Stock Corporation (AG)

Characteristics

A stock corporation (*Aktiengesellschaft, AG*) generally enjoys a high market reputation among business partners. However, the founding formalities and costs of an AG are relatively high, and the AG is subject to extensive organizational obligations in day-to-day business. The AG is liable to corporate income tax, solidarity surcharge and trade tax.

Formation Requirements

In principle, an AG can be established by any individual. Generally speaking, there are only two founding obligations to be observed. First, an AG must have a minimum share capital of EUR 50,000 (which must be fully subscribed by the founding shareholders) and articles of association need to be certified by a notary. Legal consultation is advisable for drawing up the articles of association. The German Bar Association (Deutscher Anwaltverein e.V.) provides a register of German lawyers.

- German Bar Association (Deutscher Anwaltverein)

Appointing the Management

The founding shareholders appoint the first auditor (*Abschlußprüfer*) and supervisory board (*Aufsichtsrat*), which in turn appoints the first management board (*Vorstand*). The appointment of the first auditor and supervisory board must be notarized.

The founding shareholders must also prepare a formation report with the relevant details of the establishment of the AG. This report has to be scrutinized by the boards.

The AG is managed by its management board. Neither supervisory board nor shareholders can exercise direct influence on the management board.

Registration

The AG comes into existence upon registration in the commercial register (*Handelsregister*). The application must be signed by the founding shareholders, the members of the supervisory board, and the management board before a notary. In addition, an AG must be registered with the local trade office (*Gewerbe- oder Ordnungsamt*).

For detailed information about business registration please read:

- Business Information

Contact Us

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Submit your question

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