

LOPOCO Road Map GmbH (Ltd.)

When setting up a GmbH (Ltd.) in Austria you have to adhere to the following rules and regulations:

Basically the great thing is, that most of the topics can be prepared via the Austrian Embassy in New York. So you don't have to come to Austria for that. Only the bank account might require you to come once.

1. Shareholders' Agreement

- Drawing up and signing of the shareholders' agreement, in case of a one-man company a "declaration of establishment" (notarial deed)
 - > this can be managed through the Austrian Embassy in New York, no need to come to Austria. You need to have all Lopoco shareholders, or whoever will be owner of Lopoco Europe GmbH.
- Appointment of managing director(s) (shareholders' resolution with notarised signature(s))
 - > as said, the best is that you will be managing director as you are CEO of LOPOCO Ltd already
 - > for me there could be a power of attorney to have certain rights which are necessary to establish and run the business (tbd)
- Opening of the company's bank account and payment of the cash contribution
 - > For this you would need to show up personally. Banks are obliged to check if the person exists to avoid money laundering. It is still open, if I am authorized representative (as Management Consulting Company) can do that for you.
- Cash contribution/non-cash capital contribution (minimum nominal capital € 35,000, at least € 17,500, to be paid in cash upon formation).
 - > this is the general rule BUT there are exceptions as I told you already with a cash requirement of € 5.000,-
 - Through the use of the founding privilege pursuant to §10b Limited Liability Companies Act, the establishment of limited liability with the reduced initial capital of EUR 10,000.00 is possible. In a span of 10 years, however, the share capital must be increased to EUR 35.000,00. During this time limitation of 10 years, the legislature has also created the option of paying in cash through appropriate arrangements in the partnership agreement, only an amount of EUR 5,000.00. Excluded from the founding privileged capital contributions are contributions in kind.
 - Only after 10 years the capital needs to increase to EUR 35.000,-, only EUR 17.500,- to be paid in in cash.

- Payment of capital transfer tax
- Application according to the Business Start-Up Promotion Act (“Neugründungs-Förderungsgesetz”), if applicable

-> I shall be able to do that locally if applicable

Entry in the Companies' Register

Application to the Company Register Court

- ➔ All this application can be done at the Austrian Embassy in NewYork, you don't have to come here
- ➔ The below is the list of docs you need to provide

- Application for entry in the Companies Register, signed by all managing directors with signatures attested, including:
- Shareholders' agreement, notarized copy
- Shareholders' resolution on the appointment of the managing director(s), in attested form (unless the appointment was made in the shareholders' agreement
- Specimen signature statement(s) by the managing director(s), in attested form
- Evidence of payment of the cash contribution (declaration by the managing directors pursuant to Section 10 GmbHG and bank certificate)
- Evidence on the payment of the capital transfer tax

-> I shall receive this locally and forward to you

Registration of the Trade Announcement of the Appointment of the Managing Director under the Trade Law

Notice to the District Administration

- ➔ Done through Embassy in New York as well, actually not so much to do for you, that's usually an automated process.

- Extract from the Companies' Register
- Declaration(s) on the non-existence of reasons for exclusion from the trade or forbearance of the exclusion from the trade:

Section 13 GewO (Industrial Code) Declaration for legal entities (also for a parent company holding an interest of more than 50%)

Section 13 GewO (Industrial Code) Declaration for natural persons (managing directors under commercial law and persons with significant influence).

- Section 39 GewO Declaration for managing directors under trade law (adequate occupation in the enterprise, authority)
- Identity document of each managing director under commercial law and trade law, for inspection (residence registration certificate when the usual residence is outside Austria; police certificate from the home country)
- Accurate designation of the trade
- Exact location where the trade is exercised (place, street name, house number)
- Evidence of citizenship of the trade-law managing director
- Residence permit of the trade-law managing director (unless EEA or Swiss citizen), and evidence of the residence in Austria or in an EEA contracting state
- If required: evidence of employee status of the trade-law managing director (registration with the regional health insurance fund)
- If required: certificate of professional competence of the trade-law managing director

Notice of Business Operations to the Revenue Authorities and Registration of Employees

- A private limited company is subject to corporate income tax and value added tax. After registration in the Companies Register, the company has to apply for a tax identification number.
-> this I will manage locally, with a power of attorney, with my local tax consultant.
- Corporate tax payable by a private limited company: 25% on taxable profits, regardless of whether the profit is distributed to the shareholders
- In the absence of profits, a minimum corporate income tax of € 437.50 per quarter has to be paid
- Taxation at shareholders' level: total taxation of profits distributed to shareholders up to 25%

Social security: Registration of the employees with the competent social insurance institution is required prior to the commencement of their work.

Start of Business Operations