



**FAHN & Partner
Wirtschaftsprüfer
Steuerberater München mbB**

Ridlerstrasse 33
D - 80339 München
(im ADAC-Gebäude,
Parkplätze im Innenhof)

Tel.: +49 (0)89 / 599 76 79 - 3
Fax: +49 (0)89 / 599 76 79 - 55

E-Mail: kanzlei@kanzlei-fahn.de
Internet: www.kanzlei-fahn.de

Founding a GmbH as of 2023

Considering the current legal situation (as of 2023) this is a short summary for all the steps that are necessary for founding a GmbH:

1. Power of Attorney

The articles of association of a GmbH have to be legalized by a notary. All shareholders need to sign. If one shareholder is not able to sign, a representative can sign in his stead, but only if the power of attorney is notarized.

2. Process of founding a GmbH with cash (we can support you during these steps)

Die Gründung einer GmbH in Deutschland erfolgt in folgenden Schritten:

- a) Consulting with the commercial register for admissibility of the company (i.e. name)
- b) Preparing a power of attorney (in case a representative is involved)
- c) Conclusion of the partnership agreement (articles of association), in notarial form with acceptance of the initial capital contributions by the founders (if necessary by the authorized representative)
- d) Appointment of the managing director by the founders (if necessary by the authorized representative)
- e) Deposit of at least 25% of the share capital, but at least 12,500 EUR at the free disposal of the managing director (to the new bank account of the GmbH)
- f) In the case of non-cash foundation: Foundation report by the founder. (not applicable for cash foundation)
- g) Registration and declaration to the commercial register by the notary
- h) Verification of the company at the court and the IHK (German Chamber of Industry and Commerce)
- i) Registration for the transparency register
- j) Business registration with municipality
- k) Tax registration with the tax office

3. Capital

The amount of the share capital of a GmbH be freely determined. However, at least 25% of this share capital has to be paid in. (if there are more shareholders, each shareholder has to pay in 25% of his share as a minimum). The minimum amount of money that has be paid in is 12.500 EUR

The minimum capital is 25.000 EUR, of which at least 50% has to be paid in (= 12.500 EUR mentioned above)

In case of a non-cash foundation, the non-cash contribution has to be provided fully

4. Costs for founding a GmbH

The costs for founding the GmbH are depending on the amount of capital. If you choose the minimum-capital of 25.000 EUR, you can assume the following costs:

a) Associated Costs (Notary, Registration for the commercial register, Business registration with municipality)	approx. 1.000 EUR
b) Preparing an employment contract for the managing director (Costs depend on the salary for the year) estimated between approx. 500 EUR to 1.500 EUR	approx. 1.500 EUR
c) Other consultation costs regarding the founding a GmbH e.g. - preparing the articles of association, - other contracts and power of attorney, - tax registration with the tax office, - opening balance estimated in total between approx. 1.300 EUR to 1.900 EUR	approx. 1.600 EUR
	approx. 4.100 EUR

5. Personnel expense

For calculating the personnel costs, please assume the following bases:

Additionally to the gross salary for the employee (not the managing director in case it is a shareholder) the following costs have to be taken into account:

Employer's contribution to health insurance	7,3 %	
Employer's contribution to care insurance	1,525 %	
Employer's contribution to the state pension scheme	9,3 %	
<u>Employer's contribution to health insurance</u>	<u>1,3 %</u>	
Total more than 30 employees		= 19,425 %

If you employ up to 30 employees, then there are also be added:

Contribution 1 maximum average (for workers and trainees)	4,1 %	
<u>Umlage 2 durchschnittlich (für alle Mitarbeiter) in der Regel</u>	<u>0,58 %</u>	
Contribution 2 on average (for all employees) normally		= 4,68 %

Total for a GmbH up to 30 employees **24,105 %**

Additional costs can arise for trade associations (Berufsgenossenschaft) and the levy payable under legislation on severely handicapped persons.

6. Taxes

Income taxes (trade tax, corporate income tax and solidarity surcharge) are imposed on a positive taxable income of the Company.

In Munich, you have to calculate around **32 %** taxes for these three kinds of taxes combined.

In communities outside the city of Munich, the load is able to decrease to about **25%**.

The special feature of German tax law is that losses from previous years can be offset against profits, i.e. only the excess profits are ultimately taxable

The taxable income is also not comparable with other countries, as the taxable profit in Germany may be lower or higher than under international profit calculation methods due to the special calculation methods.