

Invest in Austria

Company Law and Tax

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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

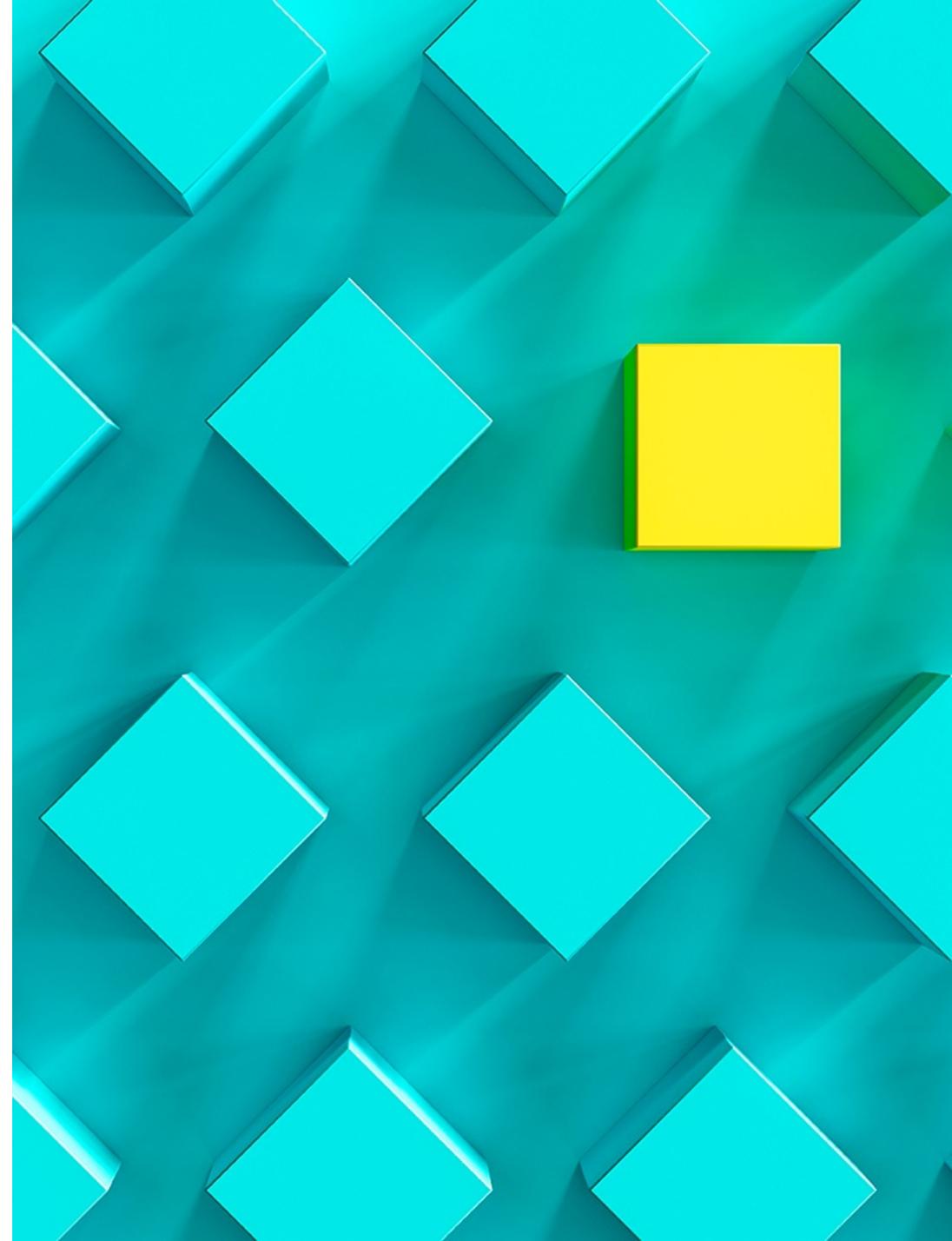
→ Austrian business license if a trade is carried out



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



- 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

! digital notarial meetings are possible !

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)



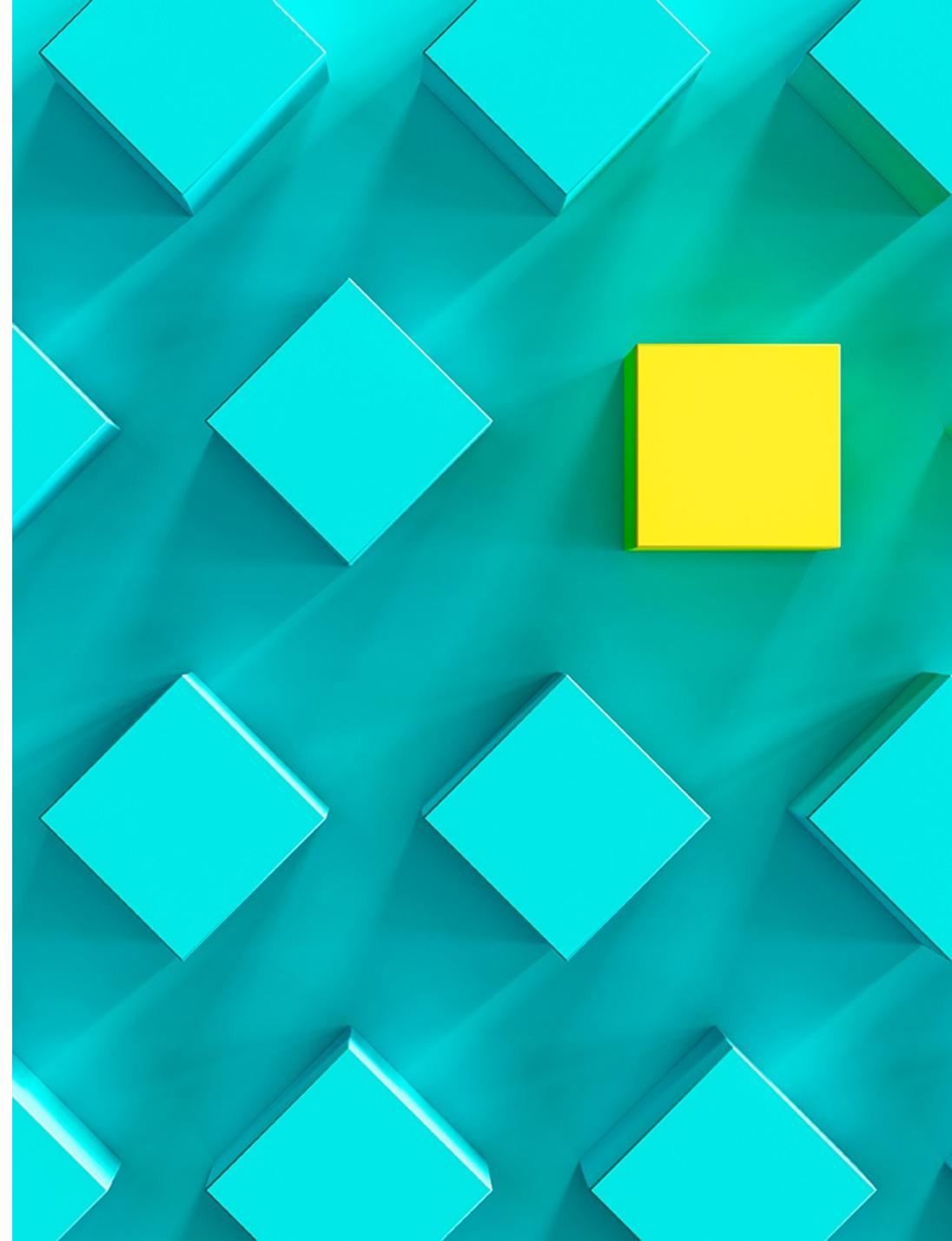


Tax

- **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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