

Compilation of tax obligations when a company is incorporated in Germany:

Notarial certification agreement creates a preliminary company. Subsequently, the notary must prove the payment of the agreed capital stock, so that the latter can make the registration application in the commercial register. According to § 13 of the Trade Law, the admission of the business enterprise must be communicated to the competent municipality. Similarly, from §§ 137 and 128 of the German Fiscal Code, the obligation to register a corporation for tax purposes and to indicate its employment is also compulsory.

The following steps should be carried out when establishing the company

Step 1: Tax collection

- **Commercial application** (to be submitted to the responsible municipality/town/city)
- **Questionnaire for tax registration** (form: www.formulare-bfinv.de), this will be accompanied by a corporate contract, tax representation and receipt authority, SEPA direct debit mandate for the finance office (if desired). With this questionnaire, the taxpayer number, the VAT identification number and the long-term extension for the submission of the VAT pre-applications are requested.
- Electronic transmission of the opening balance
- Conclusion of a **business management agreement**
- Information on the start-up of a business by the competent **professional association**; The determination of the competence is carried out through an operational questionnaire
- Application for an **operating number** at the service number service of the Federal Agency for Employment (www.bno.arbeitsagentur.de/bns/#/)
- Obtaining **industry-specific approvals** (e.g. permission for the transfer of workers or concessions under the Law on the Promotion of Persons)

Step 2: Sales Tax summary report (monthly)

- **Deduction and payment** are made on the 10th of the next month (with a long-term extension)
- On **10.02.** a **prolongation of the term** is made and an advance payment of 1/11 of the total sales tax payment of the previous year is made.
- The advance payment will be charged with the **December turnover tax**

Step 3: Income accounting (monthly)

- **Social security contributions:** Notification and payment shall be made on the third banking day of the month
- **Income tax:** Notification and payment shall be made on the 10th banking day of the month

Step 4: Annual commitments

- **Tax returns** (turnover tax, corporation tax, trade tax) and annual accounts must be paid by the **deadline 31.12 of the following year**
- Preparation of the **annual financial statements (e-balance sheet)**
- **Disclosure of the annual financial statements** in the electronic Federal Gazette must be submitted by **31.12. of the following year**
- For the **corporation tax advance payments are made** based on the expected profits. These are made using the following data: **10.03., 10.06., 10.09. and 10.12.**
- For the **trade tax advance payments** are also made based on the **expected profits**. These are made using the following data: **15.02., 15.05., 15.08. and 15.11.**

You are welcome to contact us. Just get in touch with us!

Do you need further information about "Business start-up in Germany"?

Our competent tax consultants will be glad to assist you

Hotline: +49 (0) 69 - 242 66 20