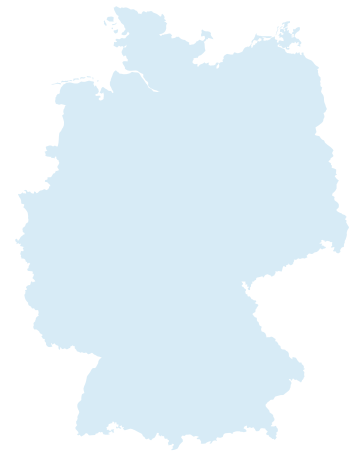


## COUNTRY GUIDE

# GERMANY



Germany is Europe's largest national economy and ranks fourth in the world by nominal GDP. The country is among the founding members of the European Union and the Eurozone and is seen as the leading force behind the Union's economic development and policy. An open market mentality, world-class infrastructure, a thriving capital market and accessibility to major consumer markets, make Germany one of the most attractive locations for investors.

### CAPITAL MARKETS

Germany's bond and stock market are one of the largest in the world. There are seven stock exchanges, all linked to the Frankfurt exchange, the center of the country's money market.

### LABOR

The country has one of the most skilled workforces in Europe, characterized by being well-trained, well-educated, and used to high standards of efficiency and organization. While German labor is of a high standard, it is expensive. German laborers are used to high standards of protection and generous fringe benefits and remuneration.

### THE INDUSTRIAL GIANT

Germany is the top industrial producer in Europe. The machinery and equipment sector drives the high-tech nation and leads in innovations like robotics. Additionally, its automotive industry is recognized globally for its innovation and the precision of its manufacturers and suppliers.

### INFRASTRUCTURE

Germany has consistently ranked first in quality of infrastructure by the World Bank's Logistics Performance Index. With state-of-the-art transportation networks by air, rail, waterway, or autobahn, Germany provides quick access to domestic and international markets. The country also boasts outstanding communications and energy infrastructure.

### LEGAL FRAMEWORK

Germany is ranked among the leading countries for its judicial independence, characterized by a legal environment renowned for its stability and transparency, providing investors with a secure legal framework and the ability to quickly enforce their rights.



### Geography



**Location:** While considered to be a western European country, Germany is geographically located in central Europe, lying between the Netherlands and Poland, and borders the Baltic Sea, North Sea and Denmark to the north.

**Area:** 357,022 sq. km.

**Time zone:** Central European Time, GMT+1



### Population

80.5 million



### Language(s)

German



### Economy

Manufacturing industries are the country's main economic drivers with its largest being machinery, automotive and aviation, followed by medical, chemical, and consumer goods.



### Capital City

Berlin



### Currency

Euro (EUR)



### Political structure

Stable



### Legal system

Civil Law System

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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# Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (GMBH)	STOCK CORPORATION (AG)	AUTONOMOUS BRANCH OFFICE
<b>Share capital</b>			
Minimum paid-up	€25,000	€50,000	No share capital
Maximum authorized	N/A	N/A	N/A
Usual currency	EUR (€)	EUR (€)	EUR (€)
Permitted currencies	No restrictions	No restrictions	No restrictions
<b>Domiciliation</b>			
Registered address	Local registered office required	Local registered office required	Local registered office required
<b>Directors</b>			
Minimum number	One	One	One appointed representative
Minimum local	Not required, as long as the foreign director can travel to and from Germany with ease or can easily obtain a visa	Not required, as long as the foreign director can travel to and from Germany with ease or can easily obtain a visa	Not required, as long as the foreign director can travel to and from Germany with ease or can easily obtain a visa
Corporate directors	Permitted	Permitted	N/A
<b>Statutory</b>			
Annual filing	Filed annually with the German Federal Gazette (Bundesanzeiger)	Filed annually with the German Federal Gazette (Bundesanzeiger)	Filed annually with the German Federal Gazette (Bundesanzeiger)
Company secretary	Not required	Not required	N/A
Annual general meeting (AGM)	As required by the company's Articles of Association	At least one shareholder meeting each year to agree on accounts	Depends on the requirements of the foreign parent company
Beneficial owner reporting	Required if an individual owns 25% or more	Required if an individual owns 25% or more	Required if an individual owns 25% or more
Re-domiciliation	Not permitted	Not permitted	N/A
<b>Financial administration</b>			
Audit required	Required for large and medium-sized companies	Required	Not required
Filing of annual return	Required	Required	Required
<b>Tax</b>			
Tax rates	The corporate tax rate ranges between 30-33% depending on the municipality in which the business operates	The corporate tax rate ranges between 30-33% depending on the municipality in which the business operates	The corporate tax rate ranges between 30-33% depending on the municipality in which the business operates
VAT	19%	19%	19%
Tax treaties	Negotiated with 90+ countries	Negotiated with 90+ countries	Negotiated with 90+ countries
Other taxes	Solidarity surcharge and municipal trade tax	Solidarity surcharge and municipal trade tax	Solidarity surcharge and municipal trade tax
<b>Government fees</b>			
Registry fee	At least €400, plus any legal fees	At least €500, plus any legal fees	At least €400, plus any legal fees
License fee	Depends on the type of business conducted	Depends on the type of business conducted	Depends on the type of business conducted

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# Main Types of Legal Entities

	PUBLIC LIMITED COMPANY	PRIVATE LIMITED COMPANY	BELGIAN BRANCH OFFICE
<b>Incorporation process</b>			
<b>Summary</b>	<ul style="list-style-type: none"> <li>File notarized certificate of the company's Articles of Association with the local commercial register (Handelsregister).</li> <li>Registration with the local trade office</li> </ul>	<ul style="list-style-type: none"> <li>Notarized Articles of Association</li> <li>File registration with the local commercial register (Handelsregister). The application must be signed by the founding shareholders, the members of the supervisory board, and the management board before a notary.</li> <li>Registration with the local trade office</li> </ul>	<ul style="list-style-type: none"> <li>Notarized translation of the foreign company's Articles of Association and Certificate of Registration</li> <li>File registration with the local commercial register (Handelsregister) and local trade office. Only foreign entities or persons can register an autonomous branch office.</li> </ul>
<b>Time</b>	2-3 weeks	2-3 weeks	2-3 weeks
<b>Other</b>			
<b>Are shelf corporations available?</b>	Allowed	Allowed	N/A

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# CT Service Offerings – Germany

## Global Transactional Services

- Due diligence searches
  - Certificate of Good Standing (or equivalent)
  - Health check services
  - Liens/charges
  - Litigation
  - Bankruptcy
- Document retrieval
  - Articles of Incorporation
  - Memorandum of Association
  - Chamber of Commerce Extract
- Authentications and legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

## Corporate Secretarial Services

- Annual compliance
  - Statutory filings
  - Annual board resolution drafting
  - Corporate minute book management
- Domiciliation/registered address
- Director services and legal representation



To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

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