

Setting up a Company in Vienna – Step by Step

nhp  notare

Legal forms in Austria

- Basic distinction between partnerships and companies
- Partnerships: usually personal involvement of the partners; personal liability
- Companies: main focus on shareholders' financial participation
- Most important types of partnerships:
 - General partnership (*Offene Gesellschaft - OG*)
 - Limited partnership (*Kommanditgesellschaft - KG*)
- Most important types of companies:
 - Limited liability company (*Gesellschaft mit beschränkter Haftung - GmbH*)
 - Stock corporation (*Aktiengesellschaft - AG*)

Partnerships (I) – General Partnership

- 2 or more partners (individuals or legal entities)
- Partnership agreement without formal requirements
- General Partnership must be registered in the business register
- No minimum share capital
- All partners are liable for debts of the partnership (unlimited liability, including private property)
- Taxation: General Partnership is no subject of taxation, the profit is directly attributed to the partners
 - Taxation of partners with progressive income tax rates (for individuals or flat rate of 25% corporate income tax (for legal entities)

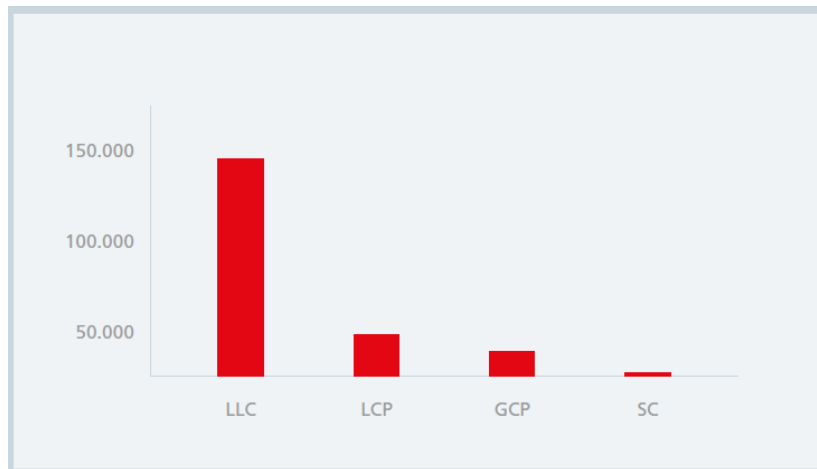
Partnerships (II) – Limited Partnership

- 2 or more partners (individuals or legal entities)
- Similar to General Partnership, but at least one limited partner
- Liability of shareholders:
 - General partners: unlimited liability (including private property)
 - Limited partners: liability limited to contribution
- Taxation: like General Partnership

Limited Liability Company LLC – (Gesellschaft mit beschränkter Haftung - GmbH)

■ Similar to:

- società a responsabilita limitata - S.r.l. (Italy),
- Sociedad Limitada S.L. (Spain)
- s.r.o., spol. s r.o. Společnost s ručením omezeným (Czech Republic)
- private company limited by shares, ltd (United Kingdom)



Limited Liability Company LLC – (Gesellschaft mit beschränkter Haftung - GmbH)

- Founder(s): 1 shareholder is sufficient (Individual or legal entity)
- Minimum share capital of € 35.000, whereby € 17.500 have to be paid in
- Foundation privilege available for the first 10 years: minimum share capital of € 10.000, whereby € 5.000 have to be paid in
- Liability of the shareholders is limited to their respective share capital contribution
- Managing directors are bound to the instructions of the shareholder(s)

how-to: Found a digital GmbH with a notary 1/2

- Notary will set up a secure data room , where signing will take place
- Notary will invite founder(s) to proceed with a Video Identification procedure
- Founder(s) will receive invitation by email
- Founders will have to show their passport to identification agent
- ... and will get a qualified electronic signature:
Mobile phone number + password + confirmation by phone (TAN or app)




how-to: Found a digital GmbH with a notary 2/2

- A qualified electronic signature is a legal equivalent to a signature by hand
- The founder(s) and the managing director(s) will be able to execute documents in Austria by video conference
- Founder(s) and managing director(s) will meet with notary via video conference
- All documents will be executed by the parties in the secure data room
- Notary will seal with his electronic seal
- Parties are virtually in Austria, while acting from their office abroad
- Notary will file documents electronically with the companies' register



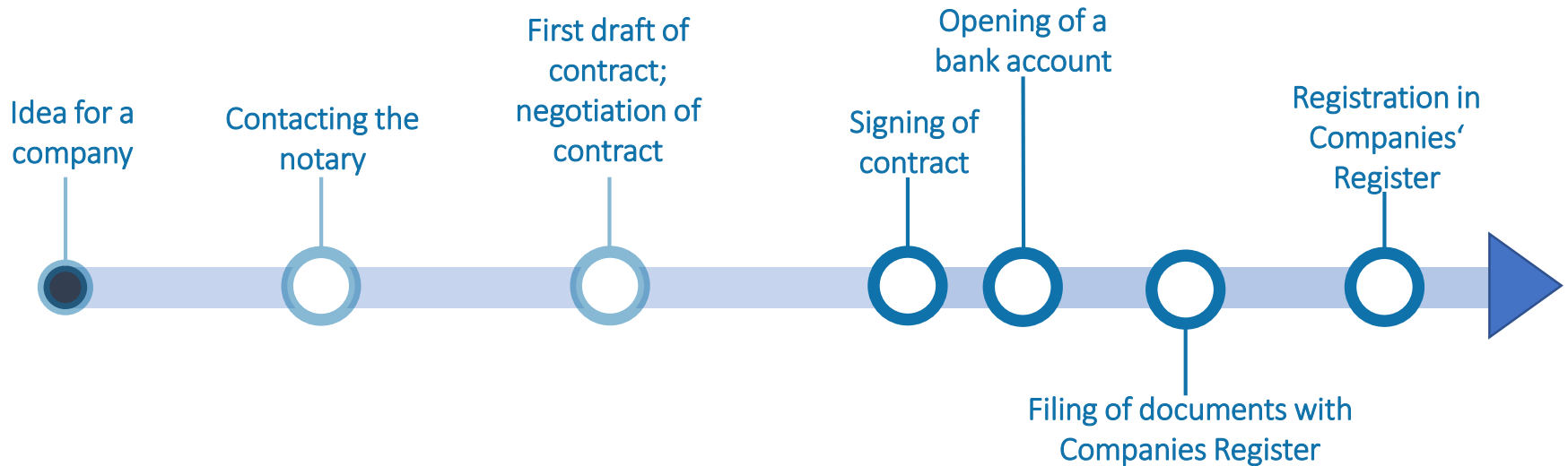
Bildmarke des Amtssiegels gemäß §13 Absatz 2 Notariatsordnung.

BILDICHE DARSTELLUNG DER BEURKUNDUNGSSIGNATUR		
	Signator	MMag. Dr. Philipp Nierlich öffentliche/r Notar/in
	Datum/Zeit-UTC	2020-01-16T16:06:16Z
	Aussteller-Zertifikat	a-sign-Premium-Sig-05
	Serien-Nr.	1368401793
	Prüfinformation	Informationen zur Prüfung der elektronischen Signatur finden Sie unter: http://www.notar.at/de/ .

Share Capital: Payment Into a Notarial Escrow Account

- Requirement for the registration of a GmbH: share capital has to be paid into an Austrian bank account
- Normally done with a confirmation by an Austrian commercial bank
- Alternatively: share capital is paid into an escrow account with Notartreuhandbank AG if timing is critical
- Advantage:
 - all actions can be performed centrally at the notary
 - faster handling
- After the registration share capital is transferred from the escrow account to the commercial bank account of the company

Setting up a limited liability company in Austria - timeline



- Signing to registration: 7-10 days
- Entire process: depending on founders and bank
- Notarial escrow account for share capital can speed up process

Branch office

- Distinction: branch office <-> subsidiary
- Branch office does not constitute an entity with legal capacity
- No separate articles of association, no minimum share capital
- Documents required to register a branch office
 - Articles of association of foreign legal entity + proof of existence (companies' register extract)
 - Resolution on the appointment of a “permanent representative”
 - Specimen signatures of the permanent representative
 - Proof of effective establishment of the branch office (e.g.: rental agreement)

Shelf company

- Possibility of acquiring an already existing (and therefore registered) GmbH
- Advantage: founding process is already completed
- Share purchase agreement requires a notarial deed
- Subsequently a shareholders meeting is held where the founders change the name of the company and appoint new managing directors

Thank you for your attention!

Find more information at
www.nhp.at/en/digital-gmbh/

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