

EXPANSION INTO GERMANY

Business establishment, corporate taxation
and visa

MEDICA, 15 OCTOBER 2023

Udo Sellhast
Senior Manager Investor Support Services
www.gtai.com

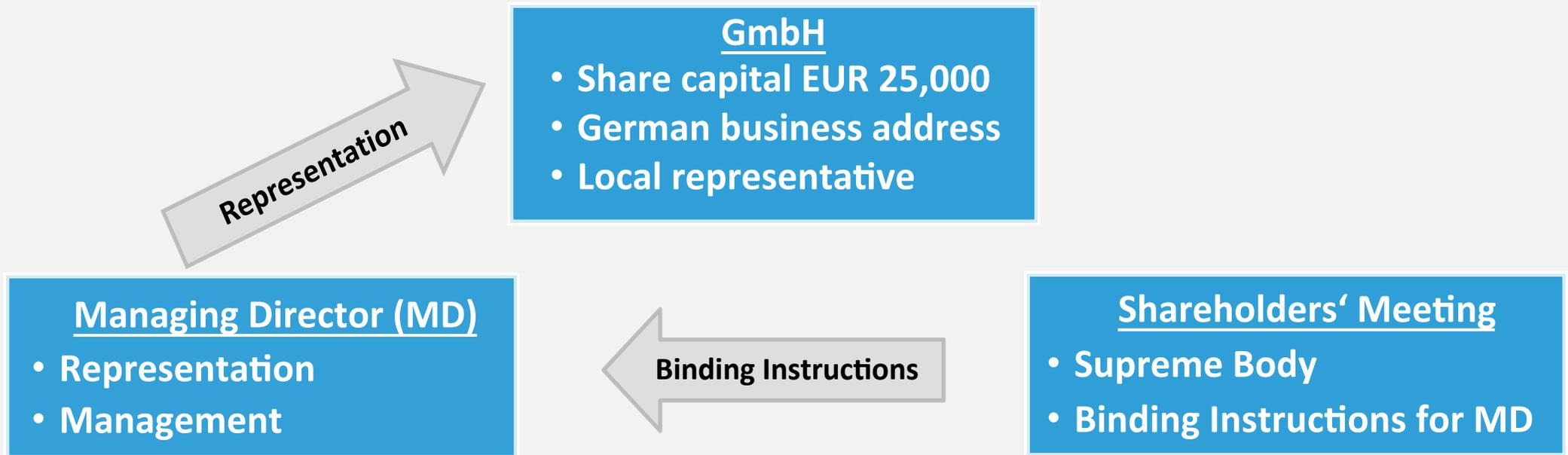




1. BUSINESS ESTABLISHMENT

EXPANSION INTO GERMANY

The GmbH is often used as a company form due to its flexibility and the limited liability.



The nationality and residence of the shareholder(s) and the managing director(s) of a GmbH are irrelevant.

The incorporation process of a GmbH has clearly defined steps.

Articles of
Association

Notarization¹
(notary)

Bank Account
Share Capital

Commercial
Register

Trade office
notification²

1) Shareholder(s) forming the GmbH, adopting its articles of association and appointing one or more managing directors in a notarial deed.

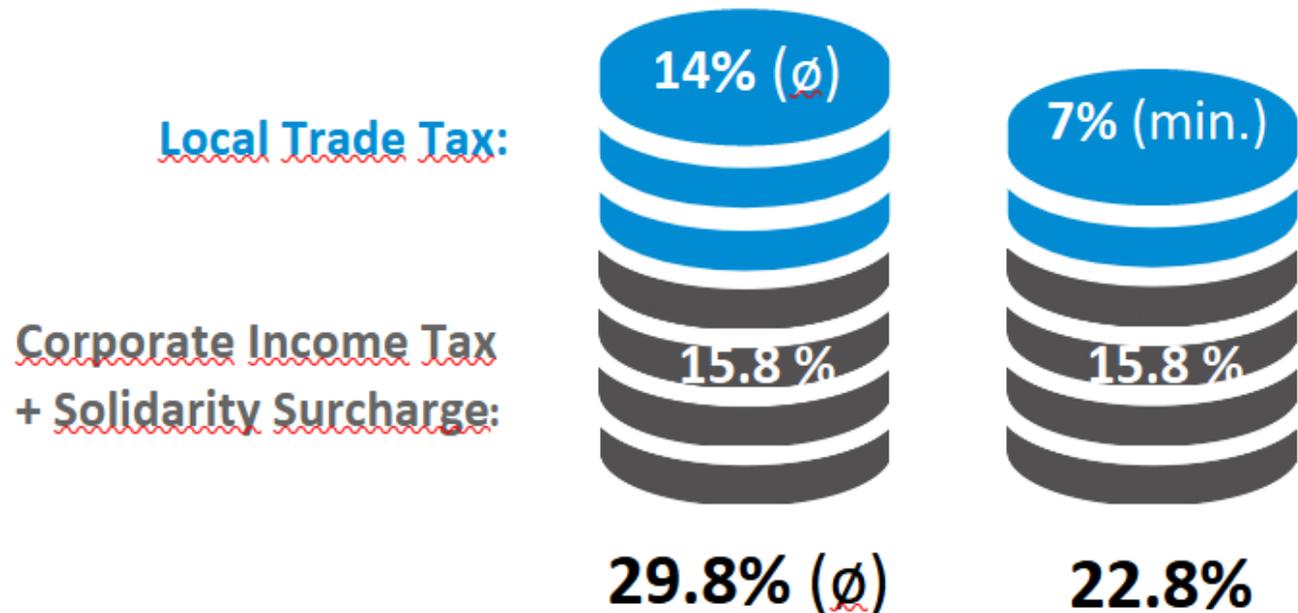
2) Selected business sectors (e.g. food operators, brokers, restaurants, hotels, financial service providers) require further registrations or permits.



2. CORPORATE TAXATION

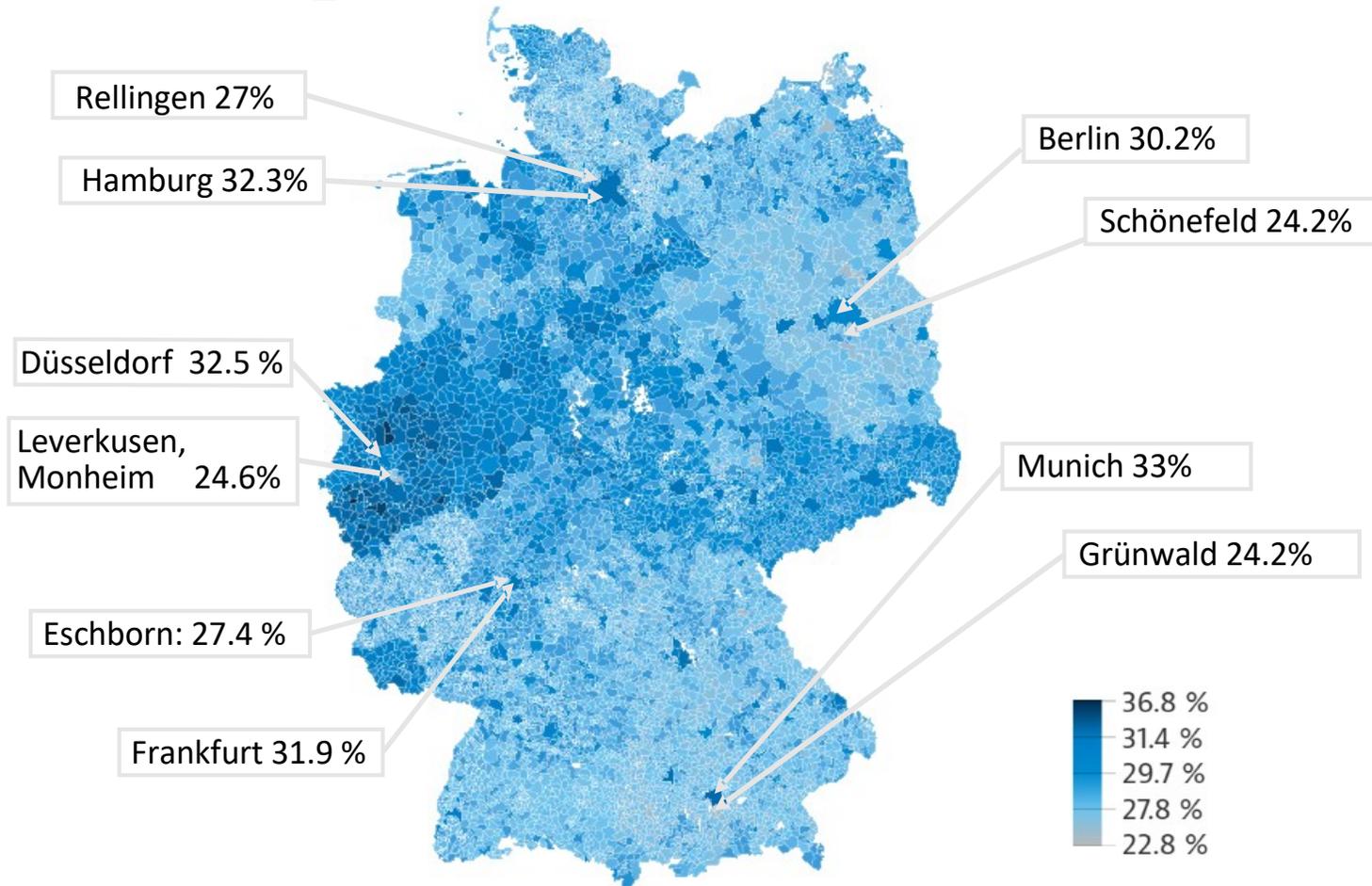
EXPANSION INTO GERMANY

Due to the trade tax, the combined corporate tax rate varies at the municipal level.



A significant number of municipalities offers combined corporate tax rates below 25%. The German average is 29.8%.

Combined corporate tax rates vary between metropolitan areas and the countryside.



Germany offers a diversified tax landscape, due to the locally varying trade tax.

Grey areas: No data available (territory free of municipality)

Source: Statistische Ämter des Bundes und der Länder: Hebesätze der Realsteuern, Ausgabe 2020, Information und Technik Nordrhein-Westfalen, Düsseldorf, 2021 (im Auftrag der Herausbergemeinschaft)



3. VISA

EXPANSION INTO GERMANY

The relevant residence title depends on the specific area of business activity.

BUSINESS SET-UP

Schengen Visa sufficient in principle (if necessary).¹

- Stay for up to 90 days in any 180-day period.
- Fundamental establishment activities possible.

SELF-EMPLOYED PERSONS

Residence permit generally required.

Criteria:

- Economic interest/regional need for investment,
- positive economic consequences,
- secure financing.

EMPLOYEES

Residence permit generally required.

Criteria for skilled employees:

- Recognized qualification,
- Concrete job offer,
- Approval by Federal Employment Agency.

In order to initiate a residence permit procedure, it is usually necessary to apply for a **national visa** at the German Embassy.²

1) Nationals of many countries do not need a Schengen visa according to EU regulations. EU/EEA nationals may enter, stay, and work in Germany without any type of visa.

2) Citizens from Australia, Canada, Israel, Japan, New Zealand, South Korea, UK, and the United States may enter Germany without a national visa and can apply for the residence permit at the local immigration office in Germany.

Germany Trade & Invest Contact

Udo Sellhast

Senior Manager

Investor Support Services

udo.sellhast@gtai.eu

www.gtai.com