



COMPANY FORMATION IN AUSTRIA

MAIN FORMS OF COMPANY/BUSINESS IN AUSTRIA

Austrian company law provides for different types of companies, tailored to the specific needs in tax and liability. Basically, there are corporate and non-corporate legal forms.

Corporations

- Company with limited liability (GmbH)
- Stock corporation (AG)
- Societas Europea (SE)

Non-corporate Forms

- General partnership (OG)
- Limited partnership (KG)
- Dormant partnership (stG)
- Civil law partnership (GesbR)

The company with limited liability (GmbH) is the most widely used form.

SPECIFIC TAX CONCERNS RELATED TO ESTABLISHING A COMPANY

Notice of Business Operations to the Revenue Authorities and Registration of Employees

A branch of a foreign company is subject to taxation in terms of income and value added tax. It has to apply for a tax identification number.

A private limited company is subject to corporate income tax and value added tax. After registration in the Companies Register, the company has to apply for a tax identification number.

Social security: Registration of the employees with the competent social insurance institution is required prior to the commencement of their work.

LEGAL ISSUES RELATED TO ESTABLISHING A COMPANY

When setting up a GmbH (Ltd.) in Austria, you have to adhere to the following rules and regulations:

- Drawing up and signing of the shareholders' agreement (notarial deed)
- Appointment of managing director(s) (shareholders' resolution with notarised signature(s))
- Cash contribution/non-cash capital contribution (minimum nominal capital € 35,000/10,000, at least € 17,500/5,000, to be paid in cash upon formation)
- Opening of the company's bank account and payment of the cash contribution
- Application according to the Business Start-Up Promotion Act ("Neugründungs-Förderungsgesetz"), if applicable



Application for entry in the Companies Register, signed by all managing directors with signatures attested, including:

- Shareholders' agreement, notarised copy
- Shareholders' resolution on the appointment of the managing director(s)
- Specimen signature statement(s) by the managing director(s), in attested form
- Evidence of payment of the cash contribution

Registration under Trade Law

- Extract from the Companies' Register
- Declaration(s) on the non-existence of reasons for exclusion from the trade or forbearance of the exclusion from the trade
- Declaration for managing directors under trade law (adequate occupation in the enterprise, authority)
- Identity document of each managing director under commercial law and trade law, for inspection (residence registration certificate when the usual residence is outside Austria; police certificate from the home country)
- Accurate designation of the trade
- Exact location where the trade is exercised (place, street name, house number)
- Evidence of citizenship of the trade-law managing director
- Residence permit of the trade-law managing director (unless EEA or Swiss citizen), and evidence of the residence in Austria or in an EEA contracting state
- If required: evidence of employee status of the trade-law managing director (registration with the regional health insurance fund)
- If required: certificate of professional competence of the trade-law managing director

CULTURAL CONCERNS RELATED TO ESTABLISHING A COMPANY

Attractive business environment:

- Austria is the second richest country in the EU
- Companies as good customers
- Highly developed infrastructure
- Efficient public administration
- High political stability and a reliable legal system
- Good relations between labor and management
- Low strike rate
- High personal security