## Choosing a legal form:

What? Decide whether to set up a sole proprietorship or a corporation.

Why? Determines liability, capital requirements, capital acquisition, shareholders,
etc.

What to look out for? Check liability risks (private vs. limited), founding costs, investment opportunities and growth plans.

#### Sole proprietorship

## **Business registration**

**What?** Official registration with the city/municipality **Why?** Only once you have registered are you legally authorised to start a business.

What to look out for? Fill out the forms correctly, have your identity card ready, fees €20-50

# Registration with the tax office

What? Complete the "tax registration questionnaire" online or submit it by post.

**Why?** The tax office issues a tax number – a prerequisite for invoices and tax returns

What to look out for? Clarify the applicable types of tax.

#### **Compulsory insurance**

**What?** Registration with health insurance and employers' liability insurance association, additional insurance if necessary

**Why?** Protection against risks that could destroy or threaten your livelihood

What to look out for? Decide and take out insurance early on

# **Chamber membership**

**What?** Automatic membership of the Chamber of Industry and Commerce or Chamber of Crafts after registering your business.

**Why?** Chambers represent the interests of companies and offer advice and networks.

What to look out for? Contributions are incomedependent; founders pay reduced rates for the first few years.

The following videos can help you with the topic of insurance:

<u>Insurance with Willi Fallot-Burghardt</u>

<u>Tax and financial tips with Steven Simons</u>

## Corporation (AG, GmbH, UG, KGaA, SE)

#### **Articles of association & notary**

**What?** The agreement is jointly decided upon by the founders and certified by a notary.

Why? Without a notarised agreement = no corporation What to look out for? Shareholder shares, share capital, notary fees

## Register with the commercial register

What? Registration with the court, mandatory for corporations

Why? Makes companies publicly visible and legally capable

What to look out for? Plan for notary fees, provide proof of share capital

## **Business registration**

What? Official registration with the city/municipality Why? Only after registration are you legally authorised to start a business.

What to look out for? Fill out the forms correctly, have your identity card ready, fees €20-50

## Tax office

**What?** Complete the "tax registration questionnaire" online or submit it by post.

**Why?** The tax office issues a tax number – a prerequisite for invoices and tax returns.

What to look out for? Clarify the applicable types of tax.

#### **Compulsory insurance**

**What?** Register with health insurance and the employers' liability insurance association, and take out any other insurance you may need.

**Why?** Protection against risks that could destroy or threaten your livelihood.

# Chamber membership

**What?** Automatic membership of the Chamber of Industry and Commerce (IHK) or Chamber of Crafts (HWK) after registering your business.

Why? Chambers represent the interests of companies and offer advice and networks.

What to look out for? Contributions are income-based, and start-ups pay reduced rates in the first few years.