

# Invest in Austria

## Company Law and Tax

## Contact Details



**Döne Yalçın**

Partner, Managing Partner at CMS Istanbul

CMS Reich-Rohrwig Hainz  
Rechtsanwälte GmbH

**E** [doene.yalcin@cms-rrh.com](mailto:doene.yalcin@cms-rrh.com)

**T** +90 212 243 4928



**David Kohl**

Partner

CMS Reich-Rohrwig Hainz  
Rechtsanwälte GmbH

**E** [david.kohl@cms-rrh.com](mailto:david.kohl@cms-rrh.com)

**T** +43 40443 1700

# Austrian Company Law

- Companies
  - Limited Liability Company (*Gesellschaft mit beschränkter Haftung; GmbH*)
  - Joint Stock Company (*Aktiengesellschaft; AG*)
  - European Company (*Societas Europaea; SE*)
- Partnerships
  - General Partnership (*Offene Gesellschaft*)
  - Limited Partnership (*Kommanditgesellschaft*)
    - Limited liability for limited partners only
- Branch Office (*Zweigniederlassung*)
  - no separate legal entity

Limited  
Liability

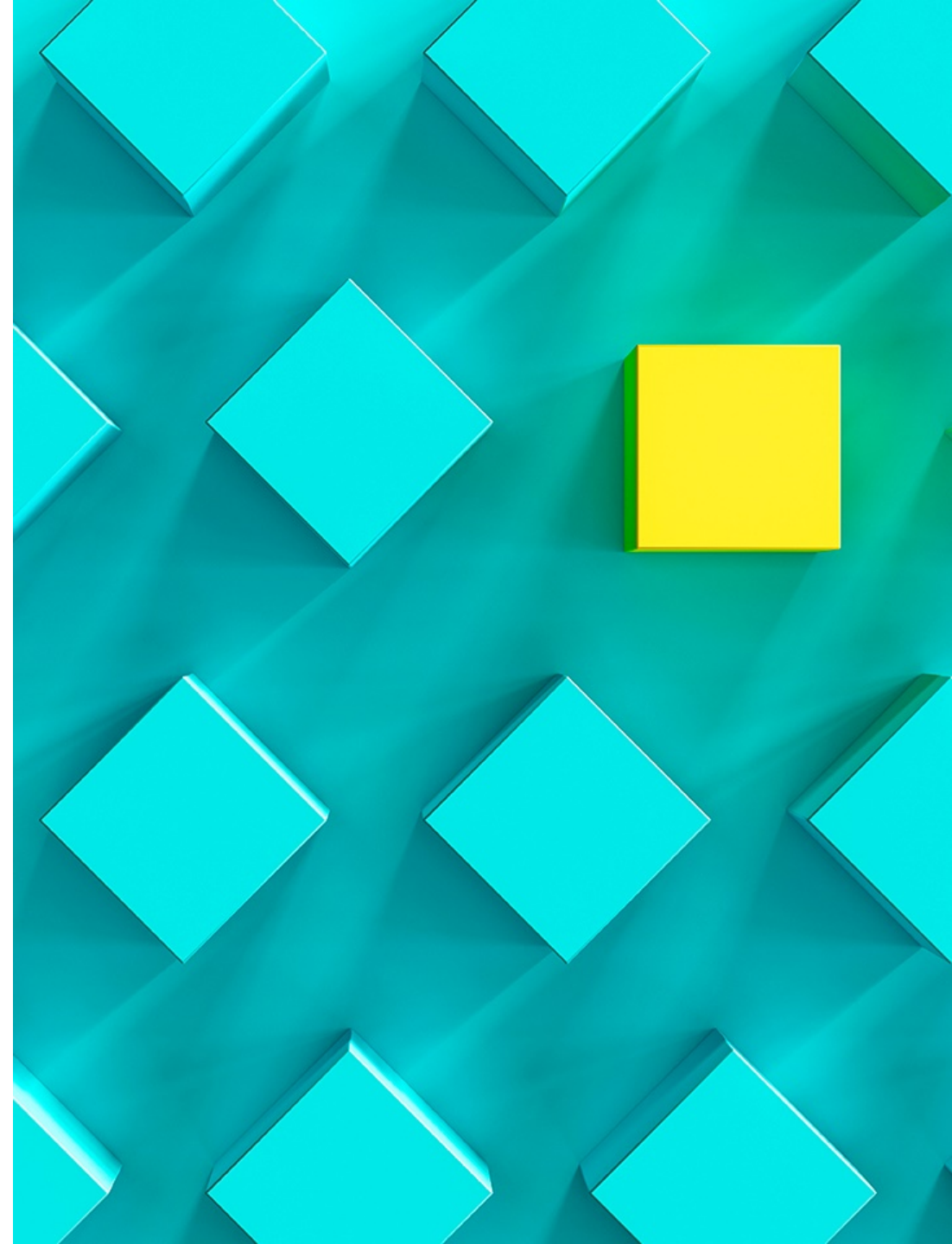
→ Austrian business license if a trade is carried out



# Limited Liability Company I

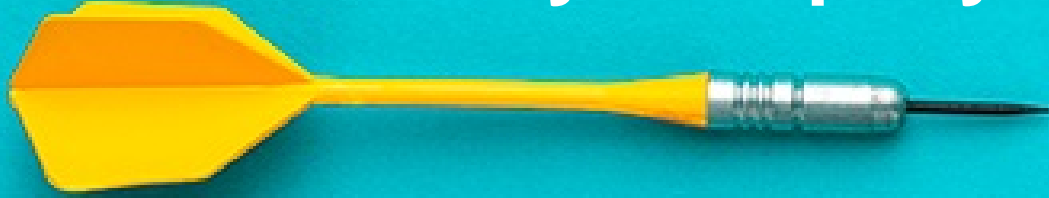
- One-person formation permitted
- **Shareholders**
  - Natural persons
  - Legal entities
  - Not necessary:
    - Austrian citizenship
    - Domicile or place of residence in Austria
- **Minimum share capital**
  - € 35,000 at the formation, at least € 17,500 in cash
  - Privileged formation with € 10,000:
    - € 5,000 in cash at the formation
    - Personal liability of the shareholders for another € 5,000 during the first 10 years
    - The remaining amount within 10 years
- Notarisation of documents (generally) required

→ Registration within 1 to 2 weeks from filing





# Limited Liability Company II



## Constitutive Bodies

### General Meeting

- Meeting: at least once per fiscal year
- Tasks: Appointment, dismissal, discharge of directors; reviewing and adopting the annual financial statements; allocation of net profits; capital increase/decrease; adoption of articles of association; etc.

### Management

- 1 managing director possible
- Only natural persons
- Not necessary:
  - to be a shareholder
  - in principle, to have residence in AT
- Joint vs. individual representation
- Bound by instructions from SHs

### Supervisory Board

- Generally, not mandatory
- Min. 4 meetings per fiscal year
- Min. 3 members
  - only natural persons
  - Not necessary:
    - to be a shareholder
    - to have residence in AT
- No competence to appoint or dismiss the managing directors

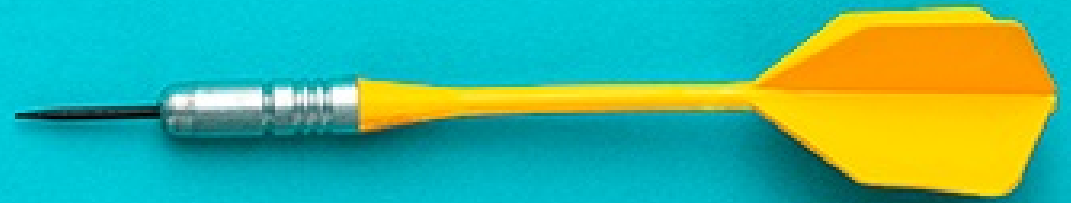


# Joint Stock Company I

- One-person formation permitted
- Public or Private Company
- **Shareholders**
  - Natural persons
  - Legal entities
  - Not necessary:
    - Austrian citizenship
    - Domicile or place of residence in Austria
- **Minimum share capital**
  - €70,000 at the formation
  - at least €35,000 in cash
- Notarisation of documents required

→ Registration within 1 to 2 weeks from filing

# Joint Stock Company II



## Constitutive Bodies

### General Meeting

- Meeting: at least once per fiscal year
- Tasks: discharge of the management board and supervisory board; adoption of resolutions on appropriation of profits; appointment a chartered accountant to audit the financial statements; etc.

### Management

- 1 managing director possible
- Only natural persons
- Not necessary:
  - to be a shareholder
  - in principle, to have residence in AT
- Joint vs. individual representation
- No directions from SHs
- Appointed for max. 5 years (re-appointment possible) by SB

### Supervisory Board

- Mandatory
- Min. 4 meetings per fiscal year
- Min. 3 members
  - only natural persons
  - Not necessary:
    - to be a shareholder
    - to have residence in AT
- Appointed for max. 5 years (re-appointment possible) by GM
- Appoints and dismisses the MDs

# Limited Liability Company vs. Joint Stock Company

## Advantages / Disadvantages of a Joint Stock Company



- Preserving anonymity of shareholders (But: UBO Registry)
- Transferability of shares (no notarisation required)
- Possibility of listing
- Scope of activities

**! digital notarial meetings are possible !**



- Greater formalities
  - Incorporation process
  - Official records of every general meeting (notarised)
  - Auditing of annual financial statements
  - Higher Cost
- Less flexibility
  - Mandatory SB
  - Strict regulations in Joint Stock Company Act
  - More persons involved



# Branch of a Foreign Company

- Reported and registered with Commercial Register in Austria
- Possible to obtain a trade license with branch in Austria
- No independent legal personality
- Necessary: permanent representative for the branch with main residence in Austria for companies outside the EU/EEA
- Advantages
  - No minimum capital requirements
  - Less formalities (no Austrian notary required)
- Obligations
  - To keep separate books and to file tax returns in Austria
  - Accounts prepared (and audited) under the law governing the foreign company (filing in German may be necessary)



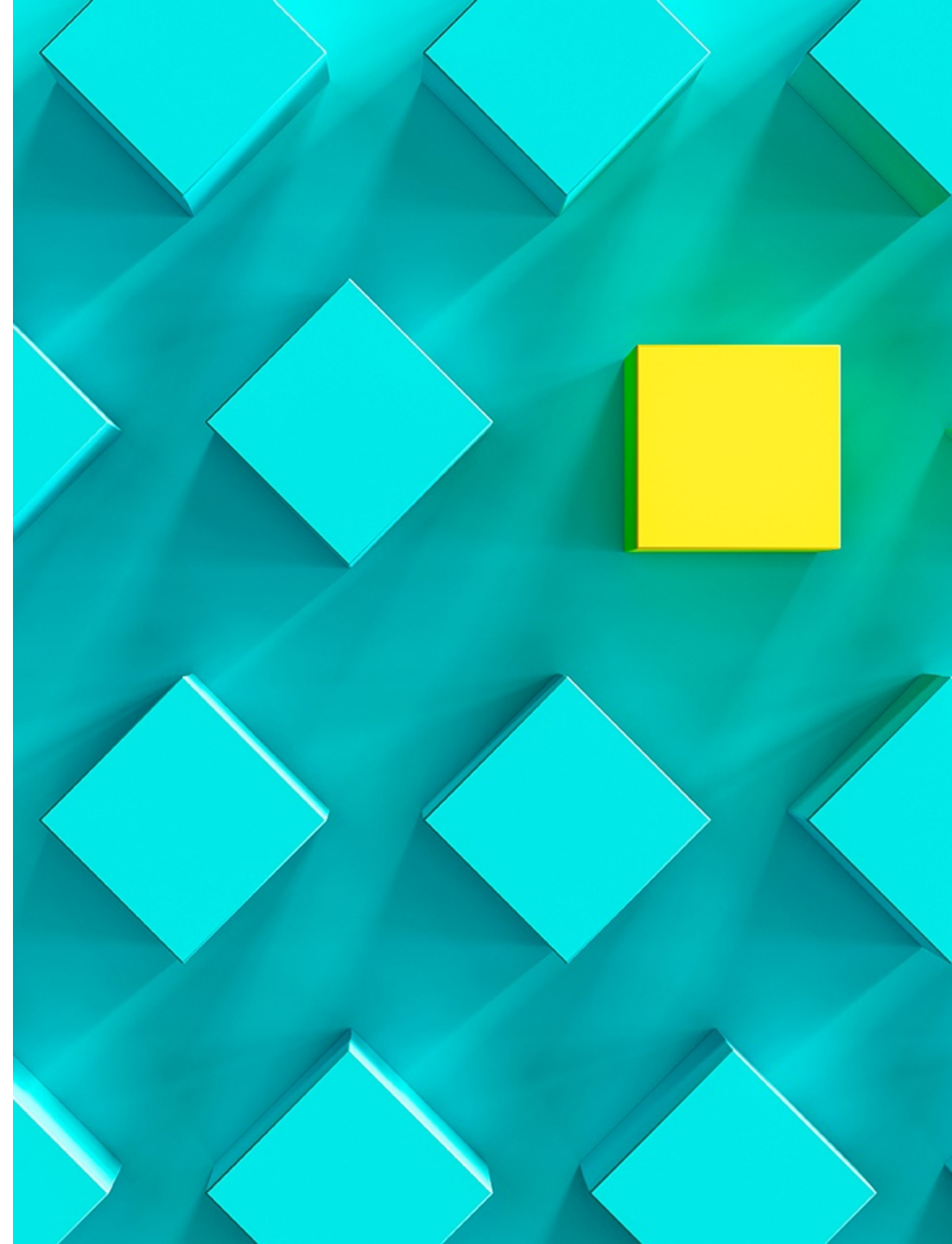


# Tax

- **Corporate Tax**
  - 24% corporate tax rate for companies (down from 25%)
    - from 2024: 23%
  - In case of loss: minimum tax
    - €1,750 for Limited Liability Company (Exemption: newly established LLC, €500 for the 5 years and €1,000 for the next 5 years)
    - €3,500 for Joint Stock Company
- **Income Tax**
  - Partnership profits are not taxed at partnership level, but on a partners' level:
    - Corporate tax in case of companies
    - Income tax in case of natural persons (staggered rates)
- **VAT**
  - Rates: 20% (general), 13% (reduced), 10% (reduced)
  - Exemptions: certain commercial leases, certain medical treatments, etc.
  - Input VAT deductible
- **Capital Gains Tax**
  - 27.5% for income on capital assets (incl. dividends)

# Red-White-Red Card

- Issued for a max. period of 24 months (at first)
- Entitles to fixed-term settlement and employment (by the employer specified in application)
- Health insurance coverage in Austria necessary
- Different types of cards
  - Skilled Workers in Shortage Occupations
  - Very Highly Qualified Workers
  - Other Key Workers
  - Self-Employed Key Workers
  - Start-Up Founders
  - Graduates of studies in Austria
- See ABA-Website for more information ([The Red-White-Red – Card | Work in Austria](#))
- Visum D ([Visa and Document Verification | WORK in AUSTRIA](#))



# Q&A Session



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