

# Germany Offers An Attractive Immigration Route: Real Business instead of Real Estate

 Citizen Lane



Feature

Europe's strongest economy offers an exceptionally attractive immigration route for foreign entrepreneurs and investors. Germany has the right mix of political stability, access to the EU free market, a large domestic market, and an entrepreneurial culture that makes it well suited to business owners and startups founders from across the globe.

## ➔ Europe's Best Investment Destination

Germany sets itself apart as an exceptionally attractive destination for business in Europe. In 2016, the World Economic Forum's Global Competitiveness Report ranked Germany 5th best in the world for business. The country ranked remarkably highly for efficiency, political stability, and factors contributing to innovation.

As the largest economy in Europe and the fourth largest in the world, Germany is seen as the bedrock of world trade and international commerce.

Setting up a company in Germany is relatively easy, as anyone can create a business in Germany. The country places no restrictions on shareholding, minimal investment, corporate structure, owner's nationality or place of residence. Some businesses need special licences

and certainly there are restrictions on the work and residence permits in Germany.

## ➔ Understanding the German Business Investor Program

Unlike Portugal's 'Golden Visa' program or the UK investor visa, this route to residency is not actively marketed to foreign business owners by German authorities. For various reasons Germany does not pursue such a ready designed residence program to attract foreign investors. Real estate investment programs for immigration, like the ones on offer in other countries, are not available in Germany. Instead, German politics targets investors who create real business and add jobs to the German economy.

The federal foreigner legislation allows entrepreneurs and investors who invest in German businesses to apply for a residence permit. Utilizing the legal framework, the owner or shareholder in a German business can gain residency in Germany. After having lived for at least eight years in Germany an individual may apply for citizenship in Germany.

The applicant shall be free of any convictions and will be required to swear the oath of allegiance, furthermore the applicant has to prove that he

is living in stable financial conditions, and can support his and his family's cost of living.

The laws relating to migrant business owners and entrepreneurs in Germany have been adapted. The aim was on one hand to suit the changing industries which are less capital intense, on the other hand to generally encourage new startups and commercial activity. The government understands that innovative technology, internet, or service companies can create value without the need for extensive capital or human resources. Thus the previously investment threshold of EUR 250,000 and the requirement to hire at least 10 employees have been abolished.

Since applications via this program are assessed on individual circumstances, the investment threshold is substantially lower than real estate-focused "golden visas" offered by other countries. Even though there is no defined investment threshold in the law, German authorities have a certain scope, as it lies within the authorities decision if they deem a business plan "beneficial to the German economy" - or not.

There is also no requirement to create a minimum number of jobs for local Germans or provide evidence of German language proficiency. Neither does the law specify a target for annual business turnover.

However, the legislation is vague which makes the application process complicated. A minimum of three different German authorities and agencies must be convinced of the efficacy and viability of your business model. For this, a meticulous and detailed business plan is important. As a Swiss and German immigration consultancy and law firm, we can help you fine-tune or draft the business plan, find local suppliers, facilitate business partnerships and find co investment opportunities, and locate businesses that are on sale. Negotiating with local agencies and authorities is our core competency. Our reputation is built on our ability to guide entrepreneurs through the process and embark on their new venture in Germany. 