

**All you wanted to know
on founding a company
in Germany.**

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Hints on Company Formation

Are you interested in founding a new company in Germany? There are many options to consider and various requirements to meet. Please take time to compare the different options for company set-up so you can select the best fit for your new venture. We gladly support you with turnkey set-ups, instant company formation services as well as taking care of all the red tape.

Eligibility as Foreigner to Open a Company in Germany

Are you wondering whether you as an alien may be a shareholding director of a German company? You may worry no longer. It is permissible that any non-German may be a shareholder and its director as well. If you want to understand more about why being a foreigner is no issue for being a shareholder, [just click this sentence](#). When you are not able or do not wish to come to Germany, you can found it and run it from abroad as well. We can represent you at the notary and other authorities but only point you to a bank.



Which company form is right for me?

If you want to open a German company, you have a broad spectrum of options.

Founding a GmbH



A GmbH is the larger German version of a limited liability company. If you are a foreign investor and you want to open a German company, you have a broad spectrum of options. The most common legal form for bigger businesses is a German limited liability company or with its German acronym “GmbH” short for “*Gesellschaft mit beschränkter Haftung*”. The GmbH offers a simple structure typically designed for private companies.

Founding a UG in Germany

One of the most common legal forms for start-up businesses is a German Entrepreneurial Company or with its German acronym “UG”. A “*Unternehmersgesellschaft (haftungsbeschränkt)*” offers a simple structure typically designed for private companies. It has been especially developed for small start-ups.

Founding a company in Germany is something straight forward but only when you fund the company with cash. To answer a typical question in advance. Yes, the money can be used afterwards but this needs to be carefully structured. Since you wish to start conduct business as soon as possible, may I point out that this may practically happen as soon as the articles of association have been signed at the notary. The company however will only exist when it has been entered to the Commercial Registry which takes a few weeks’ time. Once the company has been formally founded (= entry in Commercial Registry), then *ex officio* all rights and duties will be those of the company and no longer of the acting person.

Founding a company requires by law articles of association and an application to register with the Commercial Registry signed in front of a notary. These company's articles determine how the shares and profits are allocated, how many legal representatives, etc. The rest is then taken care of by the notary. My services for setting-up will be to provide standard articles of association, unbinding but true translation of that contract into English for your understanding. I will further help you determine the appropriate line of business.

The managing director must then open a bank account. However, my approach for a Standard UG does not make it necessary that the notary will first expect funding and then apply for registration. The notary will file the application latest the next day after the articles of association have been signed in front of him. Having several contacts to different banks, I can introduce you to them. Many German banks require the personal appearance of the founder to open the corporate bank account. If it is inconvenient for you to visit Germany – just to open a bank account – we will still have a solution. Though it is part of our services to introduce you to our contacts, we cannot guarantee that they will open an account for you.

Image of UG in Daily Business Life



The UG was introduced to German law on November 1, 2008. The concept of the mini-GmbH stems from the strong competition coming from the UK Ltd only needing one Pound Sterling to exempt private liability. However, many Germans wanted to have limited liability but could not afford to put down the "serious amount" of 25 k€. Though absolutely legal, a Limited in Germany gave lawyers and judges tremendous headaches determining which law would be applicable for corporate governance. The Ltd is a UK company constructed under UK law and its branch works in a foreign jurisdiction. The worries are about debtor protection and prestige of GmbH. The

GmbH symbolizes economic potency, tradition, and seriousness. Presumably, you can imagine what a contribution of one Euro in comparison resembles. Eventually, business participants decide.

Persons not in business are not very familiar with the UG as a company form. Not until you say "mini-GmbH", they will have an idea. Acceptance otherwise depends on your line of business and the risks involved. If your business is corporate and will be making a six-digit profit p.a., go straight for a GmbH. With a UG, conservative Germans may frown on you: "They are so broke that they cannot come up with a serious contribution (of 25 k)." or "Wanting to make six-digit profits but only putting down € 1; this cannot be serious business." If your business strongly depends on suppliers, it might be best to have a GmbH. If you are a freelancer and want to appear bigger, then the UG is perfect and your business can grow up to become corporate.

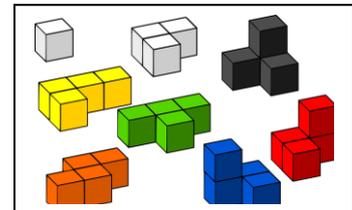
So, the bottom line is this, with a UG you have a legal construction suitable for smallest to smaller and medium size businesses. Do make sure to refer to your company on your letterhead correctly! It is important to add the legal suffix "(limited liability)".

Requirements for UG and GmbH with Standard Set-Up

Details for Standard Set-Up	UG	GmbH
Minimum share capital	€ 1	€ 25,000 as a minimum € 12,500 must be contributed up front.
Number of shareholders	1 - 3	1 - 3
Number of directors	1	1
Physical address <small>(A virtual office is only acceptable with a physical address here).</small>	√	√
Description for Line of business.	√	√
Notarization of the articles of association	√	√
Appointment of the first managing director	√	√
Application for company registration to be submitted to Commercial Registry via notary	√	√
The shareholder (or his representative) must sign before a German notary a (short) deed on the incorporation, including the articles of association and the appointment of one managing director.	√	√
The new director must open a bank account for the founding.	√	√
The new director must then fund the account with at least € 12,500 (= half of the initial contribution),	N/A	√
Thereafter the notary will apply with the commercial registry (including several statements, e.g. the confirmation that the stated capital has been paid to a bank account of the new company, that an instruction by a German notary has taken place, etc.	√	√

Individual Set-Up

We offer the above-mentioned standard company formation at a reduced price as we can use our standardized articles of association and formation processes. Sometimes our clients' needs do not fit this approach, so we also offer an individual set-up for UG and GmbH.



Founding an Individual GmbH and UG in Germany

Wanting to cater to the impatient foreign investor, my fees are "all-inclusive"! This simply means that you only pay us, and we take care of paying everyone else -- a great relief for you already. You will not have to question the legitimacy of any invoice.

Differing Requirements for UG and GmbH with Individual Set-Up

Details for Individual Set-Up	UG	GmbH
Minimum share capital	More than € 300	€ 25,000 as a minimum € 12,500 must be contributed up front.
Number of shareholders	More than 3	More than 3
Number of directors	More than 1	More than 1

Process Steps Overview



Bank Account Requirements

If it is inconvenient for you to visit Germany – just to open a bank account – we might still have a solution. Though it is part of our services to introduce you to our contacts, we cannot guarantee that the bank will open an account for you. Having several contacts to different banks and we will introduce your company to them, but virtually all German banks require the personal appearance of the founder to open a bank account.

Registering your Company with other Authorities



After the incorporation, the company has to be registered at least at

- tax office (incl. VAT ID),
- trade office.

Depending on the line of business, the company might have to be registered with other offices or may even require a permission to operate. [Click this sentence to find out whether your company's line of business requires permission or not!](#)

Instant Company Formation Services

We have implemented special procedures to enhance the founding of your company and developed Germany's first and only online shop for incorporating companies. This site has been prepared to let you get your company 24/7 all by yourself without endless discussions on fees, amount of services, etc. In contrast to other law offices, we apply modern technology to provide you with an instant and inexpensive company formation process – digitized and standardized. Upon payment, you will receive all of our documents for founding within two German working days. In contrast to our competition, we take care of you. Because we specialize in the needs of foreign investors and start-ups, and we will provide you with detailed instructions for every step.

How to start? Simply fill out the [online form](#) and provide us with the founding details. Please respect that inside this standardized formation, we will not consult you on questions regarding which company form is best for you, or the tax implications or which bank might take your company. If you want an initial consultation, we will gladly provided this for € 200 ex VAT. [Simply arrange it by clicking this sentence.](#) In case you want a quick complementary call from us, please let us know in the box "my questions" and we will call you.

How does the process work? You are asked to fill out the [online form](#). That is all. While we receive your information and while payment is being made, we will draft your company's articles of association and all other required documents which you will receive within two German working days. You can easily pay using various payment options.



This form covers all standard company formation scenarios that do not require discussion or consultation. For an individualized formation requiring further going consultation, please calculate the online shown fees as basic and consider an hourly consultation fee. Based on your provided information, we individualize the company structure to tailor your new German company according to your specific needs. When interested in an individualized set-up, please [fill out the form](#) and then mention in the box "my questions" that you want to arrange additional communication. We will quickly get back to you.

Basic Offer for Instant Founding

Our standardized offer for setting up your company instantly:

- testing legitimacy of your selected company's name,
- fine-tuning and testing legitimacy of the line of business for the articles of association,
- drafting the bilingual company formation documents, which you will be requested to okay prior to the notary,
- organizing the notary,
- payment of the notary's fees,
- paying fees with Commercial Registry,
- [introducing you to up to two banks.](#)

Why do we prefer to collect and cover the fees of the authorities? Simple! We want to take care of you and expedite the proceedings. I am in best standing with my notary and the offices. When they learn of my assignment, they process instantly and not expect payment first. Payments inside Germany also arrive faster. We will argue with them if the fees are incorrect. One less detail for you to worry about.

Optional Support

Optional support refers to possible services that come right after founding. This approach caters to those who want or need further help. If your company takes out a virtual office, you might not have to register the company with the trade office. Follow the link to each optional measure of support to determine whether you need it or not.

Does your business require a permission? We do not know yet what your business entails, so we cannot say in advance. [Click this sentence to determine whether or not.](#)

Further Services

Further services offered will typically be:

- [registering with trade office](#) and paying their fees,
- [registering with tax office](#),
- [payroll set-up](#),
- [applying for permission to run your business](#),
- [installing Alexander as your company's proxy director](#),
- [registration at IHK](#),
- t.b.d.

Time Scale for Phases for Instant Company Formation

How long does it take to found a company? This is an important question! The phases do not take very long:

Duration	Event
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a few days	Clarification of founding details
1 week	Appointment with notary
a few days	Opening a bank account with e.g. Penta
2 - 3 weeks	Entry into Commercial Registry
4 - 6 weeks	Tax office Registration
2 - 3 weeks	Issuance of VAT ID, after receiving VAT signal from tax office



You need a Virtual Office?

Do you want to have a business address without renting physical space? Take out a virtual office! [Beam my Presence to Germany UG](#) (limited liability) is our associate business partner in providing virtual offices for your business in Germany. This approach keeps your private life outside of business.

Are you in a Hurry?

And if you are in hurry, consider buying a readymade company from [Beam my Presence to Germany UG](#) (limited liability). What is the difference? While the regular founding process lasts about 2 months until you have your VAT-ID, you can start with German and non-European sales right after visiting the notary.

