

Focus - UK Companies

EXPANDING TO GERMANY

February 2021





Expanding to Germany

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Business Establishment

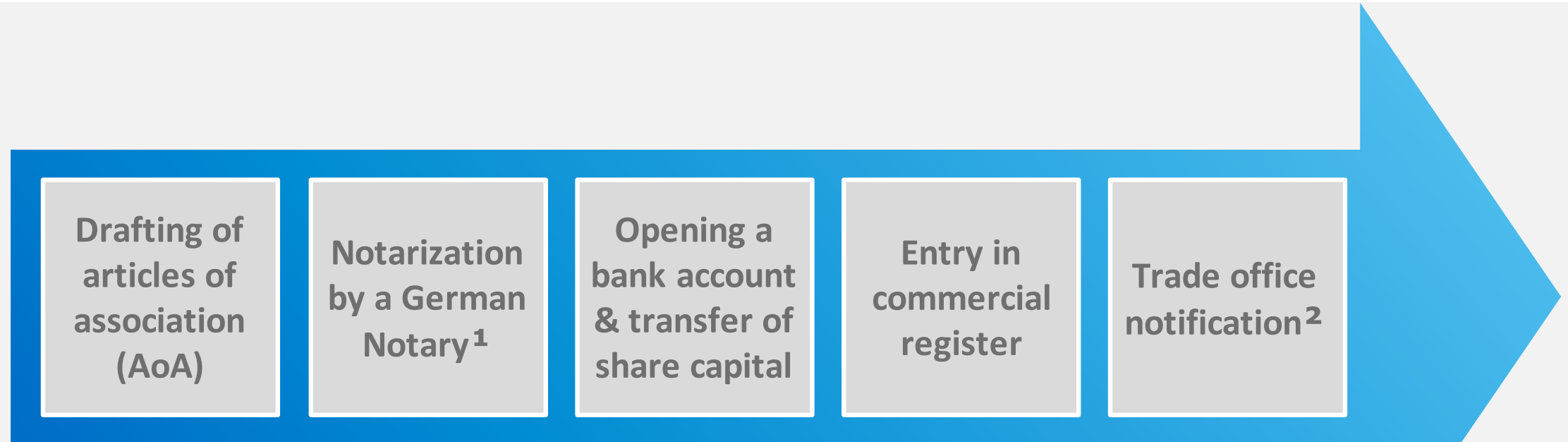
The GmbH - the most widely used legal form for subsidiaries.

- The GmbH offers limited liability and high flexibility.
- The nationality and residence of the shareholder(s) and the managing director(s) of a GmbH are irrelevant.
- Minimum share capital of EUR 25,000 is required.
- The GmbH requires a German address and a local representative in Germany.

UK companies can easily incorporate a GmbH in Germany.

Business Establishment

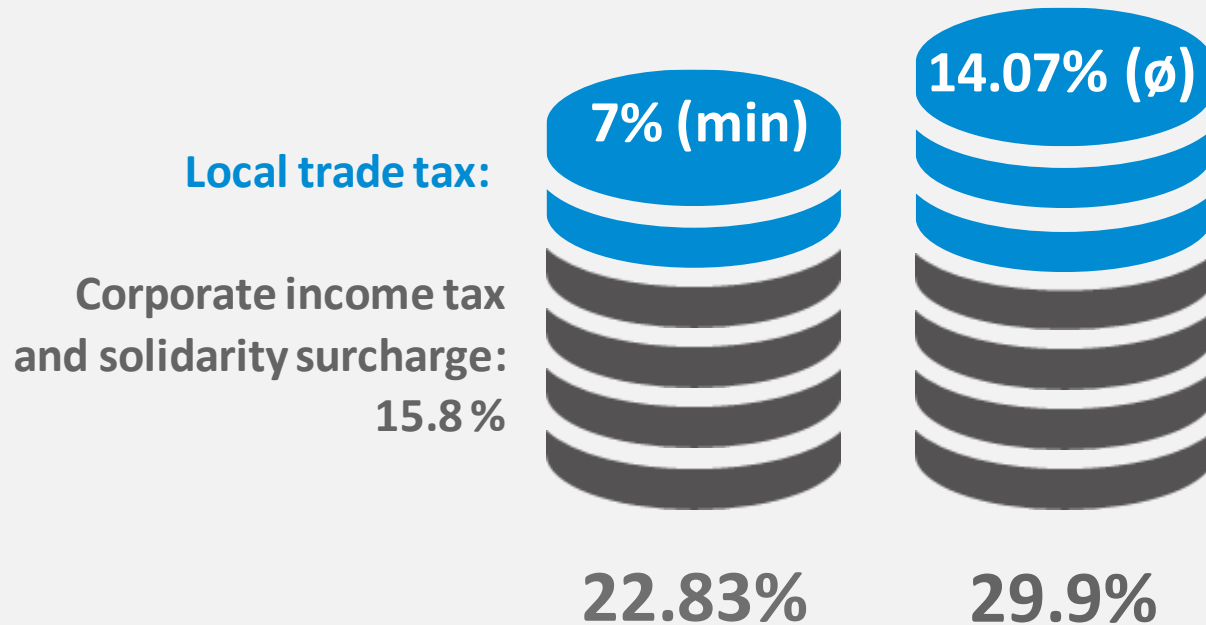
The GmbH - Incorporation Process



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. pharmacies, brokers, restaurants, hotels, financial service providers) require a permit / licence for the notification.

Corporate Taxation

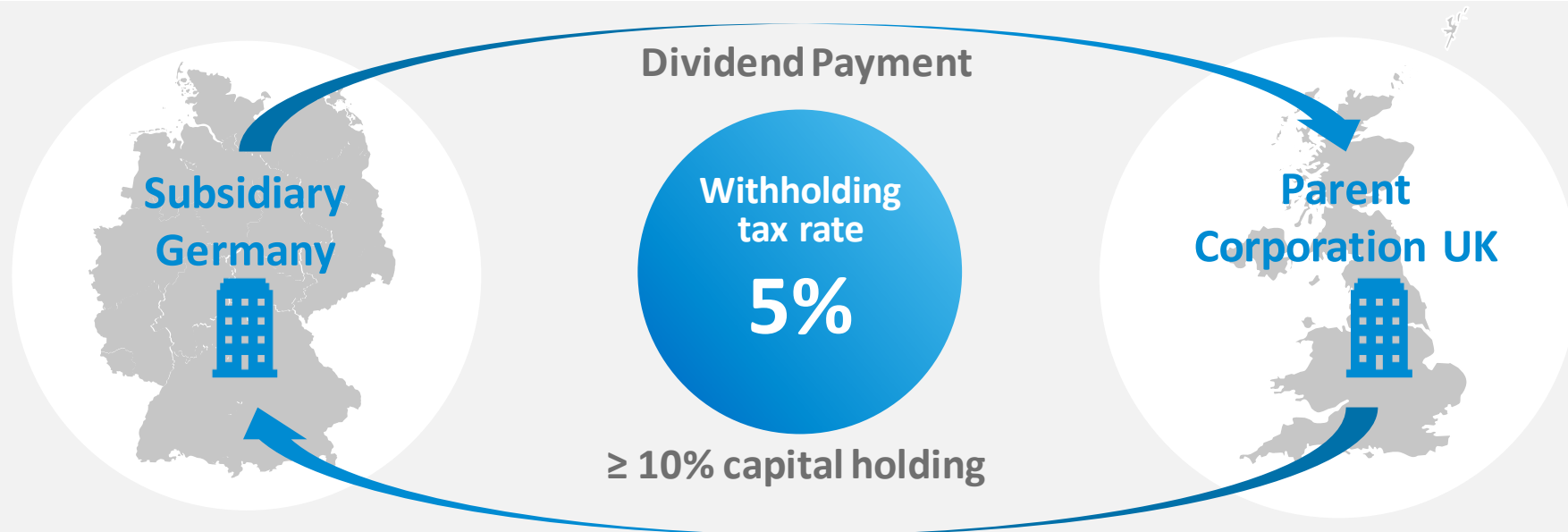
The corporate tax burden varies at the municipal level.



The German corporate tax average is 29.9% - but can be as low as 22.83% in some areas.

Corporate Taxation

From 2021 the British-German Double Taxation Agreement applies in full.



From this follows that dividend payments from a German subsidiary to its British parent corporation are subject to a withholding tax of five percent in Germany, provided a minimum capital holding of at least 10 percent.

For tax-related Brexit questions please refer to the dedicated website of the [German Federal Ministry of Finance](#)

Entry & Residency

Visa exemption for UK citizens only applies to short-term stays.

British citizens do not require a visa to enter Germany for short-term stays (up to 90 days in a 180-day period)



The visa exemption also applies to business trips for up to 90 days in a 180-day period, unless an economic activity is pursued



British citizens moving to Germany from January 1, 2021 require a residence permit to live and work in Germany



From January 1, 2021 UK citizens moving to Germany will be subject to German national immigration rules.

For residence-related Brexit questions please refer to the dedicated website of the [German Federal Ministry of Interior](#) and the Brexit information and FAQ published by the [German Missions in the UK](#).

Entry & Residency

UK citizens can apply for a residence permit on site in Germany.

RESIDENCE PERMIT

- Required for long-term stays / taking up a job/economic activity.
- UK citizens can apply for a residence permit on site in Germany.
- Requirements depend on the person's status as employed or self-employed.

EMPLOYEES

- Requirements depend on job position
- In general approval from FEA², job contract and recognized qualification are required.
- Specific residence titles as e.g. EU Blue Card, ICT Card are available.

SELF-EMPLOYED PERSONS

- Economic interest / regional need for the investment,
- positive economic effects and
- secure financing

- Individual assessment by local immigration office.

Would you like to learn more? Visit our website or [contact us!](#)

www.gtai.com