

Entry and Residence

Germany offers various residence titles. The type of residence title required depends on the person's country of origin, the length of the intended stay and the intended business activity in Germany. Considering a business expansion into Germany the following titles are the most relevant:

- Schengen visa
- Residence permit
- Settlement permit

Residence title	Entitlement
Schengen Visa	Enables the holder to entry and short-term stays (up to 90 days in any 180-day period) in Germany.
Residence Permit	Required for limited but long-term stays (more than 90 days in any 180-day period) or for work on a self-employed basis or as an employee in Germany.
Settlement Permit	Unlimited permit for residence and gainful occupation in Germany.

Schengen Visa for Company Set Up

Citizens of many non-EU countries generally require a Schengen visa for entry and short-term stays in Germany. This visa is generally sufficient for most steps required to set up a company in Germany. Using a Schengen visa for a company formation does not warrant residence permit issue at a later date. If necessary, a residence permit for self-employment or employment should be applied for in due time. A residence permit must also be applied for if the incorporation phase exceeds 90 days.

Residence Permit

Normally a residence permit is not required for the setting up of a business. However, a residence permit is required in those cases where the foreign national intends to run a business or to work in Germany. Depending on the planned activity, there are different options available to foreign companies planning to set up business in Germany and their employees.

Settlement Permit

A settlement permit is an unlimited permit for residence and gainful occupation in Germany. Depending on the type of residence permit this can be granted e.g. after holding a residence permit for three years as a skilled employee or a self-employed person. The EU Blue Card offers even more beneficial granting requirements.

Application - Visa / Residence Permit

Schengen visa generally have to be applied for at the local German embassy or consulate general prior to entering Germany. Visa exemptions apply for many countries. If a residence permit is wanted, the application for a national visa must usually be submitted to the relevant German embassy or consulate general before entering Germany. A national visa allows entry to Germany, where a residence permit can be issued. Some non-EU nationals may apply for a residence permit (self-employed or employed) after entry into Germany without a national visa. This only applies to nationals of Australia, Canada, Israel, Japan, New Zealand, South Korea, UK, and the United States.

The application fee is in general EUR 80 for a Schengen visa and EUR 75 for a national visa. Additional fees of up to EUR 100 for a residence permit are also payable.

EU Citizens

Citizens of the European Union (EU) and the European Economic Area (EEA) do not require any residence title to be able to enter, settle or work in Germany. A registration at the local registration office (*Einwohnermeldeamt*) is sufficient, if they move to Germany.

Swiss nationals have to notify the local immigration office about their long-term stay in order to obtain a residence permit certifying their right to free movement.

➔ For further details please refer to: www.gtai.com/residence-titles

Residence Permit for Self-Employment

Entrepreneurs from non-EU countries managing a company on-site in Germany in a self-employed capacity require a residence permit for the purpose of self-employment. This permit may be granted if the planned business is expected to have a positive economic effect and has secure financing in place. An individual assessment of the intended business project is then made, taking into account, e.g.: the viability of the underlying business idea, the foreigner's entrepreneurial experience, the level of capital investment, effects on the employment and training situation and contribution to innovation and research. A residence permit for the purpose of self-employment is limited in time for up to three years. A settlement permit can be granted after three years if the business activity has been successful and is expected to have a sustainable development in the future.

Who is typically considered self-employed?

- Entrepreneurs (including freelance professions)
- Partners in a partnership
- Majority shareholders of a GmbH who are also managing directors of the GmbH

Residence Permit for Employment

Residence permits for qualified professionals are generally issued where applicants have a concrete job offer, a sufficient qualification and approval from the Federal Employment Agency (FEA).

A reform of the Skilled Immigration Act – largely in force since March 2024 – has further opened up the German labor market to qualified professionals from outside the EU. Qualified professionals include university graduates and persons who have successfully completed vocational training for at least two years. Foreign qualification – both academic and vocational – must be checked for equivalence with German qualifications and officially recognized. A new feature is the possibility to do this after entry into Germany. For this purpose, skilled workers and employers must agree on a recognition partnership. Work experience and qualifications obtained and recognized abroad may also be sufficient in some specific cases.

Another new aspect is that skilled workers with a qualification obtained or recognized in Germany can pursue any form of qualified employment and not just in the sector in which they obtained their qualification. In addition,

employers based in Germany who have hired a foreign skilled worker can speed up the visa procedure by applying for a fast-track procedure on behalf of the foreign skilled worker for an extra fee. A residence permit can be granted for up to four years, with a settlement permit issued after three years.

- ➔ For further details please refer to: www.gtai.com/employees-residence-permit

EU Blue Card

The EU Blue Card allows qualified professionals with a university degree to be fast-tracked into employment in Germany. Through the reform, the EU Blue Card is now available to a greater number of skilled workers as the salary threshold has generally been lowered. In addition, the scope of the EU Blue Card for professions in special demand has been significantly expanded. Non-EU citizens may apply for this residence permit if they hold a German university degree (or a proven comparable qualification) and a job contract with an annual gross salary of at least EUR 45,300 (2024).

The annual gross salary level is EUR 41,042 (2024) in professions with a particular skill shortage. In addition to STEM professions, this category also includes, for example, managers in production or logistics as well as an extended group of healthcare professionals. Within this category, IT specialists without a university degree but with at least three years of relevant professional experience in the last seven years can also obtain an EU Blue Card. Regardless of profession, entry level employees (graduated within the last three years) can also benefit from the lower salary threshold. Approval from the FEA is required in all cases subject to the lower salary level. A settlement permit can be granted after 27 months – or after 21 months if the foreign citizen has attained a specified German language proficiency level.

ICT Card

Germany has also facilitated long-term intra-corporate transfers of specific staff categories through the introduction of the ICT Card. This enables an intra-corporate transfer from a sending entity outside the EU to a host entity in Germany. Both entities must be part of the same company or company group. Eligible employees are non-EU managers and specialists who have been employed in the sending unit for at least six uninterrupted months immediately preceding the transfer. Moreover, the work contract and, where necessary, the assignment letter e.g. need to state details of the transfer and proof of the employee's professional qualification. The ICT Card must be applied for at the competent German mission abroad and is subject to FEA approval.