

# Transatlantic Takeoff

Dismantling the most common Myths on Germany

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# It is (not) easy to set-up a **Germany Entity**

## **German Limited Liability Company (GmbH)**

- Can be set-up within 2 weeks (or shelf company - not recommended)
- Straight forward process

## **Costs of incorporation**

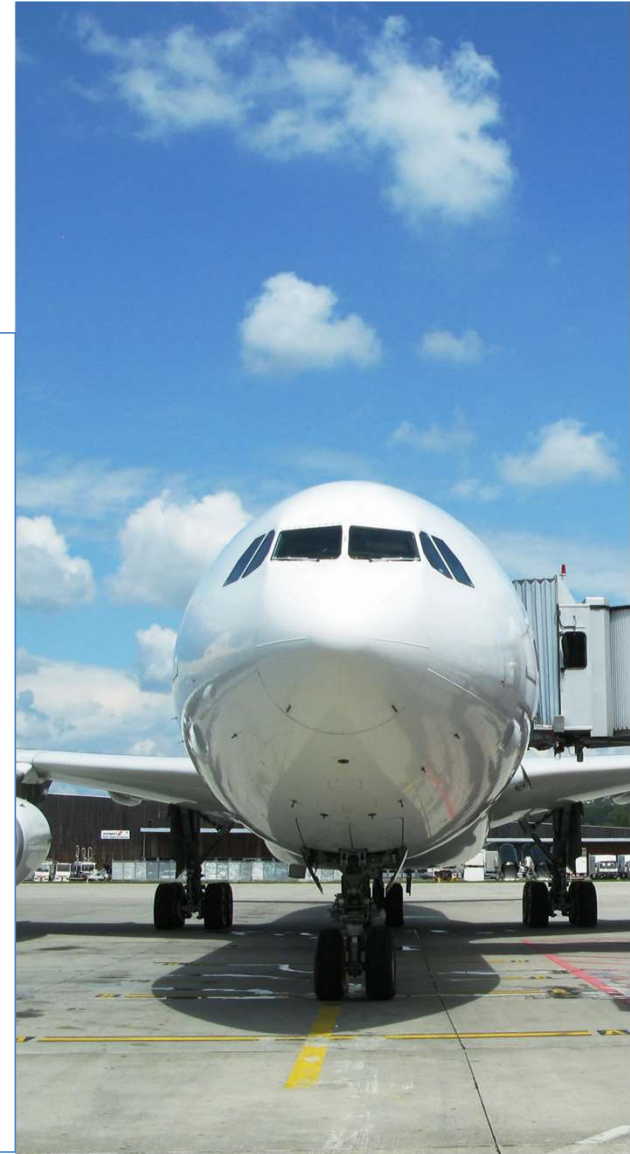
- 25k is the share capital (not fees !)
- Legal fees are much lower in Europe than in the US

## **Notarization**

- Always necessary for the set-up
- But: you don't need to be present in person

## **Bylaws etc**

- Not a big deal
- Standard Packages



# There is (no) **Flexibility in Employment** in Germany

## **Fixed-Term Employment**

- Up to 2 years (maximum 3 extensions)
- No reason needed

## **Termination Protection**

- No termination protection for small companies (<10 employees)
- Protection kicks in after 6 months of employment

## **Works Council**

- Tech Companies usually don't have one
- Start-ups never have one

## **Employer of Record**

- 18 months



# German Regulations are business (un-)friendly

## High Regulatory Standards

- Most Tech-Regulations are European regulations
- Many regulations have been adopted outside of Europe (e.g. GDPR)

## Pyramid Approach

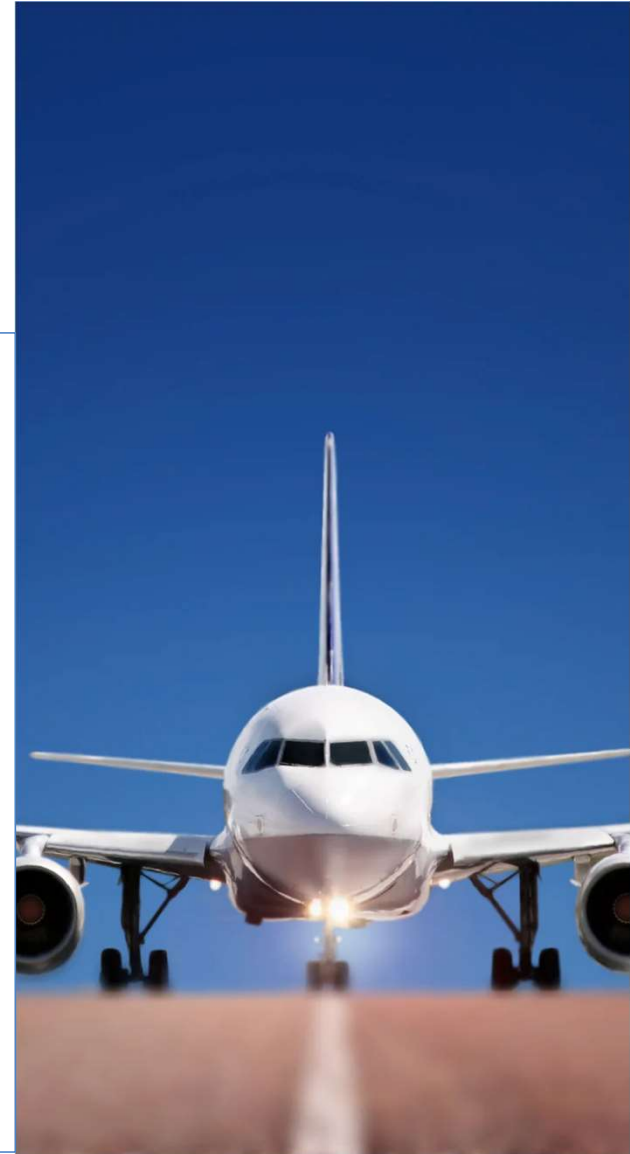
- Germany is the "Gold" Standard
- Upscaling is more expensive (and leads to uncertainty)

## Regulators

- No sledgehammer approach
- They talk to you and are supportive

## Customers / Investors

- Your customers might have to comply (wherever you are !)
- Investors see lower risk level when applying high standards





# It is (not) possible to use **My Contracts** in Germany

## German Law Requirement

- German subsidiary doesn't mean you have to use Germany law (B2B)
- German subsidiary doesn't change consumer protection rules (B2C)

## Language

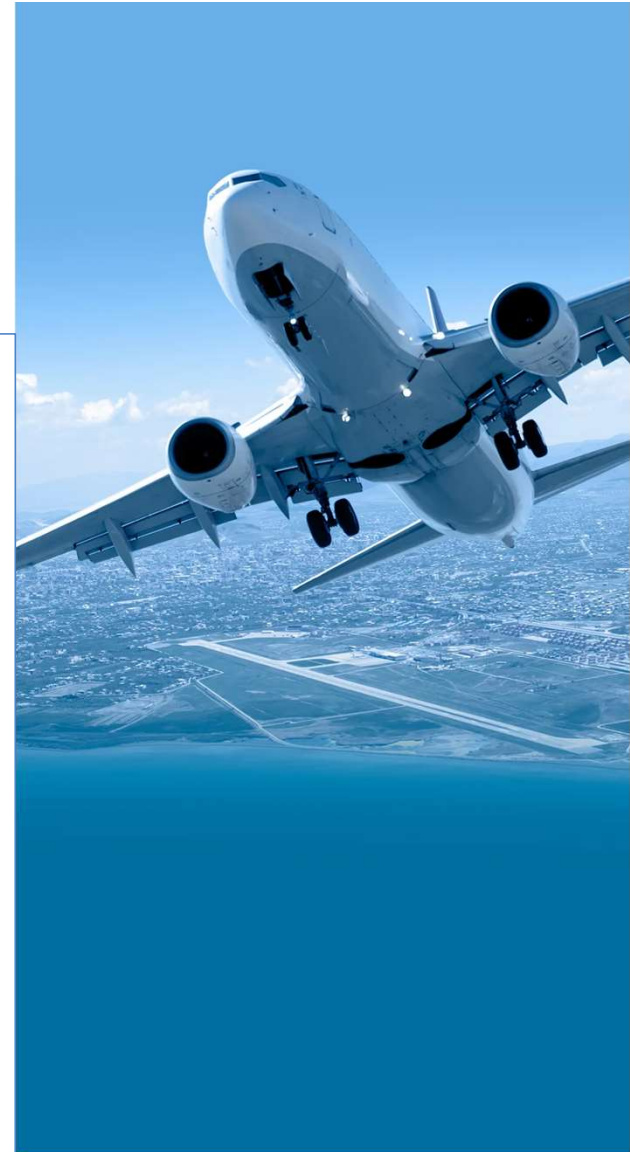
- B2B: English language is very common in Germany
- B2C: you have to translate – even if you were not in Germany

## German Company as Licensor

- Not necessary even with a local company
- Very common to use other country laws and foreign subsidiaries for license

## Litigation

- There is much less litigation in Germany than in the US
- Liability / damage claims are much lower



# I (don't) have the right **Contacts in Germany**

## **Advisors**

- NRW Invest
- A lot of Accelerator Programs

## **Attorneys**

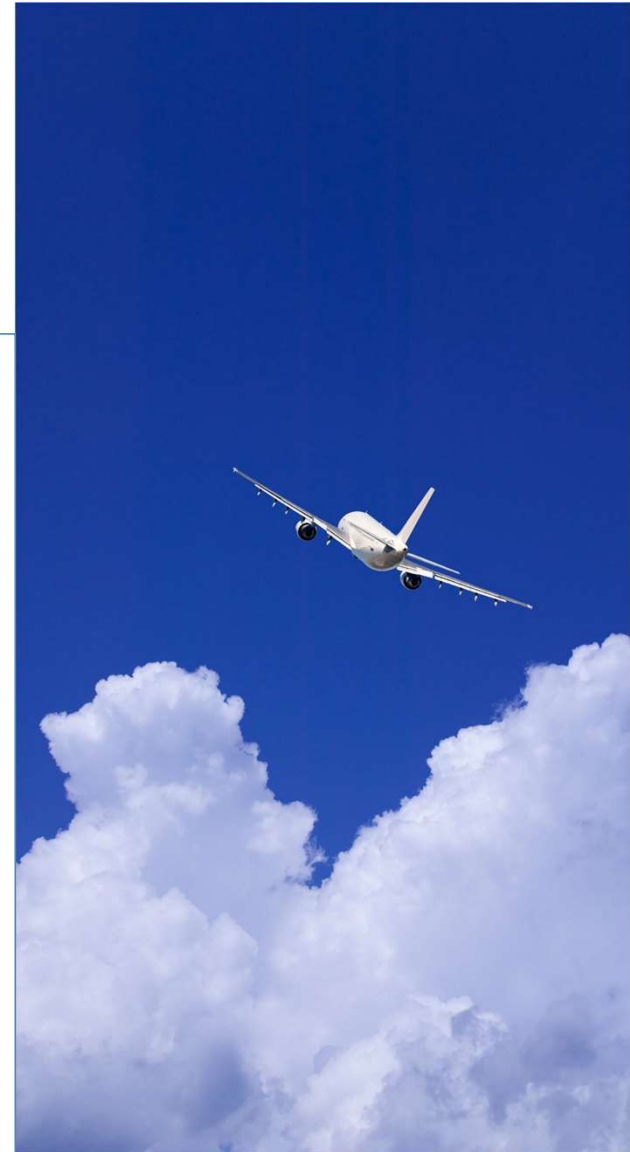
- CMS provides for a "Welcome to Germany" package
- equiP – CMS Accelerator for international Start-Ups

## **Accounting | Tax**

- Good partners – full service (US branch)
- Accounting, payroll, tax, etc.

## **Introductions**

- All supporters above are very well connected – opening doors
- One-Stop-Shop for your Transatlantic Takeoff



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