

**SPECIFICS OF
STARTING
A BUSINESS
IN AUSTRIA**



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OUR TEAM



**LEGAL BASIS FOR
STARTING A
BUSINESS**

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REQUIREMENTS FOR SETTING UP A COMPANY

Personal requirements

- ability to deal with pressure and stress
- striving for independence
- flexibility
- organizational skills
- striving for success
- willing to take risks
- willing to make changes
- assuming responsibility
- ability to work in a team
- wish to be different
- no tendency for stagnation and resignation



REQUIREMENTS FOR SETTING UP A COMPANY

Professional competence

- professional knowledge and skills
- experience in the trade
- basic commercial knowledge



Family

- family should support your enterprise

Equity capital

- 30 % equity capital to set up a company (to deal with a crisis)



INDUSTRIAL LAW

- prevents danger
- is needed for every industrial occupation
- independence: when you have your own invoice and own danger
- depends on your occupation
- is needed for typical occupations
- other occupations: check
- states your responsibilities and rights



EXCEPTIONS

- own laws for
 - doctors
 - chemists
 - farmers
 - notaries
- „new independents“
 - psychiatrists
 - physiotherapists
 - presenters



FREE COMMERCIAL ENTERPRISES

- office services
- petrol stations
- trade
- advertising agencies



REGULATED COMMERCIAL ENTERPRISES AND TRADES

- butchers
- management consultants
- insurance agents
- carpenters
- beauticians



REGULATED BUSINESSES

- master builders
- arms dealer



Glock
Cut Away



EASY ACCESS TO REGULATED BUSINESSES

- alteration tailor
- nail salon
- shoe mender



LEGAL TYPES OF BUSINESSES FOR YOUNG ENTREPRENEURS

- most commonly used by young founders
 - sole traders
 - general partnerships
 - limited partnerships
 - limited companies



SOLE TRADER(E. U.)

- advantages
 - no minimum capital required
 - the entrepreneur himself is the company
 - the entry in the commercial register is only necessary from
 - 1 million € turnover per year
 - or 700,000 € turnover in two consecutive years



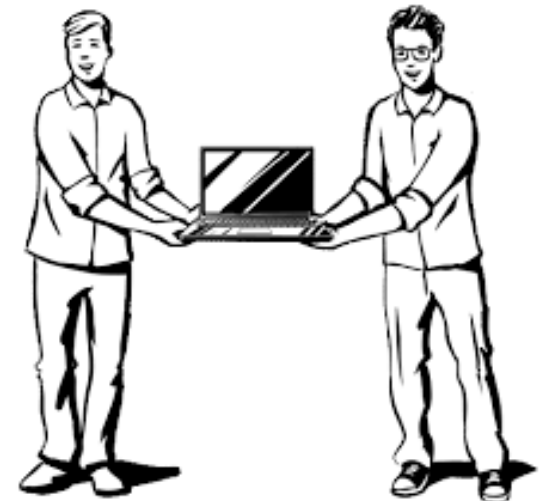
SOLE TRADER (E.U.)

- disadvantages
 - the entrepreneur is fully liable
 - it is difficult to get outside capital
 - total independence (if the entrepreneur gets sick, it might be a problem)



GENERAL PARTNERSHIP (OG)

- advantages
 - all participants have a say
 - division of labour
 - more capital can be raised



GENERAL PARTNERSHIP (OG)

- disadvantages
 - unrestricted and joint liability
 - liability for actions up to five years after leaving the company
 - teamwork is absolutely necessary



LIMITED PARTNERSHIP (KG)

- advantages
 - one fully liable partner and one or more limited partners
 - the fully liable partner has the autonomy of decision
 - the limited partner can only lose his investment



LIMITED PARTNERSHIP (KG)

- disadvantages
 - the limited partners have no power of decision
 - the fully liable partner has biggest risk, a conflict of interest could emerge



LIMITED COMPANY (GMBH)

- advantages
 - can be founded by one or more entrepreneurs
 - limited liability
 - company is a legal entity



LIMITED COMPANY (GMBH)

- disadvantages
 - double entry accounting
 - minimum capital 35,000 €
 - entry in the commercial register is necessary



TYPES OF TAXES AND FEES

- income tax
- sales tax
- capital gains tax
- social insurance
- accident insurance
- pension insurance
- chamber contribution



IS THERE A KIND OF COMMERCIAL REGISTER?

- company register
- regional courts
- publicly accessible
- you get a number
- costs about 75 EUR
- over 700,000 EUR → registration compulsory



Is there a kind of commercial register?

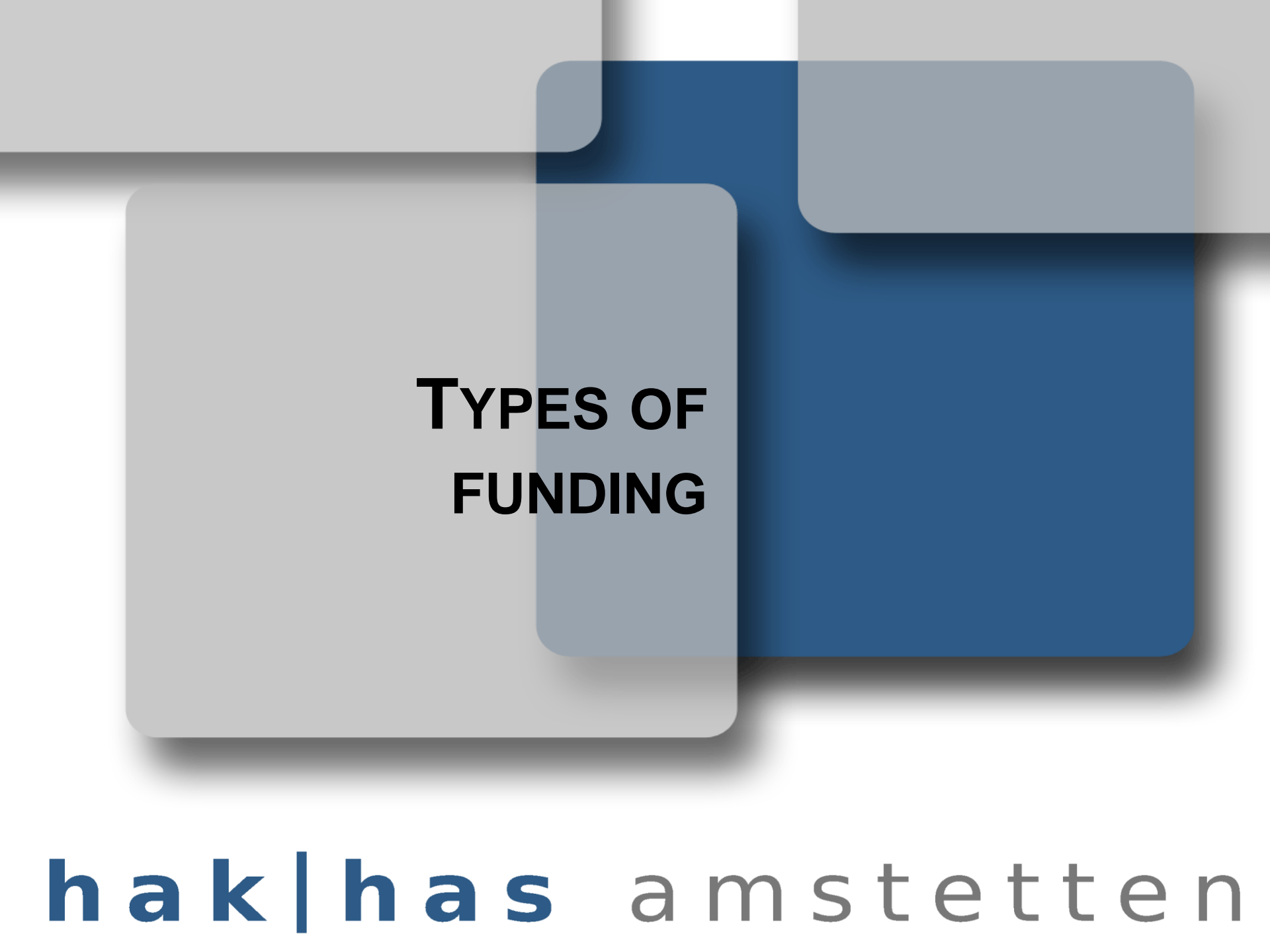
- name
- legal form
- location
- address
- line of business
- owner



ACCOUNTING - LEGAL ELEMENTS OF THE BOOKKEEPING

- obligation to keep records
- double-entry bookkeeping
 - comparison of expenses & income (income statement)
 - balance sheet (equity compared to last year)
 - books (collections)
 - journal (land registry)
 - ledger
 - additional books
 - financial statements
 - depreciation
 - stocktaking
 - Financial Statements Balance Sheet & P & L
- revenue / expenditure account





TYPES OF FUNDING

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JUNGE WIRTSCHAFT & NEUFÖG


- Junge Wirtschaft
 - association for company founders under 40 years
 - they offer
 - further education
 - their networks
 - access to information
- NeuFög
 - a government funding for company founders in Austria
 - cheaper start-up costs



RIZ & RIZ GENIUS

- RIZ
 - an agency for company founders in Lower Austria
 - helps them set up their company
 - space for company can be rented there
- RIZ GENIUS
 - a competition looking for the business idea
 - prize: money





**START-UP COSTS
OF THE
FOUNDATION**

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FINANCIAL- AND PROMOTION OPPORTUNITIES

- financial opportunities
 - external finance
 - venture capital
 - private-equity-fund
 - mezzaninfund
 - business-angels
 - credit and loan
 - leasing and factoring



FINANCIAL- AND PROMOTION OPPORTUNITIES

- financial opportunities
 - internal finance
 - Quiet finance
 - Open finance
- promotion opportunities
 - Austrian economic service
 - financial guarantee company
 - "BÜRGES" promotion bank



COSTS AND DURATION OF THE FORMATION

- capital company
 - Plc.: minimum share capital 10,000 EUR
 - Ltd.: minimum share capital 70,000 EUR
- start-up costs
 - entry into the commercial register
 - costs of a lawyer
- duration of formation
 - approx. 4 weeks
 - target: One-stop-shop (only 1 week)



COSTS AND DURATION OF THE FORMATION

- partnership
 - equity: freely selectable
- start-up costs
 - company agreement
 - entry into the commercial register
- duration of formation
 - 4 weeks



COSTS AND DURATION OF THE FORMATION

- sole trader
 - minimum share capital: freely selectable
- start-up costs
 - trade certificate
- duration of formation
 - 4 weeks



**IMAGE AND
IMPORTANCE OF
ENTREPRENEURS
IN AUSTRIA**

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IMPORTANCE OF ENTREPRENEURS

- in Austria bigger than ever
- hard to make the breakthrough
- you need:
 - risk-taking
 - innovative ideas
 - motivation
- they create new jobs



AUSTRIA HAS GOT ...

- an highly developed infrastructure allows the establishment of high-growth companies
- a strong commercial infrastructure (with highest concentration worldwide)



- EC
 - 3 % of the population are entrepreneurs
- Austria
 - only 130,000 entrepreneurs
 - 13th place of the most innovation-driven economies
 - between 2007 and 2014 a huge rise from 2.4 % to 8.7 %



AVERAGE AUSTRIAN ENTREPRENEUR

- male
- 25 to 34 years old
- educated to upper secondary level
- engaged in consumer-oriented service sector

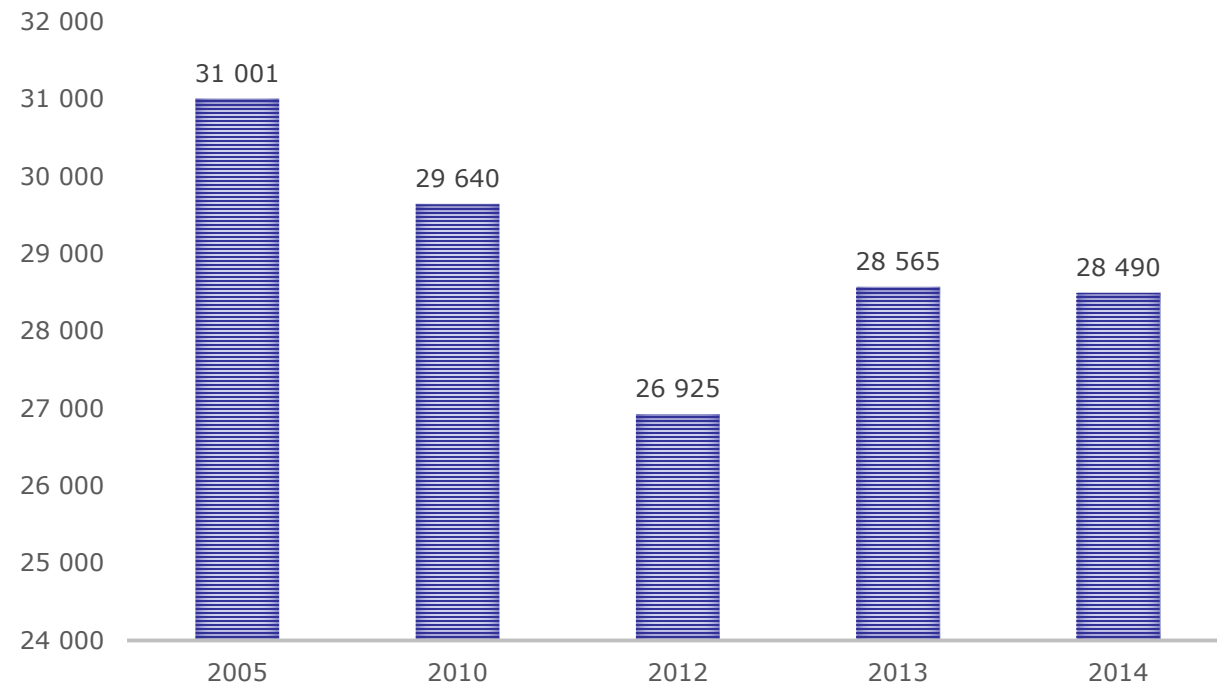


EXPERTS SAY ...

- working as an established merchant is going to be harder, because entrepreneurs are seen as
 - exploiters
 - rich fat cats
 - tax dodgers
- many companies start to move into the east



NUMBER OF START-UP COMPANIES IN AUSTRIA



NOTE:

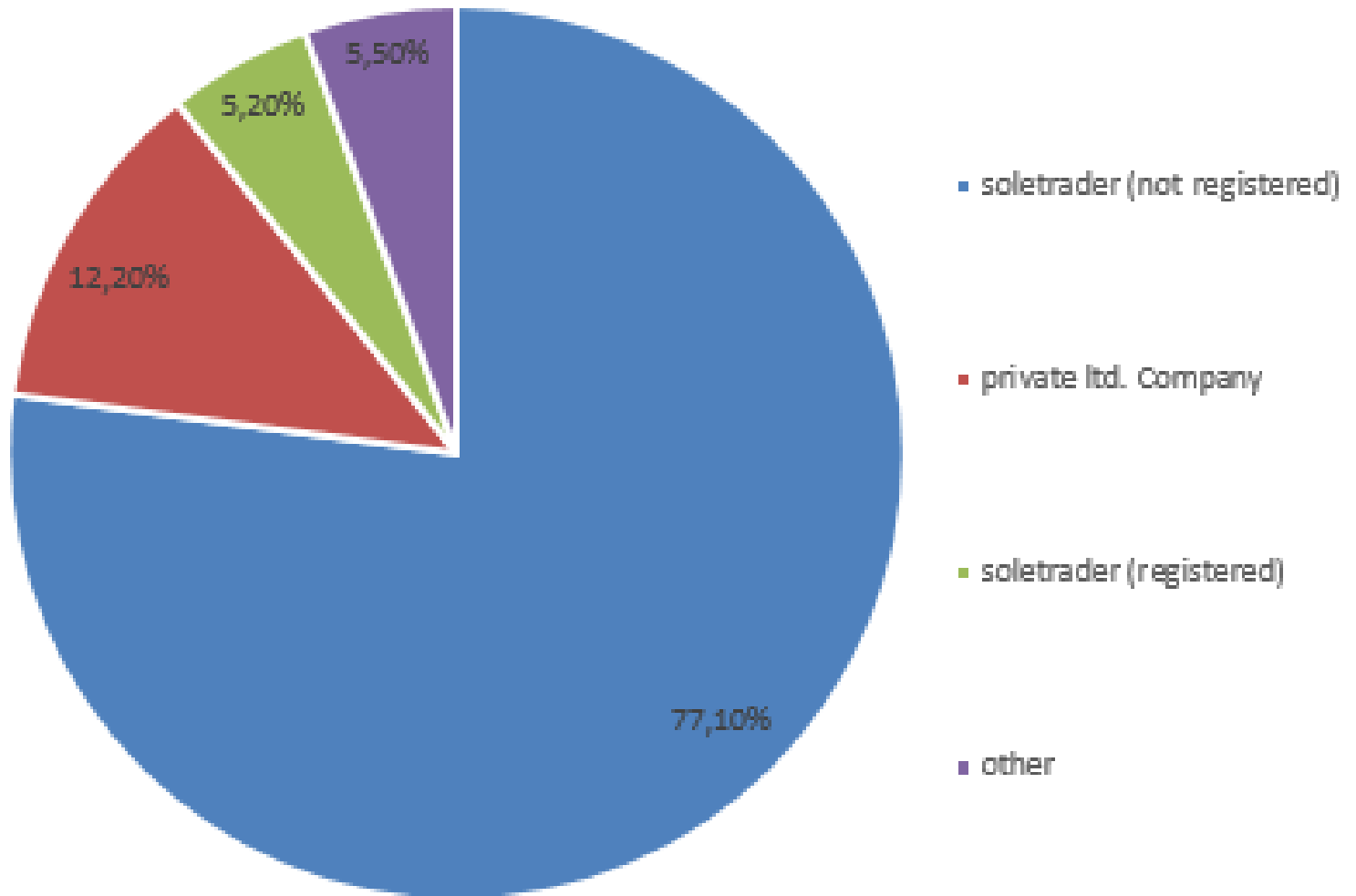
- 2012 to 2013
 - start-up companies increased by 6 %
- 28,490 start-ups in 2014
- striking fact
 - percentage of female entrepreneurs increased considerably in the last few years

2004
35.2 %

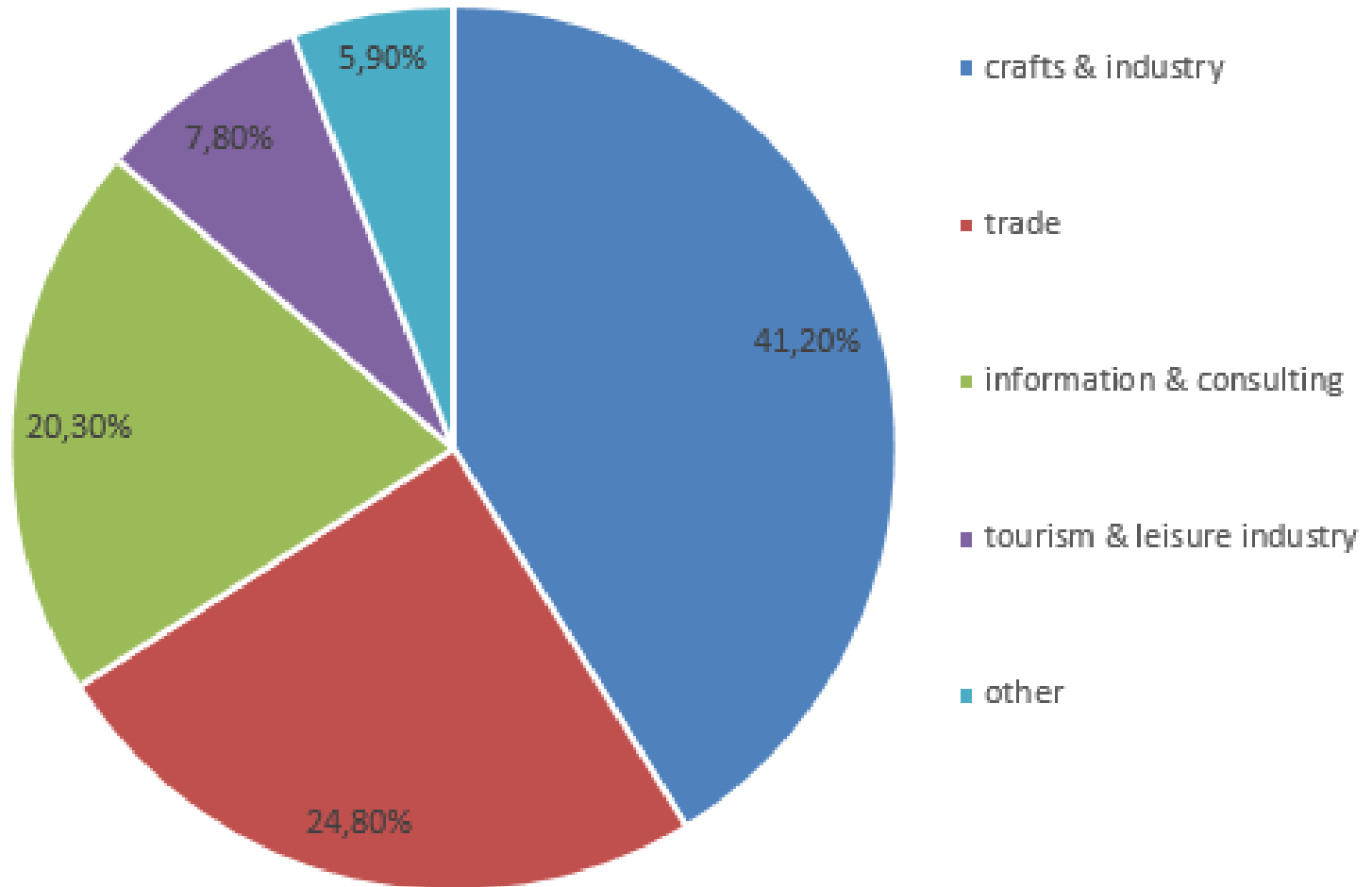
2013 & 2014
43.5 %



START-UPS BY LEGAL FORMS IN 2013



START-UPS BY INDUSTRIES IN 2013





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