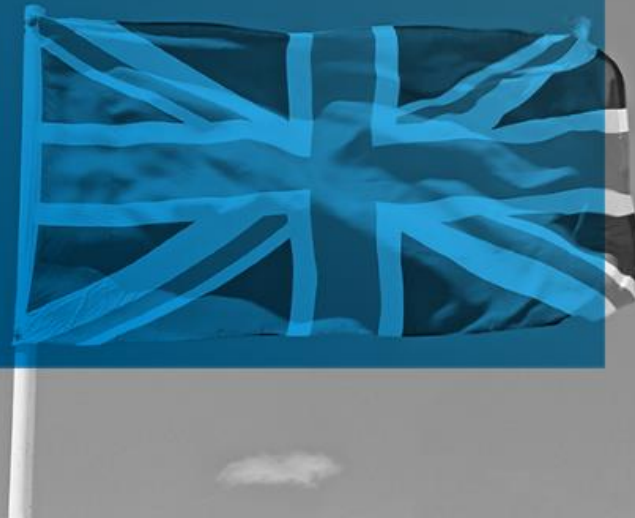


GTAI UK-German Business Day

# EXPANSION TO GERMANY- TAX & LEGAL FRAMEWORK

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Christina Schoen  
Senior Manager Tax & Legal Services  
[www.gtai.com](http://www.gtai.com)



# German Market Presence

## A subsidiary - the most popular option

- Easier to conduct business through independent legal entity and usually more credibility with third parties.
- German limited liability company – GmbH - most popular company form
- German business address and a local representative on site in Germany
- Minimum share capital of EUR 25,000



# Incorporation Process

Steps for setting up a GmbH.

Articles of  
Association

Notarization<sup>1</sup>  
(notary)

Bank Account  
Share Capital

Commercial  
Register

Trade office  
notification<sup>2</sup>

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 / license for the notification



# Incorporation

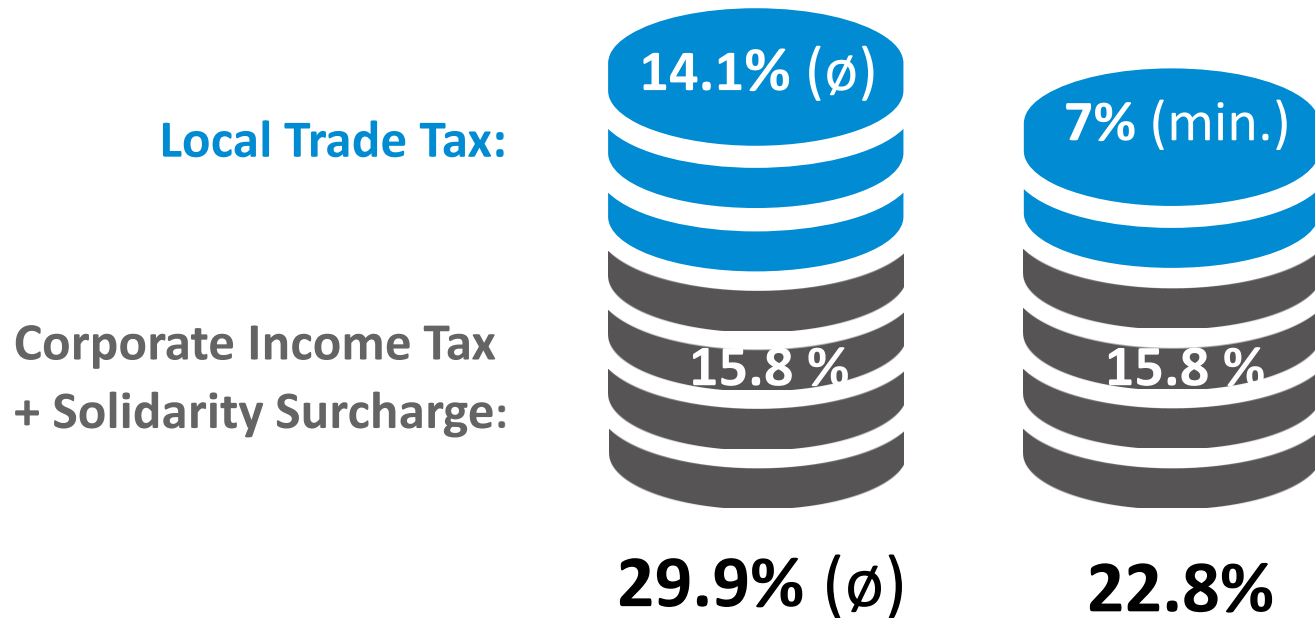
## The UG (Mini-GmbH) - a GmbH startup version

Differences to the GmbH include:

- Share capital **EUR 1-24,999**
- A **quarter of annual profit** must be retained until EUR 25,000 have been accumulated.
- **Upgrade to GmbH** is possible - after a EUR 25,000 capital level has been reached.

# Corporate Taxation

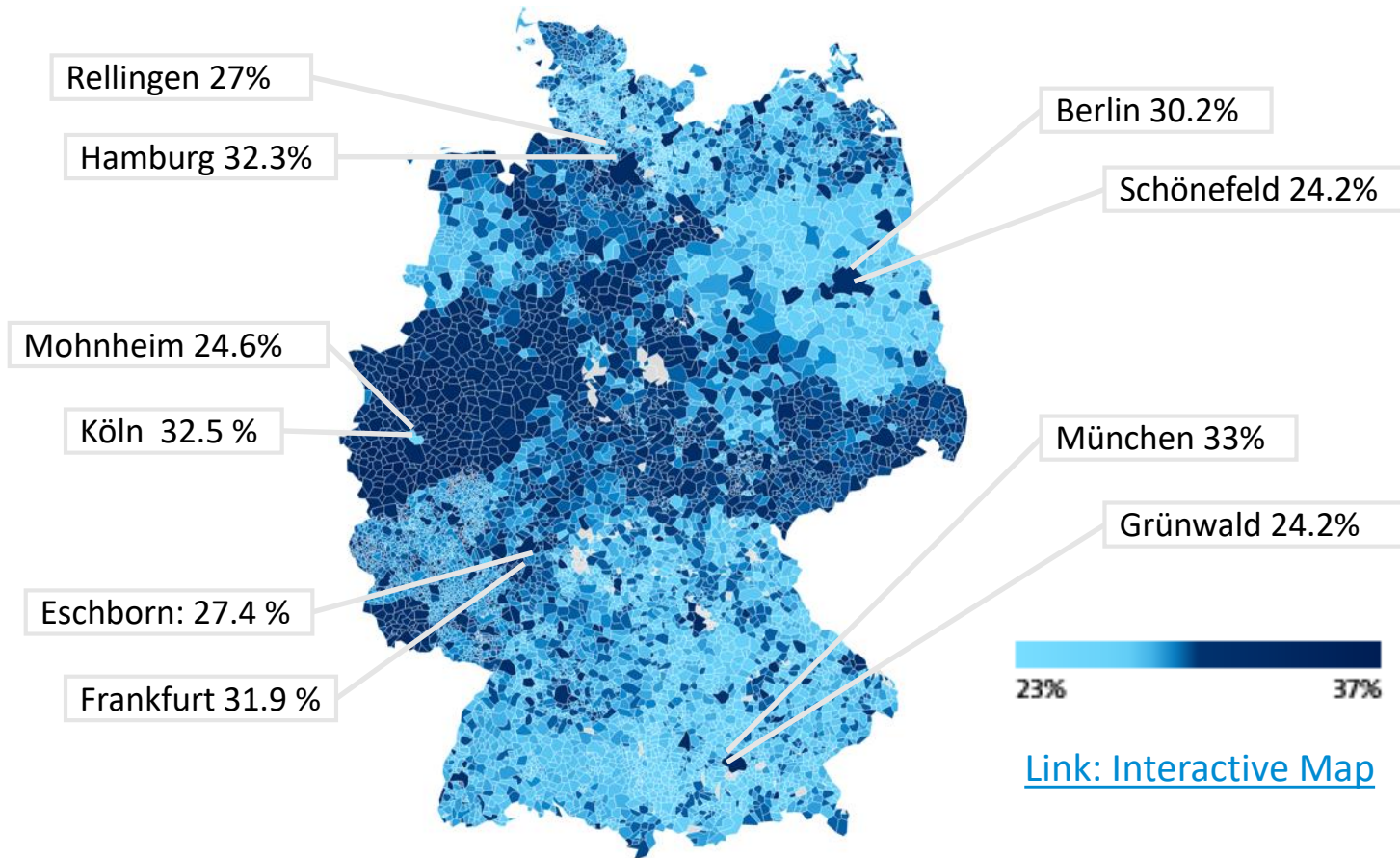
The combined corporate tax rate varies at the municipal level.



The German average combined corporate tax rate is 29.9% - but can be as low as 22.8%.

# Corporate Taxation

## Map of combined corporate tax rates with city examples (2020)



Germany offers a diversified tax landscape, due to the widely varying local trade tax rates.

[Link: Interactive Map](#)

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)

# Entry & Residency

Visa exemption for UK citizens 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 conducted.



British citizens require a **residence permit** to take up economic activity or work in Germany.



**UK citizens moving to Germany are 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

Business visitors and certain executives can benefit from the visa exemptions.

- Exempted business trip activities are for instance:
  - attending meetings, conferences or trade fairs
  - negotiating and signing of contracts
  - establishing a company for the employer.
- Legal representative of a company - e.g. a managing director of a GmbH - also fall under the exemption.

**The total stay must not exceed 90 days within a 180-day period**

For detailed information on [professional activities not classified as work](#), please refer to the dedicated website of the German Mission in 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 the job position.

### General requirements:

- approval from FEA<sup>2</sup>
- job contract
- a recognized qualification

Specific rules apply e.g. for the EU Blue Card.

## SELF-EMPLOYED PERSONS

Individual assessment of investment by the local immigration office:

- economic interest or regional need for the investment,
- positive economic effects and
- secure financing.



# Entry & Residency

Success story - EU Blue Card - residence permit for non-EU academics.

## Requirements:

- ✓ university degree (proven comparable to a German one)
- ✓ job contract in Germany with annual gross salary of above EUR 56,400<sup>1</sup> (2022).
- ✓ job appropriate to qualification

Fast track to a permanent settlement permit after 21 or 33 months possible.

*1) The annual gross salary level is lower, EUR 43,992 (2022), in professions with a particular skill shortage (e.g. engineers, IT-specialists). A FEA approval is required for this wage level..*

# Contact Us



Christina Schön

Senior Manager Tax & Legal

T +49 (0)30 200 099-506

[christina.schoen@gtai.com](mailto:christina.schoen@gtai.com)

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