



HESSEN



Ministry for Economic Affairs,
Energy, Transport and Housing
State of Hessen



INVESTOR GUIDELINE FOR THE GERMAN STATE OF HESSEN

Your business success
in Central Europe!



HESSEN
TRADE & INVEST

Hessen Economic Development

Your One Stop Shop for European Market Success

Germany is a globally renowned brand. "Made in Germany" stands for quality, reliability and success. Are you planning to invest? Come to Hessen in the heart of Germany. You will find direct access to the German and European markets for your business here.

From the Frankfurt metropolitan region, you can reach all European capitals within 3 hours of travel. And what's even better: Strong business partners, creative minds and highly skilled specialists are right at your doorstep. It is for a reason that over 12,500 international companies have already opted for this location. More than 95% would do so again.

The German market was never closer. And setting up business in Hessen never easier. As a global agency that acts locally, our investment section of Hessen Trade & Invest advises domestic and foreign companies who wish to invest in the State of Hessen or to relocate or expand their operations. It is the starting point for international founders at state level.



Contact us

Contact an advisor at Hessen Trade & Invest as early as possible to obtain quick and unbureaucratic support from your initial inquiry to the opening of your business venture.

We are the central point of contact for international investors who wish to locate or invest in Hessen. We support them in cooperation with our partners at the regional and local level and assist them every step of their way to Hessen.



Visa for a business trip to Germany

Entrepreneurs and citizens of many non-EU countries require a visa for business trips to Germany; however, there are exceptions for several countries. Citizens from Australia, Canada, Israel, Japan, New Zealand, South Korea, the United States and some other countries may enter and stay in Germany without a visa for up to 90 days.

Citizens of all other countries require a Schengen or a German national visa for entry into Germany. For short-term stays in Germany (stays not exceeding 90 days within any 180-day period), a Schengen visa is required to travel to Germany.

A Schengen visa is generally sufficient for most steps to establish a business in Germany. However, establishing a business in Germany with a Schengen visa is no guarantee for the subsequent issuing of a residence permit. Applications for visas must be filed with the German

Embassy or a Consulate in the country of residency. Schengen visa applicants (business visa applicants) will usually be asked to present certain documentation such as:

- a letter of invitation by the German business partner or by an official institution / organization
- documentation of employment and salary certificate
- a letter from the applicant's employer confirming the business purpose of the trip

When the entrepreneur personally applies for a Schengen visa, documents such as a copy of the foreign company's entry in the foreign commercial register, articles of association, and bank statements from the last three months may also be required.

Source: GTAI - www.gtai.com/coming-to-germany



Health insurance for your stay in Germany

A visa will only be issued if you can prove that you have health insurance coverage in Germany. You can purchase health insurance in your own country. Documentary evidence must be provided of travel health insurance with a minimum coverage of EUR 30,000 valid for the entire Schengen area.



Documents needed to set up a company

Anyone can establish a business in Germany - irrespective of nationality or place of residence.

There is no specific investment legislation in Germany, nor is there a minimum percentage of German shareholders required for foreign entrepreneurs. Foreign investors can choose the most suitable legal company form as a corporation or partnership or conduct business via a Germany-based branch office. Either way, establishment procedures are straightforward with well-defined steps.

When choosing the legal form of the company, a corporation is usually the best option for larger, established companies. There are four major forms of corporations under German law:

- Limited Liability Company (GmbH)
- Limited Liability Entrepreneurial Company („Mini GmbH“)
- Stock Corporation (AG)
- Partnership Limited by Shares (KGaA)

The German limited liability company (GmbH - Gesellschaft mit beschränkter Haftung) is the most widely used legal form for corporations. It combines high flexibility with relatively few obligations.

In order to successfully register a business in Germany, certain documentation verifying the existence of a parent company as well as the power of representation for persons acting on behalf of it is needed. Generally, an excerpt of the foreign commercial register as well as articles of association of the foreign parent company will be required. The documentation must be notarized and either legalized or issued with an apostille. It should also be accompanied by a certified translation into German. Please notice that the documentation required can differ depending on the legal form and origin of the foreign company. It is advisable to consult a German notary at an early stage for individual advice.

The minimum share capital required to establish a GmbH is EUR 25,000 (this can also be made up of contributions or assets in kind). At the time of registration, at least half of the minimum capital (i.e. EUR 12,500) must be actually and verifiably contributed to a bank account.

Source: GTAI - www.gtai.com/company-formation



Experts assisting in setting up the company

When setting up a company in Germany, the support provided by our team of consultants cannot fully eliminate the need for additional experts - some of them are optional but often advisable.

Lawyer / Attorney

- Advice on the legal prerequisites of conducting business activities in Germany/Hessen
- Draft of a deed of association
- Search for a permissible company name
- Draft of a managing director's contract
- Temporary registered office at the attorney's offices

Tax consultant

- Advice on aspects of taxation and commercial law
- Preparation of an opening balance sheet
- Possible agreement of a consultancy contract

Notary public

- Notarization of the establishment of the company
- Application for entry in the local commercial register in Hessen

Bank

- Opening a business account for the company
- Paying in the share capital
- Your personal counselor is also available to offer advice and practical assistance in your search and selection of further experts

Personnel consultants/recruitment agencies

Personnel matters are expensive and time-consuming. HR companies can support you with the following services:

- Job analysis and sourcing
- Screening and selection
- Interviews and suggestion of candidates



Company registration

After the location decision has been made, the new German corporation has to be registered. All companies carrying out commercial business operations are obligated to incorporate at the public commercial register (Handelsregister) which provides legally relevant information about merchants and commercial companies. The commercial register is managed by the district court where it can be viewed by the public free of charge. Additionally, all business operators must notify the trade office (Gewerbe-/ Ordnungsamt) of the town in which the business operation is located. A business license or permit is not necessary in the majority of cases, but only in some sectors.



Funding schemes

Foreign companies aiming to set up office in Hessen can obtain funding under certain circumstances. Incentive systems are available but always on a case-by-case basis. The team of funding experts at WI Bank Hessen is prepared to provide you with information relating to your individual funding prerequisites. We can help you to get in touch.



Residence permit and settlement permit

Entrepreneurs from non-EU countries require a residence permit (Aufenthaltserlaubnis) or a

settlement permit (Niederlassungserlaubnis) if they want to run a business in Germany in person or if they are employed in Germany. A residence permit is always limited in time, a settlement permit is unlimited. A settlement permit will usually be issued if a non-EU citizen has been in possession of a residence permit for at least five years. Both residence and settlement permit are always issued for a specific purpose, usually for the purpose of self-employment or for the purpose of taking up employment in Germany.

A residence permit for the purpose of self-employment is generally issued if:

- an economic interest or a regional need regarding the intended business activity exists
- positive economic consequences are to be expected from the investment project
- the planned investment has secure financing in place

A residence permit for the purpose of employment among other things requires:

- a specific offer of employment, and
- the approval of the Federal Employment Agency (Bundesagentur für Arbeit).

Certain professional groups may obtain a residence permit without requiring the approval of the Federal Employment Agency, e.g. employed managing directors or managerial employees.

In order to initiate a residence permit procedure for the purpose of employment or self-employment, non-EU nationals first have to apply for a national visa at the competent German mission abroad. Exceptions apply for nationals from Australia, Canada, Israel, Japan, New Zealand, South Korea, and the USA who may enter Germany for long-term stay

purposes without a national visa. They can directly apply for the necessary residence permit at the local immigration office in Germany.

Source: GTAI - www.gtai.com/coming-to-germany



Commencing business operations

When commencing business operations in Hessen, the following aspects need to be considered:

- Preparation and implementation of a marketing concept
- Adaption of the business plan according to new prerequisites (e.g. after your initial business trip)
- Staff recruitment
- Search for housing
- Search for business contacts
- Search for business partners
- Identifying suitable warehousing space
- Finding attractive showrooms
- Information on customs terms, on technical regulations and on commercial statutes
- Installation of telephone and internet connections
- Purchase of office equipment, machinery, etc.
- Production of letterheads, business cards
- Purchase of a motor vehicle (if necessary)



We look forward to advising you from your first inquiry to your successful settlement in Hessen:



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