



Overview – most common types of German companies (as of July 2018)

	<i>Partnerships</i>				<i>Corporations</i>			
Legal form	GbR non trading partnership (non- merchant)	OHG General commercial partnership	KG private limited partnership	GmbH & Co KG private limited partnership with a limited liability company as general partner	GmbH limited company	liability	UG Limited liability entrepreneurial Company	AG Stock Corporation
Minimum Number of Partners	Two partners		Two partners General partner and limited partner		no minimum (one-man company is allowed)			
	nationals or foreigners, natural or legal persons				nationals or foreigners, natural or legal persons			
Minimum Share Capital	Not required				€ 25.000,00		€ 1,00	€ 50.000,00
Minimum Initial Capital Contribution (Cash)	Not required				25 % of the nominal share capital (minimum € 12.500,00)		€ 1,00	25 % of each shares nominal value
Maintenance of Capital	Not required				No payment to shareholders which would reduce the company's net assets below its registered share capital.		No payment to shareholders which would reduce the company's net assets below its registered share capital. Statutory	No payment to shareholders which would



			capital reserve, to which 25 % of the current profits in each fiscal year shall be accounted, reduced by any losses carried forward from the last fiscal year.	reduce the company's net assets below its registered share capital.
Legal liability	Personal unlimited liability	General partner: personal unlimited liability Limited partner: limited share liability	Liability limited to share capital	Liability limited to stock capital
Entry in the Public Register	no	Registration under the commercial name in the public commercial register (Handelsregister) of the local court at the partnership's seat of business	Registration under the commercial name in the public commercial register (Handelsregister) of the local court at the corporation's seat of business (only at this point in time does the corporation's limitation of liability become effective)	
Other permissions / registrations	no	Report to the local Department of Business / Trade Office is necessary.	Report to the local Department of Business/ Trade Office is necessary.	
Incorporation Period	-		6-8 weeks	Few days 6-8 weeks
Formal Requirements of Incorporation	-	The Application for registry in the public commercial register has to be witnessed and signed by an authorized notary	The Application for registry in the public commercial register has to be witnessed and signed by an authorized notary	
Management/ Directors	Generally all partners are entitled to manage the company, special contractual agreements could be made by the memorandum of association.		Minimum of one managing director. Supervisory board only required if company has more than 500 employees. Co-determination by employees: if more than 500 employees one third; if more than 2000	At least 1 management board



		employees half of the members of the supervisory board must be employees' representatives.	member and, additionally, at least 3 supervisory board members.
Directors' Liability	The directors are liable in relation to the company in case of a breach of their managing duties.	The directors are liable in relation to the company in case of a breach of their managing duties.	
Shareholders' Liability	Fully personal liability with operational and private assets for the partnership's debts	Limited to the share	
Taxation	It is not the partnership itself, which is taxed, but the individual partners. The taxable profit is determined at the level of the company and allocated to the partners according to their shares. The partnership itself is only subject to trade tax.	The Corporation itself is liable for taxation. Corporations are liable to corporate income tax, trade tax and the solidarity surcharge.	
	Turnover tax: 7-19 % Income tax 14-45 % Trade tax varies according to municipality Solidarity surcharge	Turnover tax: 7-19 % corporate tax 25% Capital gains tax Trade tax varies according to municipality Solidarity surcharge	

Disclaimer: This information is intended to provide a general overview on formation and registration of companies in Germany. No responsibility for loss to any person acting or refraining from acting as a result of any information in this overview can be accepted by Malaysian-German Chamber of Commerce and Industry. Recipients should not act on the basis of this information without seeking professional advice.