

Legally Compliant Corporate Relocation

Austria is extremely popular amongst companies that are looking to **relocate internationally** – not least due to the country’s stable legal system, EU membership and attractive tax environment. But there are several things that companies should consider from the legal perspective.

GUEST-COMMENTARY: *Gabriele Etzl, Lawyer, Partner, Deloitte Legal*
Kevin Nager, Trainee Lawyer, Deloitte Legal



CAREFUL PLANNING

A further key aspect is the parameters defined by employment legislation. In the case of foreign workers who are citizens of neither the EU nor the EEA, the regulations regarding foreign staff must be complied with and any necessary permits obtained.

The exercise of any trade in Austria is subject to the relevant trade regulations. Any business activity requires a business licence. Depending upon the type of business, it can be necessary to hold a certificate of professional competence, whereby foreign professional qualifications of the same standard are recognised. Capital companies also require a managing director as defined by trade law, who must either be the managing director as defined by company law or employed by the company for at least 20 hours per week. In addition to this, the business premises themselves generally require a (location-specific) business premises permit.

If they plan correctly and obtain the right legal and tax advice, international companies can successfully benefit from the many advantages offered by Austria as a business location and build their expansion upon stable and legally compliant foundations.

adobestock.com, Angelika Schiemer

The choice of the legal form is one of the first steps when a company is being founded. A number of options are available including, in particular, the Limited Liability Company (GmbH), the Flexible Capital Company (FlexKap) or the Joint Stock Company (AG).

The tax structure adopted by the incoming company as it begins operating in Austria is also very important. In addition to this, Austria offers a series of double taxation agreements (DBA) with other countries that can be significant for internationally active companies. Similarly, the Alpine Republic provides a range of investment support services that simplify the process of expanding here.

Another key aspect for any company moving across borders is the selection of a location and the acquisition or rental of suitable premises. Consideration should be given to the fact that foreigners concluding a contract for the purchase of a property and even – in some provinces – of a long-term rental contract require the authorisation of the land transfer authority in line with the

Land Transfer Law of the relevant province, although it is important to recall that EU citizens are not classified as foreigners but, rather, placed on an equal footing with Austrians. Others excepted from this authorisation requirement include citizens of the EEA and Swiss and British citizens. Authorisation is granted if the conclusion of the legal transaction is considered to be of social and economic interest – which is generally the case with corporate relocations.



Gabriele Etzl, Lawyer, Partner,
Deloitte Legal



Kevin Nager, Trainee Lawyer,
Deloitte Legal