

# Business Registration

## Entry in the Commercial Register

In the establishment phase of a company - and prior to assumption of commercial activities - a company only has to be registered in the public commercial register (*Handelsregister*) and the local trade office (*Gewerbe-/Ordnungsamt*). The registration creates transparency and also offers companies the highest level of security in their day-to-day business activities.

The commercial register (*Handelsregister*) provides information about all relevant relationships between merchants and commercial companies. The information is public and can be viewed by other companies. The commercial register contains information about:

- The company of the business
- The name of the partner(s) and/or the personally liable partner(s)
- The managing director or the executive of corporations
- The capital stock of companies
- Liability limitations of partners
- The issuing and revoking of the power of attorney
- The opening of insolvency proceedings
- The dissolving and ending of a company

## Companies Required to Register

Companies required to register are those which carry out a commercial business operation. This is determined by criteria such as the use of commercial accounting, annual turnover, capital resources and total number of employees. As a rule, all status relevant actions of companies are subject to registration.

Small businesses, civil partnerships (GbRs), freelancers and dependent branch offices do not have to be registered in the commercial register.

## Registration Procedure

The application for registration in the commercial register is electronically filed in publicly certified form by a notary to the responsible commercial register.

As a rule, with types of company in which the entry in the commercial register is part of the act of establishment, the possible limitation of liability of the partner(s) is only effective subsequent to the time of the entry in the commercial register. If business is carried out prior to this point in time, partners can be liable for any losses of the company with their private assets (especially the case with corporations).

## Registration Costs

The total cost of entry in the commercial register varies depending on the type of company. Costs incurred are made up of costs of the notarial certification and the fees charged by the district court for entry and publication in the Federal Gazette (*Bundesanzeiger*).

The cost for registration and publication in the commercial register for a partnership is currently EUR 250 minimum. For a GmbH, this amount is at least EUR 400, and for an AG at least EUR 500. Additional costs are incurred through the use of a notary.

The costs and fees are not levied on an arbitrary basis but are regulated by law. They largely depend on the number of partners and the share capital. Further costs can be incurred by the provision of additional legal advice.

The Federal Chamber of German Civil Law Notaries (*Bundesnotarkammer*) provides information about the exact composition and level of notary costs on its internet site. Here, companies can also find a German notary.

- [Federal Chamber of German Civil Law Notaries \(Bundesnotarkammer\)](#) ▶

## Commercial Register Display

The commercial register is managed by the district court where it is open to public view at no cost. In addition to this, the register can also be consulted online through the common register portal of the German federal states (*Gemeinsames Registerportal der Länder*).

- [Common Register Portal of the German Federal States](#) ▶

Some of the company data which is stored in the commercial register is also available electronically through the commercial register of the Federal Gazette (*Bundesanzeiger*).

- [Company Register](#) ▶

## Trade Office Registration

Before starting their business operations, every business operator must inform the trades (or regulatory) office (*Gewerbe- oder Ordnungsamt*) of the town or local district in which the business operation is located. This applies to every company regardless of its company form (except freelance professionals).

A business license or permit is not necessary for registering the business in the majority of cases. In some sectors, a permit or authorization might be required (e.g. pharmacies, property developers, estate agents, brokers, security firms, pubs and hotels or banks).

## Registration Procedure

The registration of a business activity that does not require a license or permit costs between EUR 20 and EUR 40. Additional costs apply for companies that require a business license. Costs are depending on the sector the business is operating in. For the independent, non-industrial operation of certain trades (e.g. bakers, carpenters or precision makers) entry in the Register of Craftsmen (*Handwerksrolle*) is also required. The trades that are affected are listed in the Crafts and Trades Regulation Code (*Handwerksordnung*) where they can be consulted.

## Automatic Forwarding

The trade office automatically sends a copy of the business registration to the responsible tax office (*Finanzamt*). This then sends a registration form to the company for tax registration purposes. In addition to this, it also sends the registration to the other relevant institutions such as the respective Employer's Liability Insurance Association (*Berufsgenossenschaft*), the corresponding Chamber of Industry and Commerce (IHK) and, if required, the Chamber of Crafts (*Handwerkskammer*).

## Chambers of Industry and Commerce (IHKs) and Chambers of Crafts

In Germany, the Chambers of Industry and Commerce (IHKs) and the Chambers of Crafts (*Handwerkskammern*) function as the local interest groups of business operators in a specific region. At the same time the chambers realize more than just the general functions of professional associations for their members. They also:

- Carry out active lobbying work by representing the interests of the company towards municipalities, state, and federal government;
- Organize vocational training by defining the framework requirements and approving interim and final examinations;
- Draw up certificates concerning, for example, admissible company names.

In addition to this, the IHKs also provide information about the local economic framework conditions in a region and provide foreign companies with business contacts to possible regional partners. All IHK members are also able to draw on the comprehensive advice and services of the responsible chamber. The chambers are generally the first point of contact in the event of day-to-day business problems.

Membership of the IHK or Chamber of Crafts is obligatory and occurs automatically on registration in the trade office without requiring special registration. The costs of membership of the chamber depend on turnover of the respective company.

The umbrella association of the German Chamber of Industry and Commerce, the DIHK (*Deutscher Industrie- und Handelskammertag*), offers an overview of all of the regionally responsible chambers on its website.

- [The German Chambers of Industry and Commerce IHK Finder](#) ▶



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Fotografie

## CONTACT US

Christina Schön

[✉ Submit your question](#)



Udo Sellhast | © GTAI

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Udo Sellhast

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