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STARTUP LEGAL READINESS CHECKLIST

Preparing for Fundraising and Due Diligence

Use this checklist to identify common legal issues before investors do.

1 CORPORATE STRUCTURE & GOVERNANCE

☐ Company information is up to date in the Trade Register

☐ Articles of Association reflect the current governance structure

☐ Shareholders’ Agreement (SHA) is in place and signed by all shareholders

☐ Founder roles, responsibilities, and decision-making processes are clearly agreed

☐ Board composition and governance are appropriate for the company's stage

☐ Material board and shareholder decisions have been properly documented

☐ Historical share issuances, transfers, and financing rounds are documented & registered with the Trade Register where necessary

2 OWNERSHIP & CAP TABLE

☐ Current cap table is accurate and up to date

☐ No undocumented equity promises have been made to founders, employees, advisors, or consultants

☐ Founder vesting or reverse vesting arrangements have been considered

☐ Former founders and inactive contributors do not hold disproportionate ownership stakes

☐ Option pool and employee incentive arrangements are documented and approved

☐ All convertible instruments and shareholder loans are properly documented

3 INTELLECTUAL PROPERTY (IP)

☐ The company owns all material IP required for its business

☐ Founders have assigned relevant pre-incorporation IP to the company

☐ Employees have signed agreements covering IP ownership

☐ Consultants and contractors have signed IP assignment provisions

☐ Trademarks, domains, and other key assets are registered in the company's name

☐ Open-source software usage has been reviewed and documented

4 EMPLOYMENT & CONTRACTOR RELATIONSHIPS

☐ Written employment agreements are in place for all employees

☐ Employment agreements include appropriate confidentiality and IP provisions

☐ Consultant agreements are signed and up to date

☐ Key individuals working as contractors have been assessed for employment classification risks

☐ No significant dependence exists on undocumented or informal working arrangements

☐ Employee incentive arrangements are properly documented

5 INTERNATIONAL OPERATIONS

☐ Foreign employees and contractors have been reviewed from a tax and employment law perspective

☐ Potential permanent establishment risks have been assessed

☐ Local regulatory requirements have been considered where the company operates

6 COMMERCIAL AGREEMENTS

☐ Material customer agreements are signed and stored

☐ Material supplier agreements are signed and stored

☐ Key commercial relationships are documented

☐ No material agreements rely solely on verbal commitments

7 COMPLIANCE & DATA PROTECTION

☐ GDPR compliance has been reviewed

☐ Privacy and data processing documentation are in place

☐ Material regulatory obligations relevant to the business have been identified

☐ Internal compliance processes exist where required

8 DUE DILIGENCE READINESS

☐ Corporate documents are organized and readily available

☐ Shareholder and financing documents are complete

☐ Employment and contractor agreements are accessible

☐ IP documentation can be produced upon request

☐ Material commercial agreements are organized

☐ A due diligence data room can be assembled quickly

Quick Self-Assessment

How many items remain incomplete?

□ 0–5: Strong legal readiness

□ 6–15: Some cleanup recommended before fundraising

□ 16–25: Material issues should be addressed before approaching investors

□ 25+: Consider a full legal review before launching a fundraising process