



## Definition of the family businesses

A firm, of any size, is a family business, if:

- (1) The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs.
- (2) The majority of decision-making rights are indirect or direct.
- (3) At least one representative of the family or kin is formally involved in the governance of the firm.

Listed companies meet the definition of a family business, if the person who founded the company or has acquired the share capital of the company, or their family or descendants, due to their share capital, hold 25 percent of decision making rights.

This definition also includes family businesses that have not yet completed the first generation transfer. It also includes sole proprietors and self-employed (if a legal entity exists that can be transferred to the next generation).