

Guide

how to set up a company in

Italy

Portugal

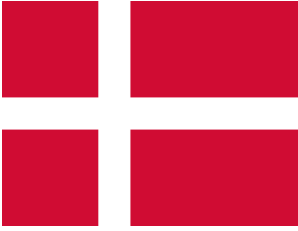
Denmark

Germany

and

the Czech Republic





Denmark

Basic Information

Official name:	Kingdom of Denmark
Political system:	Unitary parliamentary constitutional monarchy
Capital:	Copenhagen
Area:	2,220,093 km ²
Population:	5.67 million
Currency:	Danish krone
Official language:	Danish
GDP:	\$201.739 billion

Self-employed in Denmark

To be self-employed is a one-person business or a business that is personally owned and having at least one employee. There are no significant differences across sectors

For all businesses it is a general rule that they must be registered for VAT (25 %) and you must be registered in the Danish commercial agency Erhvervsstyrelsen in order to become a registered employer. In order to start as self-employed in Denmark it is necessary to consider how big an economic risk you will be willing to take with your newly started firm. The economic risk has to do with the amount of money you deposit in the registration process.

As firms grow it becomes interesting for them to invite more capital to make the business grow even further. The three most common types of business are interesting if you want to expand your business. The three most common types are described here:

1. Interessentskab or I/S: is basically a joint venture which is owned by at least two persons. There are no rules regarding deposit, but the owners can be held responsible with their entire private economy in case of bankruptcy. It is a business with a lot of economic responsibility but no demands regarding initial capital. It is often veterinarians, doctors, lawyers, architects and engineers that start up partnerships.
2. Anpartsselskab or APS: is a limited liability company. In order to set up this type of firm owners have to make a deposit of at least 80.000 Danish kroner. Owners have limited responsibility for the money the company owes. The creditors cannot seek their economic receivable in the owners' private economy. This type of business has to have an accountant to do their accounting.

3. Aktieselskab or A/S: is a public limited company. This kind of company has a deposit of at least 500.000 Danish C. The company capital is typically divided into owner documents or shares that can be bought and sold on a 'stock market'. The debts of an A/S are limited if it fails financially. This company type also has to have an accountant. This type of business is controlled by a board and once a year there is an annual general meeting where the stockholders can try to influence the company.



Starting as a self-employed in Denmark can be expensive, but there are various social security network programmes that will support you financially in case of e.g. sickness or maternity.

There are also a lot of organizations which are more than willing to help you getting started and they will guide you through all the questions regarding self-employment in Denmark.



Italy

Basic Information

Official name:	Italian Republic
Political system:	Parliamentary republic
Capital:	Rome
Area:	301 338 km ²
Population:	60 115 625
Currency:	Euro
Languages:	Italian
GDP:	\$2.245 trillion

The legal forms provided by the Italian laws:

MUTUAL SOCIETIES

- Co operative society

INDIVIDUAL COMPANY

- Sole trader

SOCIETY OF PEOPLE

- Simple partnership
- General partnership
- Limited partnership

CAPITAL COMPANY

- Public company
- Company with a sole shareholder
- Company limited by shares
- Limited liability company
- Limited liability company with sole shareholder

From 1 April 2010 all obligations related to the Register of Companies shall be completed electronically, using a procedure that requires a signature certified.

These formalities are:

- Companies register
- Agency Tax
- INPS (Social Security Agency)
- INAIL (Insurance against accidents).

To facilitate this kind of procedure the entrepreneur is helped by professional figures, such as accountants, employment consultants, trade associations and notaries.

First steps

Starting a Sole Trader Business		
Steps	Explanations	Costs
Step 1	Request of a signature certified.	
Step 2	Possible requirements and/or local licenses necessary for the exercise of choice activity.	
Step 3	The registration at the provincial Register of Companies and VAT registration	In addition to cost management, accounting, etc.: the annual 88.00€ (minimum) Chamber of Commerce fee the possible contribution to INPS the possible INAIL contribution

Starting a Limited Liability Company		
Steps	Explanations	Costs
Step 1	Stipulation of an act by a notary public: the Memorandum and Statute.	Notary fee
Step 2	Request of a signature certified and VAT registration	
Step 3	Possible requirements and/or local licenses necessary for the exercise of choice activity.	
Step 4	The registration at the provincial Register of Companies	In addition to cost management, accounting, etc.: the annual 200.00€ minimum fee for the Chamber of Commerce, and then an additional tax proportional to the profits the possible contribution to INPS, the possible contribution to INAIL

Individual company

Start a business as a sole trader is the easiest and least expensive. It occurs without special formalities by the VAT registration and entry in the register of Companies.

The entrepreneur is the only "promoter" and responsible for the activities: business risk falls on all the personal assets of the entrepreneur (unlimited liability).

The sole trader can also take the form of family business, however the family business remains a sole trader in which only the entrepreneur with his/her assets is liable to third parties for the debt. It is not possible to be in possession of more individual enterprises.

Costs and requirements

In addition to cost management, accounting, etc., the company faces costs such as the annual 88.00 Euros Chamber of Commerce fee (sometimes 200.00 euros) the possible contribution to INPS (management trade or craft) of approximately 2800.00 euro or the INPS separate management the possible INAIL contribution.

To understand the requirements and / or local licenses necessary for the exercise of choice activity, you can consult the appropriate manual available to the Chamber of Commerce.



Limited Liability Company (Ltd)

In a limited liability company, members meet for social obligations within the limits of the subscribed capital.

The Ltd liability company is an act by a notary public and consists of two documents: the Memorandum, (contains the name of the partners, the subscribed capital, the business object, business name, location, administrators) and Statute.

Setting up a Ltd liability company requires a minimum capital of 10,000 €, of which at least 25% must be paid at an investment bank at the time of the constitution and remain binding on an interest bearing account.

In Ltd liability company social capital is characterized by "quotas" and rights in the shareholders entitled to the same extent proportional to the contribution possessed by each. The ordinary shareholders' meeting, which must be convened each year, approves the budget, decides on the profits, appoints the director or directors (the Council Directors) which must be a member, the Ltd liability company can not be publicly traded.

Costs and requirements

In the case of a Ltd liability company, the complexity and operational management increases compared to a sole trader business.

In addition to cost management, accounting, etc., the company faces costs such as:

- the annual 200.00 Euros minimum fee for the Chamber of Commerce, and then an additional tax proportional to the profits
- the possible contribution to INPS (management trade or craft) of approximately 2800.00 euro or the INPS separate management
- the possible contribution to INAIL

To understand the possible requirements and/or local licenses necessary for the exercise of choice activity, you can consult the appropriate manual available at the Chamber of Commerce.



Germany

Basic Information

Official name:	Federal Republic of Germany
Political system:	Federal parliamentary constitutional republic
Capital:	Berlin
Area:	357 021 km ²
Population:	81 799 600
Currency:	Euro
Official language:	German
GDP:	\$3.628 trillion

First steps of setting-up a company

<u>Steps</u>	<u>Descriptions</u>	<u>Explanations</u>	<u>Liability</u>
Step 1	Decision for the foundation	Predecessor company autonomous precursor of the later GmbH. Mostly as GbR/UG or OHG.	Full liability of the involved persons – also with their private assets.
Step 2	Development of a company agreement	<p>Most important legal basis: Need of a well considered „construction“</p> <p>Minimum content:</p> <ul style="list-style-type: none"> - Firm and registered office of the company - Subject of the GmbH (activity) - Shareholders have to be listed namely and with address - Original share capital and deposits (at least 25.000 €), amount has to be itemized, which shareholder assumes which amount 	
Step 3	Notarial documentation of the company agreement	(Pre-GmbH) Is a dependent intermediate form of the GmbH. The managing director is allowed to carry out establishment businesses as well as, with the approval of the shareholders, also other businesses	

<u>Steps</u>	<u>Descriptions</u>	<u>Explanations</u>	<u>Liability</u>
Step 4	Appointment of the bodies of the company	<ul style="list-style-type: none"> - Managing director - Board of Directors - optionally advisory board 	<p>Shareholder is liable by civil law.</p> <p>He is unrestrictedly liable, with his complete private asset. This also applies to Shareholders/ managing directors.</p>
Step 5	Raising of the original share capital	<p>Before the registration in the commercial register, each shareholder has to pay in at least 25% of his capital invested. At least half of the agreed original share capital has to be paid in in the company assets before the registration in the commercial register.</p>	
Step 6	Registration in the commercial register	<p>Evidence for the above requirements and signatures of the managing directors have to be enclosed.</p>	

<u>Steps</u>	<u>Descriptions</u>	<u>Explanations</u>	<u>Liability</u>
Step 7	Entry in the register of companies	<ol style="list-style-type: none"> 1. The amount of the registered capital which is laid down in the agreement of partnership, has to be paid on the cash account of the private limited company. 2. The registration for the register of companies has to be signed by all of the ordered managing directors. 3. Time of recognition of the private limited company as legal entity. 	No liability of the managing director towards third parties, liability of the managing directors when the obligation to file for bankruptcy is breached.





Portugal

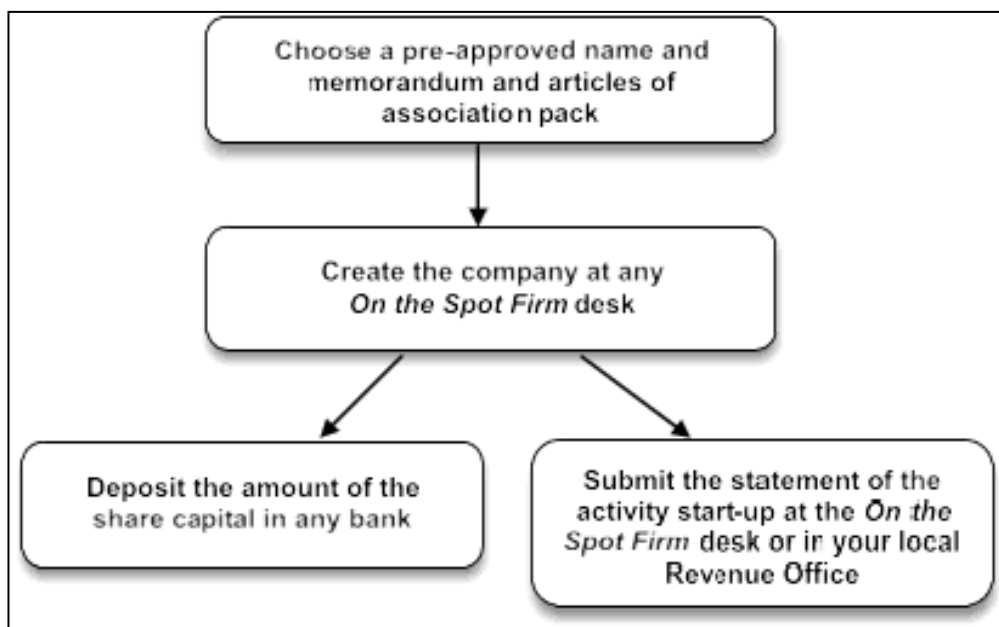
Basic Information

Official name:	Portuguese Republic
Political system:	Unitary parliamentary constitutional republic
Capital:	Lisbon
Area:	92 092 km ²
Population:	10 576 252
Currency:	Euro
Languages:	Portuguese
GDP:	\$247 310 billion



Through the Empresa na Hora initiative, you will be able to set up a “one-man” company, a private limited company or a PLC, on the spot, at just one desk.

The process of setting up companies through this initiative is extremely simple, as illustrated below:



Procedure for incorporating a firm

1. Choose a name from the list of pre-approved names given on the Empresa na Hora website (<http://www.empresanahora.pt>), or check the list that is available at the Empresa na hora desk. The name chosen will only be kept when you get to the desk and start the setting-up process. A phrase alluding to the object of the company can always be added to the pre-approved name.
2. Choose one of the pre-approved standard memorandum and articles of association packs, available on this site and in the portfolio of packs available in the offices;
3. The members of the future company should go to an Empresa na hora desk to start the incorporation process. A list of available desks can be found in the Contacts area of this site.

Items needed

If the members of the future company are private individuals, they will need to take with them:

- their Tax Identification Card;
- an Identification document (identity card, passport or driving licence).
- their Social Security Card (optional)

In the case of legal persons/corporations, you will need to show:

- the Legal/corporate person tax identification or identity card;
- a current extract of the entry in the Commercial Registry;
- the Minutes of the General Meeting granting powers of company incorporation.

This service will cost 360.00€. This amount is payable at the time of incorporation, in cash or by cheque. For firms whose company object is technological development or research the cost of the service is 300.00€.

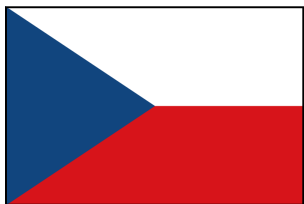
The memorandum and articles of association will be prepared and the registration of the company will be carried out there and then.

You will straightaway be issued with a copy of the entry in the commercial register, the legal/corporate person identification card and the social security number of the company.

As soon as the company is set up, you will be able to submit a Statement of Start-up of Activity at the help desk, for tax purposes, duly completed and signed by the Accountant. If you do not do this on the spot, it must be done within 15 days of the incorporation.

Within no more than 5 working days of incorporation, the members must deposit the sum of the share capital in any bank, in the name of the company.





Czech Republic

Basic Information

Official name:	Czech Republic
Political system:	Parliamentary republic
Capital:	Prague
Area:	78 866 km ²
Population:	10 562 214
Currency:	Czech crown
Official language:	Czech
GDP:	\$273 070 billion

Starting a Sole Trader Business

Steps	Explanations	Costs
Step 1	Go to the Trades Licensing Office	
Step 2	Choose the type of license you want	
Step 3	Register there and pay the fee. The clerk sends the details to the Revenue Office and to the Czech Social Security Administration where you have to be registered	1000 CZK (40€)
Step 4	The Trades Licensing Office will send you Registration certificate with your ID number	

Sole Trader

What do you have to become a sole trader?

- being aged 18 or older
- having a legal capacity
- having a clean bill
- having a certificate of no arrear taxes

What type of trade license to choose?

1. Unqualified notified trade

- Licences can be received without any special qualifications after submitting a notification.
- An applicant chooses several items for a list of 80 business activities:
 - * wholesale and retail
 - * brokerage and trading services
 - * accommodation services
 - * photographic services

2. Crafts

- The craft is set up on the basis of notification. It is necessary to prove a professional certification – by certificate of apprenticeship, leaving examination certificate, university diploma paper or another professional certification.
- The crafts are, for example:
 - * Butcher's trade
 - * Baker's and confectionary
 - * Blacksmith's and locksmith's trade
 - * Brewing and malting
 - * Processing leather and fur

3. Regulated trade

- Regulated trade is a type of business activity that requires professional certification.
- For example:
 - * Massage services
 - * Accounting
 - * Building and constructing

4. Licensed

- It requires a certificate from the government.
- For example:
 - * Driving courses
 - * Undertaker's

Rules for the foreign entrepreneurs—both sole traders and Ltd.

The European Union citizens have the same rights as the Czechs, if they reside in the country.

Otherwise, they choose their Czech representative to avoid the necessity of a permanent residence, additional paperwork and they must ask the immigration office for a permission to set up business.

Starting a Limited Liability Company

Steps	Explanations	Costs
Step 1	Prepare the Foundation Charter (one person) or the Foundation Contract (more than one person setting up the company) and define the amount of basic capital and the way of entering the capital into the	
Step 2	Go to the Public Notary and have your Charter or Contract officially certified. The Notary or you then ask the Regional Court to be entered to the Register of companies.	12.000 CZK 480€
Step 3	The Regional Court will register you in the Register of companies.	
Step 4	Go to the Trade licensing Office with the court registration. Set the area of your business there and they will give you Trade Register Statement and they also inform the Revenue Office and the Czech Social Security Administration about your set-up	In addition to administration costs, the minimum Basic Capital is 200.000 CZK
Step 5	The Revenue Office will send you the VAT number and you can start the business.	

Limited Liability Company (s.r.o. in Czech)

What is needed to found an Ltd.?

- to get a criminal record of representatives
- to open a bank account with a fundamental investment
- to found an address of the company
- no debts towards The Revenue Office must be proved
- a statutory declaration and notarially certified specimen signatures of all representatives
- company has gain a trade certificate (if the companies are made for purpose of trade)

Who can found an Ltd.?

- one or more representatives at the minimal age of 18
- 1 to 50 members
- the minimum of the initial capital is 200,000 CZK
- the minimal investment of a member is 20,000 CZK

If we found an Ltd. alone (without any other representatives)?

- In the case that the company is formed by a single representative, a trade certificate is replaced with a foundation charter.
- If is the only founder, s/he must deposit the initial capital in the bank.

What terms are running since we have found an Ltd.?

From the date of company incorporation, it is necessary to meet the following deadlines:

- 8 days to register with the social security administration, provided that the company has employees
- 8 days to get health insurance for all the employees
- 30 days to register with The Revenue Office for appropriate taxes
- The proposal of registration into The Revenue Office must be sent to the relevant register-court within 90 days from the establishment.



This guide was made thanks to the Comenius project called NIF.

NIF – New Ideas Factory is a Multilateral school partnerships, which is a challenge for students in the areas of entrepreneurship and technology as well. New Ideas Factory is a fictional international company run by students from 5 participating countries.

Participating countries

DENMARK

Greena Tekniske Skole—Viden Djus

www.gts.dk

PORTUGAL

Esola Secundária de Amares

www.esamares.com

GERMANY

Staatliche Berufsschule II Bayreuth

www.kbs-bth.de

CZECH REPUBLIC

Secondary school of Electrotechnics
and Information Technologies in
Dobruska

www.spse.dobruska.cz

ITALY

Instituto Istruzione Superiore
VOLTERRA –ELIA in Ancona

www.istitutovolterraelia.it

WWW.NEW-IDEAS-FACTORY.WEEBLY.COM

