment consists of the reduction of the quorum required for dismissal of the managing partner designated in the Articles of Association, from two thirds of the equity capital to a simple majority.

In accordance with the new rule, it is possible for partners representing more than half of the capital to remove the minority partner from the position of administrator, by a simple amendment to the Articles of Association, in order not to jeopardize the company’s management and its operation as a whole.

The second change introduced by Law no. 13.792/2019 was the waiver of the need to hold a quotaholders meeting to deliberate the exclusion of a minority partner in the case of *limitadas* the capital of which is held by only two partners.

This latter change only eliminates a formal step in the process of partial dissolution of *limitadas* held by two partners, in which case the majority partner will be able legitimately to decide on the exclusion of the minority partner, provided that he is justified in doing so and that there is an express provision in the articles of association allowing for such exclusion.

In this connection, the new text strengthens the position of the majority partner in relation to the exclusion procedure if he considers that the minority partner is putting the company’s continuity at risk by performing actions of undeniable gravity.

On the other hand, the partner excluded, if he is not in agreement, may resort to court proceedings or arbitration (if chosen) to challenge the grounds for his allegedly justified exclusion, if this was motivated by abuse of power, bad faith or fraud.

It must be emphasized that, even when the exclusion is justified, the partner excluded must receive the compensation equivalent to his participation in the company’s capital.

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