XIPHIAS Immigration

PROGRAMME BROCHURE



CORPORATE MOBILITY | GERMANY

Germany Company Formation — GmbH and UG for Foreign Founders

Set up a German GmbH with €25,000 of share capital (€12,500 paid in to register) or a UG from €1, with 100% foreign ownership and no residence rule for shareholders or directors.

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At a glance

COUNTRY **Germany**	ROUTE **Corporate Mobility**
TIMELINE **Register entry in days to weeks once the file is complete**	COMPANY STRUCTURE **GmbH (private limited company) or UG (haftungsbeschränkt); a branch or subsidiary for an existing foreign company**
OWNERSHIP **100% foreign ownership allowed; the nationality and residence of shareholders and directors do not matter**	OFFICE **German business address required**
VISA QUOTA **Forming a company does not by itself give a residence permit**	BANK ACCOUNT **Share capital is paid into a business bank account before registration**
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Overview

Germany lets founders from outside the EU own and run a German company outright. The usual choice is the **GmbH** (Gesellschaft mit beschränkter Haftung), a private limited company with **€25,000** of share capital, of which **€12,500** must be paid in before registration. Founders who want to start smaller can use the **UG (haftungsbeschränkt)**, the same company type from **€1** of capital. Existing companies can also open a **branch** or a **subsidiary**.

The nationality and place of residence of the shareholders and managing directors **do not matter**. What matters is a German business address, notarised articles, the capital paid in and a clean set of documents. Forming the company is one project; living in Germany to run it is a second one, with its own residence permit.

Which company form

	GmbH	UG (haftungsbeschränkt)	Branch
Minimum capital	€25,000	€1	None (the parent is liable)
Paid in to register	At least €12,500	The full amount, in cash	Not applicable
Liability	Limited to the company	Limited to the company	The foreign parent is fully liable

	GmbH	UG (haftungsbeschränkt)	Branch
Profit reserve	No special rule	25% a year until capital reaches €25,000	Not applicable
Best for	Most foreign founders and subsidiaries	Small starts, testing the market	Existing companies adding a German office

The formation steps

1. **Notarise the articles** before a German notary. A simplified model protocol, at a lower fee, covers up to three shareholders and one managing director.
2. **Open a business bank account** and pay in the capital, then send the proof of payment to the notary.
3. **Commercial register entry.** The notary files the company with the local court; the company exists once it is entered.
4. **Trade registration** with the local trade office before you start trading. It also signs the company up with the Chamber of Commerce (IHK).
5. **Tax registration** through ELSTER within one month, including the request for a VAT ID.
6. **Transparency Register.** Report anyone holding more than 25% as a beneficial owner, without delay.

Signing from the UAE: in person or by power of attorney

Since 1 August 2022 a GmbH or UG can be formed by video with a German notary, but the identification must be a **German eID card, a German electronic residence permit or an eligible EU eID**. A non-EU passport is not accepted. A founder living in the UAE therefore either **signs in person in Germany** (a Schengen visa, €90, covers the trip) or gives a **notarised power of attorney, legalised for use in Germany**. Corporate shareholders need a legalised register extract with a German translation.

Official costs

Item	Amount	Notes
Notary, single-shareholder GmbH with €25,000 capital	About €230	Chamber of Commerce estimate, plus expenses and VAT; set by the notary fee law and higher for more complex companies
Trade registration	About €20–65	Depends on the city
Transparency Register	€19.80 a year	Plus VAT
Schengen visa for formation trips	€90	Not a work permit
Share capital	€12,500 paid in (GmbH) or from €1 (UG)	Stays in the company

Register court fees, translations, apostilles and the tax adviser depend on your structure and documents; XIPHIAS quotes them per file.

Tax at a glance

Tax	Rate
Corporate income tax	15% (until 2027)
Solidarity surcharge	5.5% of the corporate tax, about 15.8% together
Trade tax	Set by each municipality; about 14% of profit at the average rate
Overall burden	About 30% on average
Corporate tax from 2028	14% in 2028, falling one point a year to 10% from 2032
VAT	19%, or 7% at the reduced rate

Company formation is not a residence permit

Owning a German company does not give you, or your family, the right to live in Germany. A founder who wants to run the business from Germany applies for a **residence permit for self-employment** under Section 21 of the Residence Act. It is judged on the business plan, its benefit to the German economy and secured financing, and it has no fixed investment amount. See our Germany investor and self-employment residence permit page.

With our Berlin partner, Nexus-Europe GmbH

Company formation in Germany is delivered with our partner **Nexus-Europe GmbH**, a Berlin firm that works on business development and investment in Germany. Nexus handles the German side: the notary, the commercial register, tax registration and the questions from German authorities. XIPHIAS handles your side from Dubai: the first assessment, your documents, apostilles and translations, and, if you plan to move, the residence application for you and your family.

Start with a Company Set-up Audit

Before you form the company, Nexus offers a **Company Set-up Audit**: a 30-minute online session with their business set-up experts covering the right legal form and structure, the requirements and possible problems for your case, and a step-by-step formation roadmap. **XIPHIAS clients get a partner discount on the audit.** Ask us for your code and we will send it to you with its conditions.

Key benefits

- 100% foreign ownership, with no nationality or residence rule for shareholders or managing directors.
- Limited liability: the company's assets, not your personal assets, answer for its debts.
- A German company trades across the EU single market.
- A UG can be started from €1 and converted into a GmbH later.

- Corporate tax is set to fall by one point a year from 2028, to 10% from 2032, under a law passed in July 2025.
- The company can be the base for a residence permit for self-employment, if your business plan meets the test.

Requirements

- At least one shareholder and one managing director (they can be the same person).
- A German business address.
- Articles of association notarised by a German notary.
- Share capital paid in: at least €12,500 for a GmbH, or the full amount for a UG.
- Valid passports; for a company shareholder, an apostilled or legalised register extract with a German translation.

When this route may not fit

- Expecting the company alone to give you or your family a residence permit.
- Not being able to pay in the capital before registration.
- No German business address.
- Sanctions or anti-money-laundering concerns that stop a bank or notary from acting.

Capital and Company Requirements

Threshold	Amount	Notes
GmbH minimum share capital	EUR 25,000	At least €12,500 in total (and a quarter of each share) must be paid in before the company is registered.
UG (haftungsbeschränkt) minimum share capital	EUR 1	Paid in full and in cash. A quarter of each year's profit goes into a reserve until the capital reaches €25,000.
AG (stock corporation) minimum share capital	EUR 50,000	For larger or investor-backed companies.

- Shareholders and managing directors can be of any nationality and can live outside Germany.
- Every company needs a German business address.
- Articles of association must be notarised by a German notary, who also files the company with the commercial register.
- A non-EU managing director who will run the business from inside Germany needs a residence permit for that work.

How the process works

1. **Plan the structure**
   Choose GmbH, UG, branch or subsidiary; check tax, permits and whether you will need a residence permit.
2. **Prepare the documents**
   Passports, the articles of association and, for a company shareholder, its register extract, apostilled or legalised and translated.

3. **Notarise**
   Sign before a German notary in person, or through a notarised power of attorney.
4. **Pay in the capital**
   Open the business bank account and pay in at least €12,500 for a GmbH, or the full amount for a UG.
5. **Commercial register entry**
   The notary files the company; it exists once the court enters it.
6. **Trade and tax registration**
   Trade office, tax office questionnaire within one month, VAT ID and Transparency Register.
7. **Residence, if you will move**
   Apply for a residence permit for self-employment if you will run the company from Germany.

After Registration

- Register the trade (Gewerbeanmeldung) with the local trade office before you start trading.
- File the tax registration questionnaire with the tax office through ELSTER within one month.
- Request the VAT ID on the same questionnaire; it is issued by the Federal Central Tax Office and arrives by post.
- Report the beneficial owners (anyone holding more than 25%) to the Transparency Register without delay.
- Set up bookkeeping and file annual accounts with a German tax adviser.
- If you will live and work in Germany, apply for the right residence permit (see the self-employment route).

Questions clients ask

Can a foreigner own 100% of a German company?

Yes. A GmbH or UG can be fully owned by foreign individuals or companies, and the shareholders and managing directors can live outside Germany.

What is the minimum capital for a German GmbH?

€25,000, of which at least €12,500 must be paid in before registration. A UG (haftungsbeschränkt) can start from €1, but the capital must be paid in full in cash and a quarter of each year's profit must be set aside until the capital reaches €25,000.

Do I have to travel to Germany to set up the company?

Not always. Online notarisation by video exists, but it needs a German eID card, a German electronic residence permit or an eligible EU eID, so it is not open to someone with only a non-EU passport and a UAE residence visa. The usual alternatives are signing in person in Germany or giving a notarised power of attorney that is apostilled or legalised for use in Germany.

Does forming a German company give me a residence permit?

No. The company and the residence permit are separate. If you want to live in Germany and run the business yourself, you apply for a residence permit for self-employment, which is judged on your business plan, its benefit to the economy and your financing.

How long does company formation take?

When the documents are complete, the commercial register can enter the company within a few days; questions from the court can add a few weeks. The VAT ID follows by post and can take some weeks more.

What taxes does a German company pay?

Corporate income tax of 15% plus a 5.5% solidarity surcharge on that tax (about 15.8% together), and trade tax set by each municipality. Germany Trade & Invest puts the overall burden at about 30% on average. Corporate tax is set to fall by one point a year from 2028, reaching 10% in 2032. VAT is 19%, or 7% at the reduced rate.

Can I use a UG instead of a GmbH?

Yes. A UG is a GmbH with less capital. It suits founders who want to start small, but some banks, landlords and partners prefer a GmbH, and a residence application is judged on the financing behind the plan, not on the legal form.

Important notes

- Forming a company does not give a residence permit; that is a separate application judged on the business plan.
- Online notarisation is closed to holders of non-EU passports without a German residence permit, so plan a trip or a power of attorney.
- Opening a German business bank account can take time for non-resident founders; start early.
- The VAT ID arrives by post and can take some weeks, which can delay invoicing EU customers.

Compliance

- Translations, apostilles or legalisation of foreign documents are quoted per file.
- Register court fees, notary expenses and tax adviser fees depend on the structure and are quoted per file.
- Annual accounts and tax returns are required every year, even before the company trades.

Official sources: German Limited Liability Companies Act (GmbHG), sections 5, 5a and 7; Germany Trade & Invest — Setting up a GmbH; Germany Trade & Invest — Corporate taxation in Germany; Corporate Income Tax Act (KStG), section 23; German Federal Chamber of Notaries — online formation of a GmbH; Federal Central Tax Office — VAT identification number; IHK Rhein-Neckar — start-up costs.



XIPHIAS Immigration

NEXT STEP

Plan your Germany application with our Dubai team

Tell us about your profile, family and timeline. We will confirm whether **Germany Company Formation — GmbH and UG for Foreign Founders** fits, set out the full cost in writing and manage the application with you from start to finish.

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