Opportunity

Start-Up Guide for Self-Employed Ukrainian Individuals in Germany



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List of Abbreviations

AG – Aktiengesellschaft / Stock corporation
ALG – Arbeitslosengeld / Unemployment benefits
BAFA – Bundesamt für Wirtschaft und Ausfuhrkontrolle / Federal Office for Economic Affairs and Export Control
BAMF – Bundesamt für Migration und Flüchtlinge / Federal Office for Migration and Refugees
BMWE - Bundesministerium für Wirtschaft und Energie - Federal Ministry for Economic Affairs and Energy
DSGVO – Datenschutz-Grundverordnung / General Data Protection Regulation
eG – eingetragene Genossenschaft / registered cooperative
eGbR – eingetragene Gesellschaft bürgerlichen Rechts / registered civil law partnership
eIDAS – electronic IDentification, Authentication and trust Services/elektronische Identifizierung und Vertrauensdienste
EKS – Erklärung zum Einkommen aus selbständiger Tätigkeit / Income Forecast
EÜR – Einnahmen-Überschuss-Rechnung / Income and Expenditure Statement
B2B – Business to Business
B2C – Business to Clients
BDS – Business Development Services
BMC - Business Model Canvas
CEQTOR – Centre for Qualification, Training and Orientation
CRM – Customer Relationship Management
CV – Curicullum Vitae/Lebenslauf
ESF+ – European Social Fund Plus
ESG – Environmental, Social, Governance
EU – European Union
GbR – Gesellschaft bürgerlichen Rechts / civil law partnership
GKV – gesetzliche Krankenversicherung / statutory health insurance
GmbH - Gesellschaft mit beschränkter Haftung / Limited liability company
HGB – Handelsgesetzbuch / Commercial Code
HRB – Handelsregister Abteilung B / Commercial Register Section B
HTGF – High-Tech Gründerfonds / Fund for HighTech Founders
HWK – Handwerkskammer / Chamber of Skilled Crafts
IBB – Investitionsbank Berlin
IHK – Industrie- und Handelskammer / Chamber of Commerce and Industry
ILB – Investitionsbank des Landes Brandenburg / business development bank of the federal state of Brandenburg
GDP – Gross Domestic Product
GDPR – General Data Protection Regulation
KfW – Kreditanstalt für Wiederaufbau / German state development bank headquartered in Frankfurt am Main
KG – Kommanditgesellschaft / Limited partnership
LfA – Landesanstalt für Aufbaufinanzierung Förderbank Bayern / State Institute for Reconstruction Financing, Development Bank Bavaria
NRW – Nordrhein-Westfalen
OHG – Offene Handelsgesellschaft / General partnership
PKV – Private Krankenversicherung / Private health insurance
ROI – Return on Investment – Ertrag aus dem investierten Kapital
SGB – Grundsicherung für Arbeitssuchende / Basic income support for job seekers
UG – Unternehmergesellschaft (haftungsbeschränkt)
UStG – Umsatzsteuer Gesetz / Value Added Tax Act
VDI – Verein Deutscher Ingenieur / Association of German Engineers
VDU – Verband Deutscher Unternehmerinnen / Association of German Women Entrepreneurs
WISO – Wirtschaft + Soziales / practical advice on economic and social issues
ZSBA – Zentrale Servicestelle Berufsanerkennung / Central Service Point for Professional Recognition
ZUGFeRD – Zentraler User Guide des Forums elektronische Rechnung Deutschland / Central User Guide of the Forum for Electronic Invoicing Germany
NGO – Non-Governmental Organisation
OECD – Organisation for Economic Co-operation and Development
SME – Small and Medium-sized Enterprises
UNHCR – United Nations High Commissioner for Refugees

Introduction

This guide was created as part of a project funded by the European Social Fund+ Social Innovation Initiative. The project supports the economic and social well-being of Ukrainian refugees in Poland and Germany by promoting self-employment. The guide is based on research into the Business Development Support (BDS) system and the needs of Ukrainian refugee entrepreneurs in both countries.

After the full-scale invasion of Ukraine in 2022, many Ukrainians found safety and began rebuilding their lives. This guide was created to guide you step-by-step as you explore self-employment and build your business in Germany. It is designed for Ukrainian refugees and self-employed individuals who want to start, restart, or adapt a business. Whether you are new to self-employment or bringing experience from another country, this guide gives you the tools to move forward.

Many Ukrainian professionals come to the EU with valuable skills and strong motivation. However, they often face new laws, administrative systems, and market conditions. This guide explains the key aspects of entrepreneurship in a clear and simple way.



The material follows **the main stages of the entrepreneurial journey:**

- **Orientation –** understanding self-employment basics and assessing your idea.
- **Planning** – residence rights, legal requirements, qualification recognition, and business planning.
- **Starting a Business** – legal forms, registration, networking, and social security.
- **Post-Foundation** – taxes, accounting, labour law, and long-term responsibilities.

The guide also shows places that can support your business, such as incubators and hubs. They can offer mentoring, advice, and contacts.

How to use this guide

This guide is not just a textbook – it is an interactive business roadmap. To benefit fully from it:

- **Follow the logical flow:** work through the sections in order, starting with preparation and ending with marketing and growth.
- **Use the toolboxes:** complete the worksheets at the end of each chapter to turn knowledge into action.
- **Refer to the list of abbreviations** to better understand legal and administrative terminology.

In the digital version, abbreviations and institutions are linked to websites. This allows you to learn and complete formal steps at the same time.

You can choose the sections that are most relevant to you or read everything for a broader overview. We hope this guide will support you in building stability, independence, and professional growth, and help you use your experience with confidence.

Please note:

the legal, tax, and administrative information in this guide is current as of **June 2026**. Rules and procedures change over time, so always check the official sources linked in each section for the latest requirements before you act.



Section 1
Orientation: Understanding the Entrepreneurship Landscape

This section introduces entrepreneurship in Germany. It presents key facts about the local economy, explains self-employment as a possible career path, and highlights important cultural aspects of doing business. It also includes practical tools to help you understand the market, think about your situation, and decide about whether and how to start a business.

1.1

Facts and Figures: Economic Overview, Key Sectors, Market Trends, and Consumer Behaviour in Germany

Understanding the economic situation in Germany helps you plan or start a business. Knowing local trends and behaviours can reduce risks, such as problems with regulations or adapting to business culture. It also helps you make informed decisions about self-employment.

Germany is the largest economy in Europe and one of the largest in the world. It still faces structural and cyclical challenges, but it remains an important economic hub with many opportunities for entrepreneurs. This is where the key opportunities for 2026–2027 lie:

- **GDP growth and business activity:** Germany's GDP rose by 0.3% in the first quarter of 2026 compared with the fourth quarter of 2025—…—following an increase at the end of 2025. The total number of legally active businesses (Rechtliche Einheiten) is approximately 3.5 million (DESTATIS, 2026.06.29).
- **Company structure:** Germany has a relatively high share of incorporated entities. Of the ~3.5 million active companies, about 58 % are sole proprietorships (Einzelunternehmen), around 25% are limited liability companies (GmbH/UG) or corporations, and the remaining 12% are partnerships (GbR, KG, OHG) and other 5% (DESTATIS-Business-Register 29.06.2026).
- **The role of migrants:** Foreign workers contribute approximately €700 billion to Germany's GDP (around 17% of total economic output) (IW Köln). Today, about 26% of all new businesses in Germany are started by founders with a migrant background, who often show a higher tendency towards entrepreneurship than the native-born population (KfW-Gründungsmonitor 2024)

What this means for you:

- The high proportion of self-employed people suggests relatively low barriers to entry.
- However, the popularity of the GmbH shows that, to work with large German clients, you will eventually need a more solid legal structure to limit liability and build trust.

Key sectors and market trends

- **Retail and services** remain the most common sectors for new businesses.
- Knowledge-intensive sectors such as **IT, software development, and digital services** are especially dynamic.
- Many new businesses focus on **technology-based, scalable, and service-oriented models.**
- Most start-ups in Germany are in retail, followed by services and knowledge-intensive areas.

Main economic trends for 2026–2027:

- **Technology trends:** In Germany, investment in artificial intelligence (AI), automation, and digitalisation continues to grow steadily, especially in sectors such as industry, services, and the public sector.
- **Market opportunities:** There is strong potential for companies that offer practical tech solutions tailored to the needs of small and medium-sized enterprises (SMEs).

Where to find reliable information for entrepreneurs?

Official entities and reports that can help you assess the market and business environment include:

- **BMWE / Existenzgründungsportal:** The official portal for starting a business, run by the German Federal Ministry for Economic Affairs and Energy. It is one of the most important sources of information about business structures, legal forms, taxes, social security, and financing opportunities.
- **Federal Statistical Office of Germany:** Provides official statistical data on the German economy, businesses, sectors, the labour market, and regional development.
- **KfW-Bankengruppe:** Germany's public development bank, which publishes economic reports and studies.
- **German Chamber of Industry and Commerce:** Represents chambers of commerce across Germany and reports on business sentiment, regional economic development, and challenges faced by enterprises.
- **EY Germany:** Regularly publishes analyses, including the Start-up Barometer and studies on entrepreneurship, innovation, and investment trends.

Useful resources (official reports and data)

- OECD Economic Surveys – Germany 2025 – A macroeconomic review with analysis and forecasts.
- Deutschland.de – Provides insights into the role of migration in the German economy.
- Bundesverband Deutsche Startups – An advocacy organisation representing the startup ecosystem and publishing insights on entrepreneurship trend.

1.2 Entrepreneurship as a Career Path: Pros and Cons of Self-Employment

Starting your own business is more than just a way to earn money – it is a major change in your life. Self-employment can help you achieve financial independence and make use of the professional skills you gained in your home country.

Starting a business can also help you rebuild stability and confidence. This section is about that change: moving from settling into a new country to running your own business. It also gives you tools to manage the challenges that may come with this process.

1.2.1 Starting Over

Building a business from zero is difficult on its own. It is even harder when you are also dealing with major life changes, such as losing a home, your savings, or the professional network you spent years building. When a lot has changed, it is easy to keep thinking about what you lost, or to worry about what comes next. One thing that helps is to focus on the **present**: deciding what you can do today gives you a sense of control, one step at a time.

Rebuilding your professional identity is an important part of the journey. It means connecting your past experience, for example, "I was a senior accountant in Kyiv", with your current situation – such as "I am starting my own business in Berlin". This helps you see your experience as relevant in your new context. It is often easier when you connect with other Ukrainian or migrant entrepreneurs who share your language, background, and experiences. These relationships can support your confidence and progress over time.

1.2.2 Managing Uncertainty and Burnout

Uncertainty related to war, residence permits, and business income can create an ongoing stress. This may lead to burnout more quickly than in traditional business settings.

To reduce the risk burnout, consider the following strategies:

1

The "good enough" standard

You do not need perfection right now. Focus on what is functional and good enough to save your time and energy.

2

Know your warning signs

Notice when you are not functioning well (e.g. feeling numb or overwhelmed). Pause work when this happens.

3

The double burden

You are working two full-time jobs – building a business and adjusting to a new country.

1.2.3 Where to Get Support

Feeling overwhelmed is not a sign of failure – it is a normal response to displacement. A few simple things can help you stay steady.

Where to start

- **Self-care check-in:** Ask yourself once a week: "Am I making decisions out of fear or strategy?"
- **Stabilising daily rituals:** Simple habits – tea, walking, journaling can help stay focused and manage stress in fast-changing situations.
- **Community support:** Look out for local hubs. They often offer free co-working, childcare, and a chance to connect with others in a similar situation.

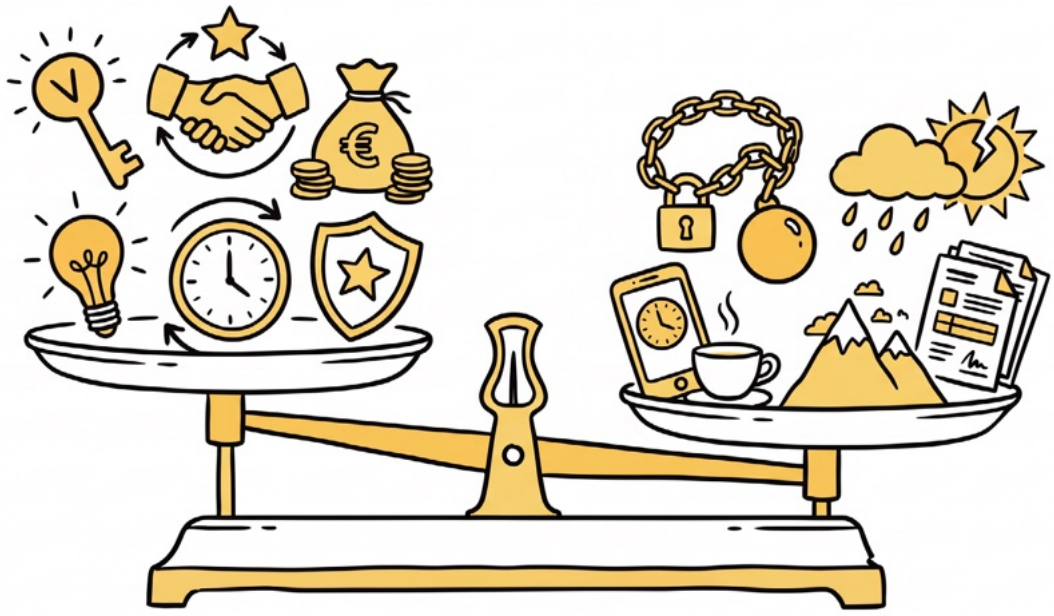


Table 1. *Where to get help in Germany*

Support type	Provider / Link	Why use it?
Germany		
Psychological Network	BAfF-Netzwerk	A national organisation uniting 52 psychosocial centres across Germany. They specialise in treating victims of war, torture, and forced displacement.
Charity	**Malteser / Ipso**	One of Germany's largest charities. In collaboration with Ipso, they provide psychosocial support both digitally and in person.
PSS network	**German Red Cross**	An extensive network of local offices providing psychosocial support (PSS) specifically for Ukrainian refugees.
Portal	**Germany4Ukraine**	This portal provides a nationwide directory of medical assistance, including Ukrainian/Russian-speaking psychotherapists and video consultation services (e.g. through the Charité Berlin clinic, accessible across Germany).



Please remember, you do not need to set up a full business right away. In Germany, there are simpler, lower-risk ways to get started. These include options such as freelance registration, small-scale self-employment options, or temporary permits for limited business activities. They allow you to test your ideas step by step while keeping your family safe and stable. Always check what is available where you live, as rules and requirements can vary. Starting small in this way helps you move forward at a steady pace, your well-being while gradually building independence and confidence.

1.3

Cultural Aspects of Business: Communication Styles and Standards of Cooperation with Clients and Partners

Understanding business culture in a new country is important for Ukrainian newcomers. It helps build trust and avoid misunderstandings when starting a business. Business communication varies internationally. Some cultures focus on building relationships before discussing concrete matters, while German business culture values punctuality, accuracy, and respect for formal hierarchies. When these approaches meet, differences may cause confusion or reduce credibility. Learning these communication styles can make it easier to work with clients' negotiations, partners, and networks. Cultural awareness can become a real advantage, helping you grow your business with confidence.

Business culture in Germany

German business culture is strongly shaped by rules, structure, and reliability. Cooperation is based on clarity, competence, and respect for established procedures rather than personal charm. Understanding these cultural foundations is essential for effective communication and long-term partnerships in Germany.

Core cultural characteristics

- **Order and structure *(Ordnung)*:** German businesses operate within clearly defined rules, procedures, and hierarchies. Planning, documentation, and predictability are highly valued.
- **Direct and factual communication:** Communication is explicit, precise, and focused on facts. Honesty and clarity are seen as signs of professionalism, not rudeness.
- **Low-context culture:** Messages are taken literally. Germans expect people to say exactly what they mean and to ask directly for what they need.
- **Formality and titles:** Formal address (Sie) is standard at the beginning of cooperation. Professional and academic titles are important and should be used correctly.
- **Separation of professional and personal life:** Business relationships are task oriented. Personal topics are usually kept outside the workplace.
- **Long-term orientation:** Germans value stability, quality, and sustainability over quick wins or short-term gains.

Working with German clients and partners

Building Trust

Trust in Germany is built primarily through **reliability and competence,** not social bonding. Meeting deadlines, delivering exactly what was promised, and maintaining consistent quality are key. Missing even small commitments can seriously damage credibility. Admitting when you do not know something and committing to follow up with accurate information is considered professional and honest.

Communication

Business communication is formal, structured, and detail oriented. Emails follow the style of formal letters, and business messaging apps are used only when explicitly agreed. Meetings are agenda-driven, punctuality is essential, and decisions are based on data, documentation, and technical reasoning. Feedback is usually direct and focused on substance rather than emotions.

Standards of Cooperation

Punctuality and preparation are non-negotiable. Meetings start and end on time, agendas are followed closely, and deviations are discouraged. Decision-making is often hierarchical, but authority is strongly linked to expertise – technical specialists have significant influence regardless of rank. Work–life balance is respected, and contacting colleagues outside working hours is generally avoided *(Feierabend)*.

Tips and advice

- Be **precise, factual, and well-prepared** in communication.
- Respect **formality, hierarchy, and titles,** especially at the start.
- Build trust through **reliability, accuracy, and consistency,** not networking alone.
- **Meet deadlines** and confirm agreements in writing.
- Avoid exaggerated claims or marketing language – focus on **data, ROI, and standards.**
- Keep professional and personal topics **separate**.
- Respect working hours and **do not expect responses outside office time.**

Recourses to learn more:

- Understanding German business culture and communication customs
- Business meeting etiquette in Germany
- German – Business Culture – Cultural Atlas
- German Communication Styles

Practical Tools I

The practical tools in this section help you turn information into action. Through simple self-assessments and market observation tasks, you can reflect on your situation, skills, and motivations. You will also explore business options in Germany and decide if self-employment is the right step for you now. These tools support informed decisions and help you to move forward at your own pace.

Tool 1. Self-Reflection Tool "My Personal Readiness for Self-Employment"

This exercise helps you think realistically about your current situation and how it may affect your plans to start a business. There are no right or wrong answers. Your situation can change over time – and that is completely normal.

1. My time and responsibilities

- How much time can I realistically dedicate to work each week?
  - Less than 10 hours
  - 10–20 hours
  - 20–30 hours
  - 30+ hours
- Do I have care-taking responsibilities (children, elderly, others)?
  - Yes, daily
  - Yes, sometimes
  - No

2. My financial situation

- What best describes my current situation?
  - I depend on social benefits
  - I have some savings
  - I have another source of income
- For how long could I manage unstable or low income?
  - Less than 3 months
  - 3–6 months
  - More than 6 months

3. My support network

Support can come from many places, not only family.

- Who can I rely on for support right now?
  - Friends or community
  - Other entrepreneurs
  - NGOs or advisors
  - Local institutions
  - I don't know yet
- Where could I look for support if needed?
  - Support organisations or NGOs
  - Business or startup programmes
  - Online communities
  - Municipal services

4. Dealing with uncertainty

- When I face setbacks, I usually:
  - Feel discouraged for a long time
  - Need time but recover
  - Look for solutions
- What helps me stay stable in difficult times?
  - Routine
  - Talking to others
  - Learning new skills
  - Professional support

5. My next realistic step

Based on my situation today, my next step could be:

- Learning and preparation
- Testing a small idea
- Part-time self-employment
- Waiting and focusing on stability first

Tool 2. Communicating Effectively with Clients

This exercise helps you reflect on how you communicate and find practical ways to improve your interactions and build trust with German clients. There are no right or wrong answers, only opportunities to improve your communication skills.

Write down five ways that will help you communicate effectively and build strong relationships with German clients:

1. .....
2. .....
3. .....
4. .....
5. .....

Examples:

- "I will practice active listening by summarising what my client says before responding to ensure understanding."
- "I will pay attention to cultural differences in communication styles and adjust my tone and level of formality accordingly."
- "I will ask clients for feedback on whether my explanations are clear and easy to follow."
- "I will use direct but respectful language when discussing disagreements or concerns."

Tool 3. Self-Assessment and Action Plan (SWOT Table)

This tool helps you look at your strengths, weaknesses, opportunities, and threats in relation to your professional goals (Table 2). Use your insights to create an action plan with small, concrete steps that bring you closer to your goals. This is a flexible tool – your answers may change as you gain experience and knowledge.

Table 2. *SWOT analysis*

Strengths	Aspects of your communication style that might be an advantage in your host country.	
Weaknesses	Aspects of your communication style that might cause challenges or limitations in your host culture.	

Opportunities	External opportunities to improve your communication skills with representatives of the host culture.	
Threats	External threats that might challenge your ability to communicate successfully in the local culture.	

Examples:

- **Strength:** Good command of the German language.
- **Weakness:** Difficulty in saying directly that I don't like something.
- **Opportunity:** I signed up for a "Business German" course organised by an NGO.
- **Threat:** Partners might see my use of formal titles ("Mr/Ms") as too stiff or formal, which could discourage them from working with me.

Tool 4. Additional Practical Tools for Self-Study: Self-Diagnosis Checklist ("Is Entrepreneurship for Me?") and Market Observation Exercises

1. Self-Assessment Checklist

This tool helps you evaluate your readiness to take risks and run a business. Answer the following questions honestly (Table 3):

Table 3. *Self-assessment checklist*

Area	Checkpoint question	My answer (Yes/No)
Motivation	Do I have a clear goal why I want to start a business (e.g., independence, higher earnings)?	
Time management	Can I plan my day independently and work without external supervision?	
Stress tolerance	Can I handle situations where I don't have a guaranteed income from month to month?	

Skills	Do I possess specific skills (hard or soft) that customers will be willing to pay for?	
Support	Does my family/personal situation allow me to dedicate enough time to business development?	

Summary: If most of your answers are **"Yes,"** you likely have a solid foundation to start. If **"No"** is more common, consider whether a freelancing model (which carries lower risk) might be a better first step than starting a full micro-business right away.

Tool 5. Entrepreneur Skills Map

Success in business depends on combining what you can do technically **(Hard Skills)** with how you collaborate with people and organize your work **(Soft Skills).**

What are these skills?

- **Hard skills:** Specific technical skills that can be measured or certified (e.g., operating machines, programming, accounting, professional hairstyling, foreign language skills).
- **Soft skills:** Your personality traits and habits that help you work effectively (e.g. stress tolerance, time management, negotiation skills, empathy in customer relations).

Fill out the table below (Table 4) and identify your strongest points. Add at least three examples in each category:

Table 4. *Entrepreneur skills map*

Category	Your skills and experience	How will you use this in your business?
Hard Skills: (What can I do?)	1. ..... 2. ..... 3.	(e.g., "I will offer graphic design services for local companies.")
Soft Skills (How do I work?)	1. ..... 2. ..... 3.	(e.g., "Thanks to my patience, I will build trust with older clients.")

Experience (What have I done?)	1. ..... 2. ..... 3.	(e.g., "I used to run a shop before, so I know how to manage inventory order.")

Tool 6. Culture Check

Look at the cultural characteristics described in this section. To better understand your own cultural preferences, you can use online tools such as:

- **The Culture Map** tool developed by Erin Meyer (available in English): **The Country Mapping Tool - Erin Meyer**. This tool helps you to create your own cultural profile and compare it with Germany or other countries you work with.

You can also reflect on your preferences independently. Think about how you communicate, build relationships, and work with others.

Section 2
Pathways to Starting a Business

Before you start, it helps to check whether self-employment is realistic for your situation. This means looking at your legal status, the recognition of your qualifications, and the key administrative steps. This section explains whether self-employment is possible –through temporary protection, work permits, or entrepreneur visas – and reduces uncertainty when navigating Germany's system.

Understanding legal forms (e.g., GmbH) and using registration helps readers to choose safe and practical routes, from eligibility checks to starting a business. For people with foreign qualifications, quick recognition guidance can help avoid delays and build confidence in moving forward.

2.1

Legal and Administrative Basics in Germany

If you are in Germany under temporary protection, you have more options than you might think. This section explains what you are allowed to do, such as extended work rights and simplified business registration, as well as the limits to watch for, such as residency permit renewals or sector restrictions. It supports informed decisions-making.

Understanding these rules helps reduce risks and can improve access to support such as business grants. Legal clarity becomes a foundation for building sustainable businesses.

Rights under temporary protection and work or business activities permits

Temporary Protection (Section 24 Residence Act):

- **Validity:** Residence permits issued under Section 24 from 1 February 2025 are valid until 4 March 2026 and may be automatically extended to 4 March 4, 2027.
- **Work and Self-Employment:** If your permit *(verschiedene Aufenthaltstitel)* or fictional certificate *(Fiktionsbescheinigung)* includes "Employment permitted" ***(Erwerbstätigkeit erlaubt)***, you may work as an employee, freelancer, or set up a business **without additional approval from the Foreigners' Authority *(Ausländerbehörde).***
- **Limitations:**
  - Section 24 permits are temporary. Long-term self-employment requires **a change of residence status (Spurwechsel).**
  - Access to bank loans and financing is usually limited under temporary permits.

Official information:

- Federal Office for Migration and Refugees (BAMF) – Residency - Immigration from Third Countries
- Make it in Germany – Working in Germany

Future options

Changing to a Self-Employment Permit (Section 21 Residence Act)

Ukrainians under Section 24 may apply for a self-employment residence permit if they meet the following criteria:

- They can support themselves and their family **without relying on social assistance.**
- They Contribute to **pension insurance *(Rentenversicherung)*** and have **health insurance *(Krankenversicherung).***
- They have at least **B1-level German language proficiency.**
- They have **no criminal record.**

Application: Contact your local **Foreigners' Authority *(Ausländerbehörde)*** to request a change of status.

Official information:

- Federal Ministry of the Interior – Residence Permits

Long-term residence options

- **Settlement Permit *(Niederlassungserlaubnis):*** An indefinite permit allowing unrestricted work.
- **EU Permanent Residence Permit:** An indefinite permit with additional rights to live and work in other EU Member States.

Key Differences:

- Residence permits may include **restricted work rights,** depending on the type of permit.
- Work authorisation is only valid if it is **explicitly stated** on the electronic residence permit or sticker.

Table 5. *Summary of residence status types*

Status	Work allowed (Employment is permitted; this includes self-employment.)	Duration	Financing / Bank access	Long-term solution
Section 24	Yes, if *Erwerbstätigkeit erlaubt*	Temporary	Limited	Change of status *(Spurwechsel)* needed
Fiktionsbescheinigung	Yes, if *Erwerbstätigkeit erlaubt*	Temporary	Limited	Change of status needed
Settlement permit	Yes, unrestricted	Indefinite	Full access	Long-term stability
EU permanent residence	Yes, unrestricted + EU mobility	Indefinite	Full access	Full EU rights

For updates on residence rules and eligibility for self-employment, regularly check **the following official portals:**

- Federal Office for Migration and Refugees Migration-Residency from Third Countries
- Make it in Germany Make-it-in-Germany - Quick check
- Make-it-in-germany - Contact and Questions



2.2

Recognition of Qualifications: Processes and Institutions Responsible for the Recognition of Diplomas or Professional Licenses

Recognition of qualifications is important if you want to use your education or professional skills in Germany, especially in regulated sectors such as healthcare or technical trades. It helps you access job and business opportunities and avoid delays.

Qualifications obtained overseas and those required to work in Germany – especially for regulated professions or when starting a business – may need to be officially recognised.

Regulated vs non-regulated professions

Regulated professions *(reglementierte Berufe)*

are those in which you must hold an officially recognised qualification or licence to practise. Examples include healthcare professions (e.g. doctors and nurses), teaching, and certain technical trades. Recognition is mandatory before you can legally work or provide services in these professions in Germany.

Master craftsman system *(Meisterpflicht):* skilled trades *(Handwerk)*

This is particularly important for those planning to work in construction, repair, the automotive industry, or food production. Under German law (Handwerksordnung – Commercial Code) professions are divided into two categories: Category A and Category B.

Category A: Regulated trades *(zulassungspflichtig)*

You cannot start a business in these fields unless you hold a German master craftsman qualification (Meisterbrief) or a fully recognised foreign equivalent. These professions are considered safety-critical if performed incorrectly.

Examples:

- Electrical work (Elektrotechniker (m/w/d))
- Plumbing and heating (Installateur und Heizungsbauer (m/w/d))
- Car repair / mechanics (Kraftfahrzeugmechatroniker (m/w/d))
- Roofing (Dachdecker (m/w/d))
- Bricklaying and concrete work (Maurer (m/w/d))
- Carpentry (Tischler/Schreiner (m/w/d))
- Hairdressing (Friseur (m/w/d))

Category B: Professions without a license *(zulassungsfrei)*

You do not need a master craftsman qualification. Registration is sufficient.

Examples:

- Tiling (Fliesenleger (m/w/d))
- Floor laying (Parkettleger (m/w/d))
- Building cleaning (Gebäudereiniger (m/w/d))
- Photography
- Watchmaking
- Cosmetics / make-up artists (often handwerksähnlich)

Important: Official recognition procedures can be found in the Practical Tools section.

Non-regulated professions

(e.g. many IT, administrative, business, or sales roles) do not legally require formal recognition to work in Germany. However, having your qualifications officially recognised can still help employers and clients better understand your skills and may improve your professional credibility.

In most cases, if you wish to **start a business in a regulated profession** (for example as a therapist, engineer, or specialist technician), you will need official recognition of your qualification and may also require a professional licence.

1. Check if your profession is regulated

Use the official ***Anerkennung-in-Deutschland portal*** to check whether your profession is regulated in Germany. This tool will also show you **which authority** is responsible for your recognition process.

2. Identify the responsible authority

There is **no single central authority** in Germany. Depending on your profession and place of work, the competent authority might be:

- **Chambers of Industry and Commerce (IHK)**
- **State authorities (e.g. for healthcare professions)**
- **Professional chambers or regulatory bodies** (e.g., for architects or teachers)

3. Submit your application

Prepare the following documents:

- Valid ID (passport)
- Diplomas/certificates
- Proof of training and professional experience
- CV (curriculum vitae)
- Translations of your documents by **a publicly appointed translator** (certified translations are often required)

Once complete, submit your application to the competent authority.

> **Pro-tip:** Even if you are not yet in Germany, you can start the procedure from abroad via official services.

Service Centre for Professional Recognition (ZSBA)

The ZSBA is a federal support service that:

- Provides free and impartial advice
- Helps determine whether your foreign qualification is comparable to a German qualification
- Guides you through the recognition process step by step

> **Important:** The ZSBA does not make the final decision on recognition. It only supports you throughout the procedure.

Integration through Qualification IQ-Netzwerk

The IQ programme supports newcomers with:

- Advice on recognition procedures
- Information on labour market integration
- Assistance with preparing documents

Your local Federal Employment Agency *(Agentur für Arbeit)* or Jobcentre can support you connecting with IQ services.

What happens after recognition

After the assessment, you will receive an official decision stating whether your qualification:

- is fully equivalent
- requires partial adaptation (additional training or practical experience)
- is not recognised (with reasons provided)

If additional training is required, the responsible authority may offer adaptation measures, such as internships or further courses.

2.3

Legal Paths for Entrepreneurs in Germany

Entrepreneurs in Germany can choose from different legal forms, such as sole proprietorships Einzelunternehmen, limited liability companies (GmbH), foundations for social projects. Choosing the right form can make it easier to start a business, follow the rules, and access funding access.

The type of business you choose depends on how big your activity is and how much risk you are willing to take. Choosing the wrong option can result in unnecessary taxes and administrative burden.

Table 6. *Comparison of German legal forms*

Feature	*Einzelunternehmen* (Sole Proprietor)	GbR (Civil Law Partnership)	UG (haftungsbeschränkt) („Mini-GmbH“)	GmbH (Limited Liability Co.)
Ideal for	Solopreneurs, freelancers, small trades.	Small teams/projects (2+ people).	Startups with low initial capital.	Standard for SMEs and serious startups.
Minimum. capital	0 €	0 €	1 €	€25,000 (min. €12,500 at the start)
Liability	Unlimited (private assets at risk).	Unlimited (all partners liable with private assets).	Limited to company assets.	Limited to company assets.
Founders	Exactly 1	At least 2	At least 1	At least 1
Formation cost	Very low (~€20–60)	Low	Moderate (~€300–600)	High (~€800–2,000+)
Accounting	Simple (EÜR) until certain limits.	Simple (EÜR) until certain limits.	Double entry (HGB) & balance sheet.	Double entry (HGB) & balance sheet.
Registry	No (unless e.K.)	No (unless eGbR)	Yes *(Handelsregister)*	Yes *(Handelsregister)*
Notary req.	Nein	Nein	Ja	Ja

Summary of main paths:

- **Freelancing *(Freiberufler)***: Ideal for offering professional services. Easy to start, with low costs and no trade registration required. Liability is personal; status is determined by the tax office.
- **Sole proprietorship *(Einzelunternehmen/Gewerbe)*:** Suitable for local trade or service businesses. Simple to setup via the trade office. Full personal liability applies; you can start small as a Kleingewerbe.
- **Limited liability company *(GmbH/UG)*:** Suitable for growth-oriented or higher-risk businesses. Liability is limited to company assets. A GmbH requires €25,000 in share capital; a UG can be established from €1.
- **Civil law partnership *(GbR)*:** A simple structure for two or more partners. Low formal requirements; personal liability is shared among partners.
- **Other forms *(OHG, KG, AG, eG)*:** Intended for larger or more specialised businesses, with more complex setup and regulatory requirements.

Practical Tools II

The practical tools in this section help you turn your business idea into a clear and realistic plan. You will use a business plan template, a financial planning spreadsheet, and real examples from sectors such as construction and beauty. These tools will help you define your value, estimate costs and income, and develop your idea that is ready for the market. They are flexible and can be used for different types of businesses and levels of experience.

Tool 1. Official Process for Recognition in Germany in Ukrainian

Link

Tool 2. "Work and Live in Germany" Hotline

A nationwide phone service (operated by BAMF and its partners) where you can ask general questions about recognition and working in Germany: **+49 30 1815 1111** (standard landline charges apply).

Special tools & resources

Anabin Database: it is the official German resource for evaluating foreign university degrees and qualifications. It shows how international diplomas compare to German education levels.

Statement of Comparability: this document confirms that your foreign higher education qualification corresponds to a German academic level (e.g. bachelor's, master's, or doctoral degree). It is often required for: job applications, visa or EU Blue Card applications, or continuing your studies in Germany.

Section 3
Planning Your Business

The Planning Your Business section helps you turn your ideas into real businesses in Germany. It guides you step by step, from understanding market needs to creating a business plan and basic financial forecasts. This section also includes practical tools to support you along the way.

A short introduction to idea generation helps you explore options and match your skills with opportunities in the local market, so you can build a sustainable business.

3.1

Business Planning for Entrepreneurs

After you understand the formal requirements for starting your business, the next step is to create a business plan. A good business plan is essential. It helps you to:

- clearly define your idea and strategy
- present your business to investors, banks, and partners
- apply for loans and funding
- make better decisions
- spot problems early and identify weaknesses
- manage and grow your business step by step.

A business plan is not just a formal document – it is a practical tool that helps guide your business towards success.

Pro-tip: In Germany, a business plan is a key requirement for those intending to change the purpose of their residence permit and apply under Section 21 of the Residence Act. A business plan typically ranges from 10 to 50 pages and follows a structured, widely accepted format (see Figure 1).



Figure 1. Business plan steps (Source: GründerZeiten 07, Federal Ministry for Economic Affairs and Energy)

1. Executive summary: your business idea in one page

The executive summary should always become first and should not be longer that one page. It presents the most important information about your business and should clearly show that you. If this is not clear and convincing, some investors or banks may not continue reading.

2. The founder

The first part of a business plan usually focuses on the founder. This section shows that the business is led by the right person and helps build trust with investors and banks.

Include information that shows:

- **Professional qualifications** – your education, certifications, or training related to your business.
- **Industry knowledge** – your experience or understanding of the sector.
- **Entrepreneurial skills** – skills that help you run and grow a business.
- **Personal motivation** – why you want to start this business.
- **Relevant experience from your home country –** past work or achievements that show your reliability and determination.

To support this information, include your CV in the appendix of your business plan.

3. Business idea

A strong business model is the foundation of your business plan. It explains **who your customers are, what you offer, why they will buy it, and where you will reach them.** Start by identifying a clear problem that your product or service solves.

Key steps in developing your business idea:

- **Validate the need:** make sure customers see real value in your solution.
- **Create prototypes:** develop simple early versions of your product or service.
- **Gather feedback:** ask customers about features, price, and presentation, and use their input to improve your offer.
- **Plan implementation:** decide how and where you will produce and sell your product or service, including location, quantity, staff, premises, online channels, and partnerships.
- **Clarify roles:** decide which tasks you will do yourself, handle them with team, or outsource.

Pro-tip: Developing a business model in Germany can be more difficult if you have limited knowledge of the local market. Take time to understand customer needs and how business works in Germany.

Those who like to work visually can apply a proven structuring method: Business Model Canvas (BMC) (BMC - GRÜNDER Platform 29.06.2026). Detailed information can be found in the **section on Practical Tools.**

4. Target group

Spend time understanding your target customers. Many businesses fail not because of a bad idea, but because but because of wrong assumptions about customers. Clearly defining who your customers are helps you better design and deliver your product or service.

The useful tool for this is the **buyer personas** (Buyer Persona GRÜNDER Platform 29.06.2026).

It helps you describe your ideal customer in detail: who they are; what they need; what problems they face; and how they make decisions. To create a buyer persona, use information from conversations, observations, or research. Then prepare a simple customer profile. This will help you clearly show in your business who your offer is for and what problem it solves.

5. Market potential and competition

Thorough market research is just as important as identifying your target customer and understanding the value your product or service offers them.

To assess the market properly, look beyond population size. Also consider purchasing power, age structure, commuting patterns, and the number of existing businesses. Define your target area realistically.

If you offer **products or services online,** also analyse search trends (e.g. using Google Trends, competitors and their prices, and customer opinions from reviews, forums, and social media.

Pro-tip: Use specific keywords related to your industry when searching for information. You can also search for PDF reports (e.g. “market analysis hospitality filetype”) to find detailed industry data. Analysing large datasets can take time, so using tools like Perplexity can help you understand information more quickly. The key is not just finding data but understanding and applying it to your business.

Pro-tip: Use reliable data sources such as statistical offices, local economic development agencies, and the Chambers of Industry and Commerce.

3.2

Financial Planning and Financing

Financial planning: estimating start-up costs and forecasting cash flow

Developing a financial plan is the final step. It helps you check if your business model described in the Business Model Canvas (BMC) is profitable and financially secure.

Financial planning: from cost structure to profit

Financial planning means translating the **cost structure** and **revenue streams** from your Business Model Canvas (BMC) into real numbers.

1. Estimating start-up costs (investments)

These are the expenses you must pay before your business starts generating income.

- **Equipment:** tools, machinery, furniture, or computer equipment needed to run your business.
- **Premises adaptation:** security deposit, renovation, furniture, and signage (e.g. shop signs).
- **Formalities and legal costs** sworn translations of diplomas, company registration fees, or legal consultancy.
- **Inventory:** the first stock of goods or raw materials needed to start providing services.

2. Fixed and variable costs (cost structure in the BMC)

You need to understand how much it costs to run your business each month.

- **Fixed costs:** expenses that stay the same regardless of how many customers you have (e.g. rent, subscriptions, accounting, social security contributions).
- **Variable costs:** expenses that increase when sales increase (e.g. materials, commissions, shipping costs).

3. Revenue forecast (revenue streams in the BMC)

Estimate how much you need to sell for your business to become profitable.

- **Break-even point:** the moment when your income covers all costs. Knowing how many services or products you need to sell to reach this point is essential for your financial security.
- **Seasonality:** consider that in some months (e.g. summer holidays or the Christmas period), your income may be higher or lower depending on demand.

> **Pro-tip:** In Germany, financial planning is the core of your business plan and is typically prepared for three financial years. It consists of four interconnected components that demonstrate whether your business model viable and how you intend to finance the start-up phase.

Overview of the four financial plans:

Capital requirements plan: how much money do you need to start your business (investments, initial equipment, startup costs)

Financing plan: where you will get the money to start and develop your business?

- Equity *(kapitał własny/Eigenkapital)* – your own money invested in the business, such as savings, property contributed to the company (for example, a car or laptop), or funds from partners.
- Loans *(pożyczki/Fremdkapital)* – borrowed money that that must be repaid with interest. Note: newly arrived foreigners in Germany may find it difficult to obtain a bank loan at the beginning.
- Grants *(dotacje/Fördermittel or Zuschüsse)* –funds from the state or foundations that usually do not need to be repaid or are repaid on very favourable terms.

Profitability plan: Will your business make a profit? (revenue minus costs = profit or loss).

Consider all the costs related to your business, such as premises (rent and utilities like electricity, gas, telephone, cleaning), employees, machinery or vehicles, and technical equipment etc. Identify both your startup costs and your regular monthly costs. If needed, use estimates to calculate these.

You should also plan for growth over the next few years. Think how this will affect your sales, as well as your need for staff and space. Gather all this information and include it in your financial tables. This will help you create projections for the next five years.

Liquidity plan: can you pay your bills on time? (cash flow over time.)

No matter which legal structure you choose, you must prepare an annual income statement at the end of each financial year. The relevant legal provisions can be found in the Income Tax Act for sole proprietors (income statement), and in the German Commercial Code for corporations and partnerships (profit and loss account).

How to proceed:

Step 1: Your personal living expenses

Start with the most important question: How much money do you need to live? List all your personal costs, such as rent, food, health insurance, and pension contribution. Important: If your Job Centre or the Federal Employment Agency *(Agentur für Arbeit)* is currently supporting you, include the cost of health and long-term care insurance (approximately €200–€400 per month), as you will need to cover these expenses yourself when self-employed. This minimum amount represents what your business must generate each month to allow you to support yourself independently.

Step 2: Capital requirements plan

What are your startup costs? Include all one-time and ongoing expenses for the first months (e.g. months 1–3), such as equipment, materials, rent, marketing, insurance, and registration costs. it is also wide to set aside a financial buffer (around 15–20%) to cover unexpected expenses or periods when income is lower than planned. Feel free to use templates, for example from the Brandenburg Investment Bank.

Capital requirement plan	
Investments in fixes assets (furniture, machinery)	10.000
Start-up costs (registrations, training)	200
Initial stock of goods	800
Operating expenses in the start-up phase	1.000
Liquidity reserve	2.000
Total	14.000

Capital requirements plan, summary example

Step 3: Financing plan

Where will the money come from? Use the total costs from step 2 and explain how you will pay for them – for example, with your own savings, a startup grant, a microloan, a bank loan, or support from family or friends. Note: Make sure your funding covers all your startup costs.

Financing pland			
Equity		Debt capital	
Cash equity	1.000	Bank loan	10.000
Contribution in kind: laptop	800	Loan friend	2.000
Other contributions in kind	200	Supplier credit	0
Total	2.000	House bank loan	0
		Total	12.000

Financing plan example

Step 4: Profitability plan

Will your business make a profit?
Estimate your revenue (price x number of products/services sold) and subtract all operating expenses. The result is your profit. Ask yourself: is this enough to cover your living expenses? Be realistic and conservative, especially in the early months. It is better to plan for lower income at the beginning.

Step 5: Liquidity plan

Timing is key. Profit does not always mean you have cash available. The liquidity plan shows, month by month, when money comes in and when you need to pay expenses. This helps you avoid cash shortages, even if your business is profitable on paper.

Pro-tip: If you're applying for a loan or grant, use the lender's templates (e.g. ILB, KfW, Sparkasse). It aids the review process and shows that you understand the requirements.

Practical Tools III

Additional Resources:

- Nielsen Microregions provide detailed local insights into consumer groups and market trends.
- Trade associations publish relevant analyses and trend reports
- A more detailed business plan outline (with extra questions in German and Ukrainian) can be downloaded here.
- **The Business Model Canvas** is a useful tool to present your business idea on one page (e.g. customer segments, value proposition). You can even create one with AI at Canvas Business Modell.
- More information, examples, and templates for creating a buyer persona are available here.

Tool 1. German Business Plan Template and Financial Planning Spreadsheet

Businessplan - Template

Tool 2. Strategic Planning: From Idea to Market Reality

Instead of a long document, use the **Business Model Canvas (BMC)** to connect your idea with the German market. This approach focuses on action, not theory.

Step 1 Active market research (identify the gap)

Before filling out your business model, perform a quick "field test" to find your niche:

1	**Observe**	Check local businesses or Facebook groups. What is missing? What are people complaining about?
2	**Interview**	Ask 3–5 potential customers: "What is your biggest frustration with [industry]?" and "What would make you switch to a new provider?".
3	**Find the gap**	Look for needs that competitors ignore (e.g. no service in Ukrainian/English or inflexible working hours).

Step 2 Define your value (the value proposition canvas)

Based on your research, complete this sentence to define your core business strength:

"My company helps [target group] solve [problem], by offering [specific benefit] that competitors currently do not provide."

Step 3 Build your business model (The BMC table)

Use this simple table to align your strategy with the market:

Table 7. *Business model table*

BMC element	Key questions to answer	Your strategy
Value proposition	Why will customers choose you? (e.g. quality, language, speed)	
Customer segments	Who exactly is paying? (e.g. Ukrainian migrants, German B2B firms)	
Marketing channels	Where do they spend time? (e.g. Instagram, LinkedIn, local flyers)	
Revenue and pricing	How much will they pay? (Market price vs premium for quality)	
Key partners	Who helps you? (e.g. accounting offices, NGOs, suppliers)	
Cost structure	What are your fixed costs? (rent, social security, taxes)	

Tool 3. Strategic Planning: Examples (Construction & Beauty)

This tool shows how to turn a business idea into a clear and practical plan. it helps you define your market, value proposition, target customers, pricing, and partners. By looking at examples from the construction and beauty sectors, you will learn how to:

- ✓ Identify a **market gap** and customer problem.
- ✓ Define a **value proposition** that meets this need.
- ✓ Specify **target customer** and pricing strategy.
- ✓ Plan your **marketing channels** and key partners.
- ✓ Compare different industries using a simplified **Business Model Canvas.**

Use this tool to **adapt the examples to your own business**, test your ideas, and create a realistic plan based on customer needs.

Example 1 Construction and Renovation (B2B/B2C)

- **Market gap:** lack of reliable, "turn-key" renovation teams with clear and digital communication.
- **Value proposition:** "we help homeowners avoid the stress of unpredictable renovations by offering guaranteed deadlines and daily photo updates –services many local contractors do not provide."
- **Target segment:** young professionals buying their first apartments; developers looking for reliable subcontractors.
- **Pricing:** value-based (higher price in exchange for reliability and peace of mind).

Example 2 Beauty and Wellness (Business-to-Customer) B2C)

- **Market gap:** limited availability of specialised treatments (e.g. Eastern techniques) in the evening for working clients.
- **Value proposition:** "We help busy women find time for self-care by offering advanced Eastern-European beauty treatment with appointments available until 10 p.m."
- **Target segment:** local residents in large cities; Ukrainian clients looking for specific styles or techniques.
- **Pricing:** market-competitive prices for standard services, higher price for specialised treatments.

Table 8. *Simplified business model canvas (Comparison)*

BMC element	Construction industry	Beauty industry
Value proposition	Reliability, daily digital updates on progress, and a complete "turn-key" service.	Specialised techniques, late opening hours, high quality aesthetics.
Customer segments	New apartment owners, real estate investors.	Working professionals, local neighbourhood residents.
Marketing channels	Recommendations (word-of-mouth), LinkedIn, and Google Maps.	Instagram, TikTok, and local social media groups.
Revenue and pricing	Fixed price per project or m2 (square meter).	Fixed price per treatment plus additional income from selling after-care products.
Key partners	Building material suppliers, architects, accountants.	Professional cosmetic brands, influencers, and local landlords.

Tool 4. Simplified Financial Planning Sheet

This tool helps you check if your business idea is financially realistic. It gives you a simple overview of your expected income, costs, and cash flow no advanced accounting knowledge needed.

Use this sheet to estimate your **start-up costs,** monthly expenses, and expected **income. It will help you** see how much you need to earn to **break even** and identify possible financial risks early.

Table 9. *Simplified financial planning sheet*

Category	Expense description	Amount
Start-up investments	Equipment, deposit, logo, licenses	
Monthly fixed costs	Social security, rent, phone, accounting	
Monthly variable costs	Materials, goods, transport	
Financial safety buffer	Reserve for 3 months of living and business operations	
	Total start-up	

Section 4
Setting Up and Running Your Business

Starting a business requires understanding **the main legal and administrative steps.** This section explains what you need to do – from choosing the **right legal form** to registering your business and **meeting basic legal requirements.** It provides practical guidance to help you complete these steps correctly and avoid common mistakes.

Important note: Legal, tax, and administrative rules can change frequently changes. The information in this manual is based on the rules at the time of writing, and it may become outdated. Before starting a business, always check the latest requirements using official sources such as government websites, local authorities, or qualified legal and tax advisors. This will help you stay compliant and avoid errors or penalties.

4.1
Registration and Formal Steps in Germany

This section gives clear, step-by-step guidance on required documents, online systems (e.g. business registration (*Gewerbeanmeldung*)), and timelines. It helps reduce administrative difficulties and supports a smooth start. Understanding these steps allows you to enter the market faster, stay compliant, and access local support.

Before you officially register your business, make sure the following points are clear:

1. Right to stay and work

- ✓ **A valid residence permit** in Germany
- ✓ **Permission to** run a business (check if your residence status allows self-employment)

2. Legal form and business activity

- ✓ Your chosen **legal form** (e.g. freelancer, sole proprietor, company)
- ✓ A clear definition of your **business activity** (what you offer and who your customers are)
- ✓ Check whether your business requires: special licenses or professional recognition (e.g. for regulated professions)

3. Registration and identification documents

- ✓ A valid **passport or ID**
- ✓ **A registered address** (home or business address)
- ✓ Local **address registration** (Anmeldung), if required

4. Tax and administration

- ✓ **A tax number** (or readiness to apply for one after registration)
- ✓ A decision on **VAT status** (small business scheme or standard VAT)
- ✓ A basic understanding of income tax and social security contributions

5. Business address and contact details

- ✓ **A legal business address** (home address or co-working space)
- ✓ A local **bank account** (personal or business, depending on the legal form)
- ✓ Professional contact details (email and phone number)

6. Financial preparation

- ✓ Estimated **start-up costs** and expenses for the first months
- ✓ A basic **financial plan** or budget
- ✓ Proof of funds if required by authorities or banks

7. Support and advice

- ✓ Contact with a **business advisor,** chamber of commerce, or NGO
- ✓ Awareness of **support programs** for migrants or refugees
- ✓ Understanding where to get help after registration (e.g. tax advisor, accountant)

Detailed instructions are provided in the sections below.

In Germany, the registration process depends on the type of company or employment you choose. Below is a simple overview.

Freelancer

You do not go to the Trade Office. You register directly with the Tax Office *(Finanzamt)* by filling out the questionnaire for tax registration *(Fragebogen zur steuerlichen Erfassung) (tax registration questionnaire)*. The final decision is made by the tax office, which determines whether your work qualifies as freelance or must be registered as a business.

Tradesperson

Part 1: Standard registration (for everyone)

Step 1: Business registration *(Gewerbeanmeldung)*

Where: Local trade office (*Gewerbeamt*) or online via your city's service portal.
Cost: 20–60 €.
Result: You receive a trade license *(Gewerbeschein)*.

Step 2: Tax registration *(Steuerliche Erfassung)*

Where: Online via Onlineportal ELSTER
Action: Fill in the form Tax Registration Questionnaire *(Fragebogen zur steuerlichen Erfassung)*.
Result: You receive your tax ID (Steuernummer) by mail (approx. 2–3 weeks).

Part 2: If you receive benefits (Grundsicherung/Jobcentre)

Important: Do not register your business (Step 1) before speaking to your contact person at Job centre. Otherwise, you may lose your benefits.

Five-step process for Jobcentre clients:

1	**Notification and advice**	Notify your social worker / Job centre contact person before you start. You are legally required to do so.
2	**Apply for funding Einstiegsgeld**	You must submit a business plan and an income forecast. If approved, you will receive additional financial support on top of your benefits for up to 24 months.
3	**EKS Form** *(income forecast)*	Fill in the EKS form (Anlage EKS – *Einkommenserklärung aus selbständiger Tätigkeit*). You estimate your income for the next 6 months. The Job Centre will adjust your monthly payments based on this estimate.

4	**Registration**	Once the Job Centre has approved your plan, contact the local trade office (*Gewerbeamt*) (see Step 1 above).
5	**Tax registration**	Complete your tax registration (see Step 2 above).

Bonus: Allowances *(Grundfreibetrag bei Einkommen bei der Grundsicherung)*: When calculating income support (*Grundsicherung*), the first €100 of your monthly income is not counted (100% exempt).

For income above €100, an additional 20–30% is also disregarded. This means you can keep part of your earnings on top of your benefits. Please note that upper limits apply.

You can also request that the Job centre cover a registration fee of €36–€60 as part of your initial start-up costs.

GbR

A new partnership register has recently been introduced, which allows optional registration of GbR. This is required, for example, for real estate transactions.

UG, GmbH

For both UG and GmbH, you need a company contract (articles of association).

- More expensive option: a lawyer drafts an individual contract (Satzung). Cost: €500–€2000+.
- Cheaper option: use the standard protocol (Musterprotokoll).

Requirements: maximum 3 shareholders and 1 managing director.
Advantage: notary fees are significantly lower (approx. €300–€400 in total).

Seven-step registration process

1	**Prepare documents**	Draw up a *Musterprotokoll* or articles of association. Check whether your company name is available (search the commercial register or contact the IHK).
2	**Notarisation** *(Notar)*	ll shareholders must sign the articles of association before a German notary. The company then exists in formation *(in Gründung)*. Cost: from ~€300 (UG) to ~€800+ (GmbH).
3	**Open a bank account**	Take the notarisation to a bank (e.g. Qonto, Finom, Deutsche Bank, Sparkasse). Open a business account (*Geschäftskonto*). Transfer the share capital (minimum €12,500 s for GmbH / minimum €1 for UG).

4	**Proof of payment**	Send the bank confirmation of the deposit back to the notary. The notary then submits your documents to the court (*Amtsgericht*).
5	***Entry in the commercial register*** *(Handelsregister)*	The court reviews the application (this takes 1–4 weeks). You will receive an invoice from the court (~€150 €s). After registration, your company becomes a legal entity (HRB– commercial register section B).
6	**Trade registration** *(Gewerbeamt)*	Register your business with your local trade office (see Section 3.2).
7	**Transparency register** *(Transparenzregister)*	You must register the beneficial owners (those who own more than 25% of the company) at www.transparenzregister.de. **Deadline:** within 2 weeks after Step 5.

Pro-tip!

Important administrative basics:

- **Business plan:** A good business plan contains a 3-year financial forecast. This will help you secure start-up grants through the Job Centre (*Einstiegsgeld*) or other funding.
- **Liability:** As a sole proprietor (*Einzelunternehmer*), you are personally liable for all business debts. if you register as a sole entrepreneur. You can limit liability by choosing a UG (mini-GmbH) or a GmbH. Both require notary fees and minimum capital (€1 for UG, €25,000 for GmbH).
- **Small business regulation:** If your annual revenue is below €25,000 net in the first year, you can apply for the small business regulation (*Kleinunternehmerregelung*, §19 UStG). In this case, you do not charge VAT on your invoices.

The Mini-GmbH (UG) trap

While the **UG** can be started with as little as €1, it comes with a saving requirement (*Ansparpflicht*). You must retain **25% of your annual profit** in reserves until you reach €25,000. At that point, it can be converted into a full GmbH.

4.2

Taxes, Accounting and Financial Responsibilities

The German tax system may seem complicated, but it has a clear structure. Before going into the details, you need to know which category you belong to, as this determines what taxes you must pay *(Table 14)*.

Table 10. *Who pays which taxes in Germany*

Type of tax	Freelancer *(Freiberufler)*	Tradesperson *(Gewerbe, z. B. GbR, OHG)*	Corporation *(GmbH / UG)*
Income tax *(Einkommensteuer)*	YES (personal)	YES (personal)	NO (the company pays corporate tax instead)
VAT *(Umsatzsteuer)*	YES (unless a small business)	YES (unless a small business)	YES (always)
Trade tax *(Gewerbesteuer)*	NO Exemption – *Freibetrag*	YES, if profit is > €24,500 €	YES (from the first €)
Corporate tax *(Körperschaftsteuer)*	NO	NO	YES (15% flat rate on profit)

The three main taxes explained

1. Income tax *(Einkommensteuer)*

What it is: A tax on your personal income. It is progressive, meaning the more you earn, the higher the rate.

Tax-free allowance: In 2026, the first €12,348 of your income is tax-free (*Grundfreibetrag*). You only pay tax on income above this amount.

Rates: From 14% (starting rate) to 45% (top rate). Most founders pay an average of 25–30%.

2. Trade tax *(Gewerbesteuer)*

Who pays: Only commercial entrepreneurs (*Gewerbe*). Freelancers are fully exempt. You only start paying trade tax when your annual profit exceeds €24,500. The tax applies only to the amount above this threshold.

Note: In most cases, trade tax is partly offset against your income tax, so you do not pay it twice.

3. Value Added Tax *(VAT/Umsatzsteuer)*

Rates: 19% (standard rate for most goods and services) And 7% (reduced rate for items such as food, books, and cultural services).

How it works: You add VAT to your invoice --> the customer pays you --> you pass this amount to the tax office (*Finanzamt*). This money is not your income.

See *Table 15* for a tax comparison and Table 16 for international VAT rules.

Small business rule *(Kleinunternehmer-Regelung)*

Best for founders who work part-time or have with low startup costs. You can avoid charging VAT if your net revenue was ≤ €25,000 in the previous year (new limit for 2025) and is expected to be ≤ €100,000 € in the current year. You must actively apply for this status.

> **Requirement:** Your invoice must include the note: *Umsatzsteuerfreie Leistungen gemäß* §19 UStG (VAT-exempt according to §19 UStG).

Table 11. *Taxes compared*

Tax name	Who pays?	Rate	What is it?
Income tax *(Einkommensteuer)*	Everyone (freelancers, traders, partners)	14%–45% (progressive)	Tax on your personal profit. Similar to the tax deducted from an employee's salary.
VAT *(Umsatzsteuer)*	Everyone (unless a small business")	19% (standard) or 7% (reduced)	A consumption tax that you collect from customers and pass on to the state. It is not your money.
Trade tax *(Gewerbesteuer)*	Only traders *(Gewerbe)*	~7%– 5% (varies by city)	A local tax paid to your city. Freelancers (doctors, teachers etc.) are 100% exempt.

Table 12. *International VAT rule*

Scenario	Rule	Invoice note
Selling to business in EU (B2B)	Reverse charge (0% VAT). The customer pays VAT in their country.	*Steuerschuldnerschaft des Leistungsempfängers* (reverse charge) + Both VAT IDs.
Selling to consumer in EU (B2C)	Foreign VAT. You charge the customer's local VAT rate (e.g. 20% for France).	Register for OSS (One-Stop-Shop) to pay this centrally in Germany.
Selling outside EU (third country)	VAT Exempt. No German VAT charged.	Export – Tax Exempt. Keep proof of business address (e.g. USA).

Accounting: EÜR vs double entry bookkeeping

This is where many founders get confused: how do you record your finances?

EÜR (Einnahmen-Überschuss-Rechnung / income– simple cash accounting):
You calculate profit as money received minus money spent.

Example
You sell a design for €1,000 .and buy software for €100. Your profit is €900.

Timing
Money is recorded only when it arrives in your bank account (*Zuflussprinzip* / inflow principle).

Who uses it
All freelancers (regardless of income) and small businesses
(profit < €80,000 or turnover < €800,000).

Accounting obligation (*Buchführungspflicht*)

Double-entry bookkeeping (balance sheet / *Bilanzierung*). This method is more complex. You must record assets, liabilities, and accruals. Profit is calculated based on invoices issued, not just payments received.

Who must use it: Corporations (GmbH, UG) – mandatory from day one.

Thresholds: Also required if your turnover exceeds €800,000 or your profit exceeds €80,000.

Action: If you fall into this category, you will need a tax consultant (Steuerberatung). It is very difficult to manage this on your own.

Common mistakes to avoid

Liquidity trap: Spending VAT Money. Remember that the 19% in your account belongs to the government, not to you.

Confusing income and profit: Income tax is based on profit, while small business status is based on revenue.

Ignoring advance payments (*Vorauszahlungen*): In year 2, the tax office will require payment for year 1 plus quarterly advance payments for year 2. Save 30% from each invoice from day one to cover this.

For tax advisors and larger needs

DATEV: Germany's leading provider, used by over 40,000 tax advisors for digital solutions (e.g. DATEV Unternehmen online).

4.3

Labour Regulation and Daily Business Operation in Germany

Types of employment contracts in Germany – if you hire employees

Permanent *(unbefristet)*
Standard contract for long-term employment. Can be full-time or part-time.

Fixed-term *(befristet)*
Temporary or project-based roles. Can also be full-time or part time.

Marginal employment (Minijob / *geringfügige Beschäftigung)*
Part-time work with reduced taxes and social security contributions. Minimum wage: €13.90/hour. p to approx. €603/month (2026).

Minijob
Part-time employment with income between €603.01 to €2,000 per month (as of 2026). Earnings in this range benefit from reduced social security contributions, which gradually increase with income. It offers more benefits than a Minijob.

The German social security system *(Sozialversicherung)*

The German social security system is one of the most comprehensive in the world. It is designed to protect people against major life risks. If you employ staff, you are legally required to contribute to these insurance schemes.

The system is based on 5 pillars:		
1	**Health insurance** *(Krankenversicherung)*	Covers medical care, doctors and hospital treatment.
2	**Long-term care insurance** *(Pflegeversicherung)*	Covers care needs in old age or due to illness.
3	**Pension insurance** *(Rentenversicherung)*	Provides income in retirement.
4	**Unemployment insurance** *(Arbeitslosenversicherung)*	Replaces income in the case of job loss, subject to eligibility conditions. The Federal Employment Agency *(Agentur für Arbeit)* administers benefits for employees. Self-employed individuals may qualify if they pay voluntary contributions.
5	**Accident insurance** *(Unfallversicherung)*	Covers accidents at work and occupational health risks.

Note: The first four pillars are jointly funded by the employer and employee They are shown on the payslip and transferred by the employer to the relevant social security institutions. Gross salary is the salary before deductions for social security contributions and income tax; Net salary is the amount remaining after all deductions; This is what the employee receives.

Accident insurance (the fifth pillar) is paid entirely by the employer.
See below for detailed information.

Insurance for Founders

As a self-employed person, you are responsible for your own insurance coverage. In Germany, some types of insurance are mandatory, while others are voluntary.

1. Health insurance and long-term care (mandatory) (§ 193 VVG)

You can choose between two public systems:

1.1. Statutory health insurance (GKV)

Cost: approx. 14.6% of income + additional contribution (~2.5%) + long-term care insurance (~3.4%–4%). It also covers non-working family members (spouse/children) free of charge, if they have no income.

1.2. Private health insurance (PKV)

Cost depends on age and health risk rather than income. It may offer broader services but can become very expensive in old age. Returning to statutory insurance later can be difficult.

Deadline: You must register with a health insurance provider immediately after starting your business.

2. Pension insurance *(generally voluntary)*

Pension insurance is generally voluntary for self-employed persons. However, there are exceptions (mandatory insurance): Some professions are legally required to contribute to the state pension scheme (*Rentenversicherungspflicht*, § 2 SGB VI). These include craftsmen (*Handwerker*), freelance teachers and trainers without employees, midwives, artists and publicists.

3. Accident insurance *(voluntary)*

You can voluntarily register with the relevant employers' liability insurance association (*Berufsgenossenschaft*). It provides coverage for accidents at work or on the way to a customer.

4. Unemployment insurance *(voluntary)*

You can choose to pay contributions to the state unemployment insurance scheme (*Freiwillige Weiterversicherung*). You must apply within 3 months of starting your business and have previously paid into the system as an employee for at least 12 months. Cost: fixed monthly contribution (approximately €80–€90).

Insurance for employee

If you employ staff (including Minijob employees), you become an employer. You are legally responsible for withholding employees' taxes and social security contributions and paying them to the relevant authorities.

1. Employer contributions:

In Germany, social security costs (~40% of gross salary) are generally split roughly 50/50 between employer and employee (Table 13).

- **Your costs:** You pay about 20–21% on top of your gross salary.
- **Employee costs:** The remaining ~20% is deducted from the employee's salary.

Table 13. *Contribution distribution (estimates for 2026)*

Insurance type	Total rate (approx.)	Employer pays	Employee pays
Pension *(Rentenversicherung)*	18,6%	9,3%	9,3%
Health *(Krankenversicherung)*	17,5%–17,8%	~8,75 %–8,9 %	~8,75%–8,9%
Note:	(14,6% base + ~ 2,9–3,2% avg. additional)		
Unemployment *(Arbeitslosenversicherung)*	2,6%	1,3%	1,3%
Long-term care *(Pflegeversicherung)*	3,6% (standard)	1,8%	1,8%
	childless employess pay more (4,2 % total)	(fixed at 1,8%)	(pays surcharge +0,6 %)
Accident *(Unfallversicherung)*	~1,3% (varies by risk)	100%	0%
TOTAL LOAD	~43,6% of gross wage	~22,5% on top	~21,1% deducted

2. Important deadlines:

Registration: You must register each new employee with the health insurance fund within 6 weeks starting employment (*via Meldeschein*).

Payment: Social security contributions must be transferred to the health insurance fund by the penultimate banking day of each month. Late payments may result in fines.

3. Accident insurance:

You must register your company with the employers' liability insurance association (*Berufsgenossenschaft*, BG) (within 1 week of starting your business, even if you do not yet have any employees.

Cost: This insurance is fully paid by the employer for employees. The rate depends on the risk level of the industry (e.g. construction is higher than office work).

NOTE: There are two different types of liability insurance. Choosing the wrong one can leave you unprotected (Table 14).

Table 14. *Comparison of two main types of liability insurance*

Feature	Public liability *(Betriebshaftpflicht)*	Professional indemnity *(Berufshaftpflicht)*
Best for	Tradespersons and retailers (crafts, shops, restaurants, cleaners, builders).	Freelancers and consultants (doctors, lawyers, architects, IT consultants, interpreters).
What it covers	Physical damage and injury. Example: a customer slips on wet floor; you drop a hammer on a client's car; your coffee machine causes a fire.	Financial loss (errors). Example: You give bad tax advice; your code deletes a client's database; you infringe on a copyright.
Is it mandatory?	No, but operating without is highly risky.	Yes, for specific Kammerberufe (lawyers, architects, doctors, tax advisors).
Cost (est.)	Cheap. approx. €100–€300 per year.	Variable. approx. €150–€1,000+ per year depending on risk.

New for 2026: E-invoicing

Starting in January 2025, B2B companies must be able to receive electronic invoices (XML formats such as ZUGFeRD or XRechnung). Plain PDF files will be gradually phased out for all business regardless of their revenue and structure by 01.01.2028 for B2B transactions.

Top-rated German & German-focused invoicing software:

- ✓ Sorted: Highly rated (avg. 4.6/5 on TrustPilot) for freelancers; simplifies German taxes and income/expense tracking, though customer support may slow during peak tax periods.

- **Sevdesk:** Popular invoicing and accounting software widely used in Germany.
- **GetMyInvoices.com:** Featured on OMR Reviews as a leading invoicing solution.
- **Accountable:** Designed for English-speaking freelancers in Germany; supports registration, invoicing, and tax management.

Highly rated international invoicing software used in Germany:

- **Zoho Invoice:** Strong ratings (around 4.6/5 on SaaS review platforms); offers a free plan, multi-currency support and reminders.
- **FreshBooks:** Popular among small businesses; known for its ease of use, time tracking, and simplifying accounting tasks.
- **QuickBooks Online:** Flexible and widely used solution for EU entrepreneurs, including those in Germany.

Top choices for freelancers and small businesses:

- **Accountable**: Strong option for freelancers; available in English and German, includes an AI tax assistant, and handles invoicing and VAT (*Umsatzsteuer*).
- **Sevdesk**: Online invoicing and accounting software, well suited for freelancers Offers an English interface, with most help resources in German.
- **Sorted**: User-friendly for freelancers; integrates access to tax advisors and is useful for organising documents.
- **Lexware Office / WISO MeinBÜRO:** Feature-rich solutions for growing businesses; available only in German.
- **QuickBooks / Xero / Zoho Books:** International tools that also work in Germany; often used for more advanced financial management and scaling businesses.

Practical Tools IV

This section provides step-by-step guidance and links to official sources. It will help you understand your responsibilities, stay compliant with German regulations, and manage your business administration efficiently from the start.

Tool 1. Step-by-Step Business Setup in Germany (2026 Roadmap)

The table below provides a step-by-step roadmap for setting up a business in Germany.

Table 15. *Business setup in Germany*

Step	Action	Authority
1. Residence check	Ensure your permit says *Erwerbstätigkeit erlaubt.* (Employment is permitted.)	*Ausländerbehörde* (Immigration Office)
2. Qualification check	Check if your profession is regulated (e.g, marketing, law).	Recognition in Germany
3. Trade registration	Only for *Gewerbe* (Tradeperson). Get your Trade License.	*Gewerbeamt* (Trade Office)
4. Tax registration	Fill out the tax questionnaire for a *Steuernummer* (Tax number)	*Finanzamt* (Tax office)
5. Health insurance	Switch to a self-employed plan (private or voluntary statutory).	Insurance provider
6. Business account	Open a separate bank account for your business.	Any Bank

Tool 2. Key Deadlines for Self-Employed in Germany

Meeting official deadlines is crucial in Germany. The table shows the key deadlines that self-employed persons need be aware of.

Table 16. *Deadlines for self-employed in Germany*

Deadline	Obligation
Monthly/Quarterly (10th)	VAT advance payment (Umsatzsteuer-Voranmeldung)
Quarterly (10th)	Income tax prepayments (Einkommensteuer-Vorauszahlung)
Quarterly (10th)	Solidarity surcharge (if applicable)
Monthly	Health insurance contributions (self-employed)
Annually (31 July) *	Annual income tax return
Annually (31 July) *	Annual VAT return

**NOTE! The deadline may be extended if you work with a tax advisor.*

Official startup and support platforms in Germany:

Gründerplattform: A government-supported digital platform (by BMWE and KfW) that helps entrepreneurs develop business ideas. it offers tools for business models, as well as information on financing, funding, and registration.

Tool 3. Official Government Portals and Registration Sites in Germany

1. Existenzgründungsportal

The official federal portal for starting a business in Germany, managed by the Federal Ministry for Economic Affairs and Climate Action.

It provides:

- Step-by-step guidance for starting a business
- Information on registration with local authorities
- Overview of legal forms and their differences
- Links to key institutions (e.g. IHK, *Finanzamt*, tax offices) (*Existenzgründungsportal*)

2. ELSTER

Official online platform of the German tax authorities. It is used for:

- Submitting tax registration forms
- Applying for a tax number (*Steuernummer*)
- Filing VAT returns and other tax declarations online.

The platform is free for all businesses and self-employed persons in Germany. You also provide official forms and tools for VAT calculations and advance VAT returns (*Umsatzsteuervoranmeldung*).

3. Bundesportal: federal government business services

Provides an official overview of administrative procedures for starting a business or becoming self-employed, including trade registration, tax registration, required forms, and contact points for authorities.

4. Make It in Germany: official government guide

A federal platform for living and working in Germany. It includes guidance on starting a business, residence permits, and self-employment visas. This is especially useful for **non-EU entrepreneurs** to understand legal requirements before registering a business.

5. Handelsregister: commercial register

The official central register for companies (e.g. UG, GmbH, AG). Limited companies must be entered here to become legally valid. You can search for registered companies and find information about registration requirements (via the House of Companies portal).

Tool 4. Checklist for Invoicing in Germany (Pflichtangaben/ Mandatory information)

A valid German invoice must include the following elements; otherwise, the tax office may reject it:

- Your full name, address, and tax identification number (*Steuernummer*).
- Full name and address of the customer.
- Invoice date and date of service (delivery date).
- Unique invoice number (sequential/serial).
- Description of the service or product.
- Net amount + VAT rate (19% or 7%) + VAT amount + gross amount (including VAT).

If you are a *Kleinunternehmer* (small business under §19 UstG), you do not charge VAT. In this case, the invoice must only show the net amount and include the note: "VAT exempt according to §19 UstG".

Section 5
Growing Your Business

This section helps you develop your business in Germany beyond the startup stage It focuses on marketing, innovation, and the use of digital tools.

This section explains how to **build an online presence, reach and attract customers, and use digital solutions to remain competitive.** The objective is to help transform initial self-employment into a stable and growing business, capable of adapting to local market conditions.

5.1

Marketing and Digital Presence: Building a Website and Social Media Strategy. Basics of Branding and Customer Relations

Understanding marketing and digital presence is essential for Ukrainian refugees establishing businesses in Germany, where online visibility accounts for approximately 70% of customer discovery.

Developing a website and a well-planned social media strategy using platforms such as Facebook, Instagram and Xing/LinkedIn for German B2B adapted to German market helps build credibility, reach local audiences, and strengthens trust through consistent branding. In addition, applying basic principles of customer relations, such as responsive communication and personalised offers, supports loyalty, differentiates new businesses from competitors, and contributes to faster growth in a competitive environment.

Marketing is not just about posting on Instagram. It is the engine of your business. In Germany, marketing follows a key principle: trust comes before sales. If a customer perceives you as disorganised, unprofessional, or overly aggressive, they are unlikely to buy from you. Your goal is to present yourself as a reliable and trustworthy choice.

Step 1 Strategy – Who are you selling to?

Before creating a website or marketing your business, you need to answer three key questions. Skipping this step often leads to spending money on the wrong audience.

1.1. Define your target group *(Zielgruppe)*

You cannot sell to everyone. If you try to speak to everyone, no one will feel addressed. Instead, create a clear profile of your ideal customer.

B2C example:
Anna, 35, lives in Berlin-Mitte, values sustainability, and is willing to pay more for organic, high-quality products.

B2B example:
HR managers in manufacturing companies with 50–200 employees who are struggling to recruit qualified IT staff.

1.2. Your value proposition (VPP)

Germany is a competitive market.

The question is: Why should customers choose you instead of a well-known German competitor?

Use a problem-solving approach: do not sell features – sell solutions

Bad example:
I sell cleaning services.

Good example:
I help busy offices maintain hygiene standards so they can focus on their core work without disruption.

1.3. Pricing strategy: signal quality

In many markets, a low price attracts customers. In Germany, however, a an unusually low price can signal low quality. For example, if you charge €30/hour while the market rate is €60 /hour, potential customers may assume you lack experience or operate informally (the black market). The key principle is researching the market price and position yourself in the middle range rather than at the bottom.

Step 2 Building trust

2.1. Branding basics in Germany: building trust

Unlike in the US, where branding often focuses on ambition and emotional appeal, branding in Germany is strongly based on Seriosität (reliability, seriousness, and professionalism).

German customers do not choose a company because of a creative logo but because the brand signals that the service is delivered exactly as promised, on time, and in compliance with regulations.

The 3 pillars of German branding:		
1	**Factual communication** (no exaggeration)	Focus on concrete, verifiable statements. Example: "Certified repairs in 24 Hours."
2	**Visual order** (Ordnung)	The visual identity (website, flyers, invoices, documents) should be structured, consistent, and easy to understand.
3	**Badges of trust** (a strong signal in Germany)	Certificates are an important part of your brand. Diplomas, *Meisterbrief* (master craftsman certificate, ISO certifications, or Trusted Shop badges should be displayed prominently.

In Germany, a visually impressive website is not enough if it appears legally non-compliant. Compliance itself is a key marketing tool.

2.2. **Website:** your digital business card

Even if customers come word of mouth, they will usually search for your company online to verify legitimacy:

Impressum (legal notice):
Every business website and professional social media profile must include an Impressum that is accessible within two clicks. It must contain full name, address (P.O. boxes are not allowed), contact details (email and/or phone number), VAT ID (if applicable). Failure to provide a proper Impressum can lead to legal warning letters (Abmahnung) from lawyers, often resulting in fines of around €500–€1000.

Data privacy (GDPR / DSGVO):
You must have a proper cookie banner (opt-in) and a privacy policy. This signals to German customers that you take data protection seriously.

2.3. **Google Business Profile** (local SEO)

Around 80% of customers search for services such as "hairdresser near me" or "lawyer in Munich" via Google Maps. You should therefore register a free Google Business Profile to improve your local visibility. Fill in your opening hours. Upload photos of your work or office. Ask satisfied customers for reviews. A profile with ten 5-star reviews is often more valuable than a €5,000 website.

Step 3 Marketing channels (where to find customers)

3.1. The Reality of omnichannel

Omnichannel means you do not rely on a platform (e.g. only Instagram). Instead, you build a connected system where potential customers encounter your business in multiple places, such as social media, your website, email, and Google maps).

The "Rule of 7" in marketing theory suggests that customers need several interactions with a brand before they make a purchase. In Germany, due to a higher emphasis on trust, risk reduction, and research, this is often closer to 10–20 touchpoints. Why omnichannel builds credibility? Being visible across multiple channels signals stability, professionalism, and legitimacy.

How to do it without a large budget: You do not need to be everywhere. You need to be present in the most relevant and connected channels for your target group.

Trust Triangle Strategy: Choose 3 channels that match your target group and support each other:

- Discovery channel: where people find you (e.g. Instagram or SEO).
- Trust channel: where people verify you (e.g. a website with transparent information, data, and testimonials).
- Evidence channel: where others talk about you (e.g. Google reviews).

3.2. Digital channels

LinkedIn (B2B):
best for: consultants, IT professionals, and freelancers selling to companies. Avoid pure advertising; instead, publish useful content that demonstrates expertise and experience.

Instagram/TikTok (B2C):
best for visual businesses such as gastronomy, beauty, crafts, and design.

Trend 2026:
short-form video content reaches significantly more users than static photos, often increasing reach by up to 10x.

Tip: Use German keywords in your captions (e.g. #FriseurBerlin) so people can find you more easily through local search.

3.3. "Old-school" channels (still very effective in Germany!)

Networking and Stammtisch *(regular informal meetings)*: Business in Germany is often relationship-based. Personal contact matters, and trust builds faster after face-to-face interaction. Attend local events or industry meetings and use physical business cards (*Visitenkarten*).

Printed materials /flyers: For local services (e.g. cleaning, renovation, bakery), high-quality flyers distributed in the neighbourhood can still be highly effective.

Partnerships (trust transfer): Recommendations from trusted professionals significantly increase conversion.

Customer relations

In Germany, customer service means problem-solving. Customers do not expect you to be their friend, but they do expect you to be a competent partner who respects their time and intelligence.

CRM

It is 5 times cheaper to retain an existing customer than to acquire a new one. How to use CRM to increase sales:

1. **E-Mail-Marketing (mailings):**
   In Germany, email often converts better than social media. People regularly read emails. Send useful content to build trust in your expertise.
2. **Automation of care:**
   Germans value order and reliability. CRM systems allow you to automate communication, for example:

   Reminder:
   It has been a year since your last visit to the dentist/auto mechanic. Time for a check-up?

   Birthday message: An automatic birthday email with a 5% discount. Small details like this help build customer loyalty.
3. **Reactivation (win-back):**
   If a customer has not purchased for 6 months, the CRM can automatically trigger an email such as: "We haven't seen you in a while. Here is a €10 voucher for your next order."

Germany's golden rule: DSGVO (GDPR)

You cannot simply take someone's business card and add them to your newsletter. This is illegal and can lead to fines. Double opt-in (DOI) is mandatory. When someone subscribes to your newsletter, they receive confirmation email: "Do you really want to subscribe? Click YES." Only after confirmation can you send marketing emails.

> *Right to be forgotten:* Every email must contain an unsubscribe (*Abmelden*) link. If a customer requests deletion of their data, the CRM must allow it with one click.

Popular tools in Germany:

- Brevo: (formerly Sendinblue): widely used in Europe; GDPR-compliant with servers in France/ Germany; offers a free plan.
- HubSpot: global standard, very powerful for automation, but relatively expensive.
- Pipedrive: ideal for B2B sales processes, especially for managing deal stages and customers pipelines.

5.2

Business Growth and Innovation: Scaling up, Partnerships, and Diversification

In Germany, scaling is not just about increasing sales; it is also about managing the legal and financial risks that come with growth. That's why the German approach to scaling focuses on step-by-step risk management.

Phase 1: Automate your processes first

Before hiring a person, hire a machine. Labor in Germany is expensive (salary + ~21% social security contributions), while software is relatively cheap. If a task is repetitive, automate it. Use tools like Lexoffice or SevDesk for accounting, Calendly or Doctolib for scheduling, chatbots or FAQ templates before hiring support staff.

Phase 2: Flexible workforce (hiring guide)

When automation is no longer enough, you need people – but avoid jumping straight into a full employment contract. For projects, specialised skills (design, IT) or seasonal peaks, start with freelancers. Be aware of the risk of "fictitious self-employment (*Scheinselbstständigkeit*). If a freelancer works mainly for you over a long period and follows your instructions like an employee, authorities may reclassify the relationship. Consequence: both you and the freelancer may have to pay social security contributions for the entire period (~40% of the fees).

Minijob

For roles such as cleaning, basic administration, delivery, or service staff, it is often efficient to start with a Minijob (marginal employment). This is a contract limited to €556 /month (2026 threshold). The employee pays no income tax, while you (the employer) pay a fixed rate (~30%) to the Minijob-Centre (Minijob-Zentrale). Bureaucracy is relatively low.

Hiring employees and growing the company

If you have a stable income for at least 6 months that can cover your salary, it may be time to hire staff and scale your business. Focus on systematising processes and building a structure that supports growth.

Scalable business model and expansion

Once you have a proven local model, you can move towards a more scalable – often digital – business model. Strong regional hubs such as Berlin, Munich, or Hamburg can support expansion. To succeed, you need to deal with regulations, build partnerships with other businesses, and make use of public funding to grow.

Key elements of scaling in Germany include:

1. Partnerships and Trust. The Power of Partnership ("Vitamin B")

In Germany, **contacts are called "Vitamin B" *(Beziehungen)*.** Connections often matter more than low prices when winning contracts. That is why building relationships with local partners is key. The German market is also seen as slower, so trust needs to be built over time.

Bidding consortiums *(Bietergemeinschaft)*

Small companies join forces to win large public tenders. For example, a freelance web designer, copy-writer, and SEO expert can work together as a full-service team. but beware of the legal warning risk (GbR trap): If you work together regularly, you may be treated as a civil law partnership (GbR). TO avoid this, always sign a Cooperation Agreement (*Kooperationsvertrag*) that clearly states you are independent contractors, not partners.

Networking

Both online and online. Digitally, LinkedIn is essential for B2B). In person, join your local groups such as IHK or Wirtschaftsjunioren. Meeting people face-to-face builds trust much faster than email. Business clubs also play an important role in growing your network.

Some of the most effective clubs:

- BNI (Business Network International): a strong sales-focused network where only one person per profession is allowed in each group (e.g. one architect, one painter).
- Bitkom: the key association for the digital and technology industry – important for software startups and lobbying.
- VDI (Association of German Engineers): essential for engineering and manufacturing.
- VDU (Association of German Women Entrepreneurs): a strong support network for female founders.

International clubs for Ukrainian entrepreneurs:

- UITC (Ukrainian IT Cluster in Germany): active in Berlin, Frankfurt, and Munich.
- SUP (Union of Ukrainian Entrepreneurs) – European Office
- YBC (Young Business Club)

2. Government and Financial Support of Innovations

Innovation in Germany is currently driven by two areas: green energy and digitalisation.

Sustainability as a sales argument

Even small businesses are now asked about their carbon footprint by larger clients (due to EU supply chain laws). Being "green" can give you a competitive edge.

Government grants *(Fördermittel)*

Germany offers funding to support business grow. Key programmes include BAFA (for business consulting grants) or KfW (for low-interest loans, especially for digitalisation).

Pro tip: In most cases, you need to apply before starting the project.

3. Market Adaptation

Regulatory and digital integration

Meeting regulatory requirements and using digital tools in your operations are essential for scaling across the country.

Talent attraction

Using remote work (remote jobs in Germany) helps you access a wider and more diverse talent pool beyond local area.

5.3

Digital Services for Entrepreneurs

Electronic Invoices *(E-Rechnung)*

This is an invoice in a structured digital format (XML) that can be automatically read and processed by computer systems.

From 1 January 2025, e-invoicing (E-Rechnung) has been mandatory for B2B transactions in Germany. Germany is strongly promoting digital invoicing, especially for invoices sent to public authorities (e.g., ZUGFeRD or XRechnung formats).

Obligation to accept *(Empfangspflicht)*: Since 1 January 2025, all companies in Germany (including small GbR and freelancers) must be able to receive electronic invoices. If a supplier sends you an e-invoice, you cannot refuse it.

Obligation to issue: introduced in stages.

Accounting Tools and Document Workflow

- **With an accountant:** accounting firms usually provide secure portals to upload and exchange documents.
- **Self-accounting:** if you manage your own books, you will need accounting software (e.g. Lexware, DATEV, SevDesk).

Government Administration Systems

In Germany, the main public platforms include:

- **ELSTER:** the official online portal for submitting income tax, VAT, and payroll tax returns.
- ***Bundesanzeiger:*** for required company announcements and disclosures (if applicable).
- **IHK/HWK portals:** for communication with the Chamber of Industry and Commerce or Chamber of Crafts.
- **Finanzamt portal:** for tax matters and official correspondence.
- **Digital signature (ELSTER-Zertifikat / *Authentifizierungsmittel*):** used to securely sign documents online and access government portals.

Important: In Germany, most tax and social security filings are done digitally, and using official portals is mandatory for compliance.

Practical Tools V

Tool 1. Strategic Networking Plan for Entrepreneurs

Complete this exercise to plan your entry into a new business ecosystem.

Table 17. *Networking plan template*

Action step	My commitment	Example action
Events	I will attend … networking meetings in 3 months.	Business breakfast at a local incubator.
Recommendations	I will ask my client/partner for …	"Do you know anyone who needs my services?"
LinkedIn	I will connect with … people in my industry.	Sending a direct, personalised invite on LinkedIn.
Live relations	I will schedule …. face-to-face meetings this month.	Coffee with a potential supplier or partner.

Tool 2. Networking Plan in Germany

A networking plan in Germany is less about "handing out as many cards as possible" and more about ***Fachkompetenz* (professional competence)** and ***Zuverlässigkeit* (reliability).**

Germans typically prefer structured networking environments (associations, trade fairs). Below is a template to build a German-specific strategy.

Strategic networking plan template

1. The "icebreaker" (professional identity)

In Germany, people usually want to know your title and your specific function before engaging in small talk.

- **My core competence:** (e.g. "Digital Logistics Expert for SMEs")
- **The problem I solve:** (e.g., "I help local manufacturers reduce shipping costs by 15%.")
- **My proof point:** (e.g. "I Recently completed a project for [reference name /type].")

2. High-Priority Channels (Where to Be)

Focus your energy on these "Big Three" in the German market:

Table 18. *Channel Types*

Channel type	Target Names (Fill in your local ones)	Frequency
Industry chambers	IHK (Local events) or HWK	1x per Month
Digital platforms	XING (Strong for DACH) and LinkedIn	3x per Week
Trade fairs	(e.g., Messe Frankfurt, Hannover Messe)	2x per Year
Stammtisch	(Local informal meetups for entrepreneurs)	1x per Month

3. The Cold Outreach Script (German Style)

German business communication is direct and formal. Use Sie until invited otherwise.

Subject: *Anfrage zur Vernetzung: [your topic] /professional inquiry*

Sehr geehrte/r Herr/Frau [Name],
ich verfolge Ihre Arbeit im Bereich [Field] mit großem Interesse. Da ich aktuell in [Location/Industry] tätig bin und mich auf [Specific Topic] spezialisiert habe, würde ich mich gerne mit Ihnen vernetzen, um wertvolle Branchenimpulse auszutauschen.
Ich freue mich über eine Annahme meiner Kontaktanfrage.

Mit freundlichen Grüßen, [Your Name]

4. The "Relationship Maintenance" Checklist

Networking in Germany is a long-term process. Use this checklist to stay top-of-mind without being overly sales-focused.

- ✓ **The follow-up:** Send a "Thank you" via LinkedIn/Email within 24 hours of meeting. Include a specific detail from your conversation.
- ✓ **Value add:** Share a relevant German industry article or news from sources such as the Handelsblatt or Wirtschaftswoche with a contact once a quarter.
- ✓ **Referrals:** Actively introduce two people in your network who could benefit from each other. In Germany, being a "connector" builds strong trust.

5. Local Networking Assets (Germany Specific)

- ✓ ***The Visitenkarte:*** Physical business cards are still widely used in Germany. Make sure yours include your **official title** and **LinkedIn/XING QR code.**

- **The Vereins-Culture:** Consider joining a professional association (*Verband*). In Germany, members of established associations are often perceived as more trustworthy.

You can also set your own goals and targets using the template in the table below.

Table 19. *Goals and targets*

Goal	Target	Current Month Progress
New LinkedIn/XING connections	10	
1-on-1 Coffee Chats (virtual/real)	2	
Industry event attendance	1	
Active follow-ups	5	

Section 6

Technological and Intercultural Competencies and Business Support

This section explains how to work effectively in a diverse environment. It covers practical skills such as negotiations, networking, customer service, and teamwork across different cultures. It also introduces basics of digital skills and shows how technology can support everyday business activities. In addition, the section provides an overview of business support in Germany, including networking groups, organizations that offer help, and available funding opportunities.

6.1

Intercultural Skills: Negotiations, Networking, Customer Service, and Teamwork in a Diverse Environment

When doing business in a new country, it is important to understand its cultural values and norms. However, modern business goes beyond this, as clients, team members, and business partners often come from many different cultures. In diverse environments, cross-cultural skills used in negotiations, networking, customer service, management, and teamwork are essential. They help bridge differences, support inclusion, and improve results by using different perspectives for innovation. They also ensure all voices are heard and help create better solutions that work in an international context.

To work successfully across culture, it is important to first:

- ✓ Understand your own cultural preferences
- ✓ Learn about the cultural profiles of the people and cultures you work with.

There are several tools available to check your own and a country's cultural profile such as *The Cultural Map* by Erin Meyer (paid version). It is also possible to compare cultures using country comparison bar charts.

Instead of memorising lists of "dos and don'ts" for each culture, it is more important to understand the key areas in which countries may differ:

- Different communication styles (direct vs indirect communication)
- Focus on tasks or relationships building
- Approach to power and hierarchy (hierarchical or egalitarian cultures)
- Approach to time (strict or flexible attitude toward time)
- Group vs individual focus

6.2

Digital Literacy: Utilising Technology in Day-to-Day Business Management

Using modern technologies helps you save time and overcome language barriers. Digital skills also help you in professionally presenting services and communicating efficiently with public authorities.

Full access to e-administration requires tools that verify your identity digitally. These tools are described in the chapter on business registration. Having them allows you to sign documents without needing to visit an office.

Artificial Intelligence (AI) and Digital Tools in Business

Technological support can significantly reduce the costs of entering the market and increase the professionalism of a business offer.

- **Overcoming language barriers:** AI-based tools (e.g. ChatGPT, DeepL) help translate official documents and messages, and support checking the language quality of business documents and commercial offers.
- **Marketing automation:** Modern tools allow for quick creation of website content, promotional graphics, and scheduling of social media. This helps businesses stay active online and build trust with German customers.
- **Relationships and networking:** A digital presence on platforms like LinkedIn helps build a professional personal brand and develop B2B relationships. This supports faster integration into the local business environment.

Electronic document workflow and e-signatures: Tools such as “Autenti” allow secure online signing of contracts with partners and clients, without the need to print documents or send them by post. A digitally signed document has full legal validity and significantly reduces the time needed to finalise agreements.

Table 20. *Technology Implementation Map*

Business area	Tool and application	Benefits
Administration	***Existenzgründungsportal*** **(Startup Portal)** – official government startup portal with detailed guidance and links to regional information centres for entrepreneurs, including support options for migrants and foreigners:: Existenzgruendungsportal	Handle official matters online without waiting in queues.
Translation	DeepL / ChatGPT – translating correspondence, offers, and contracts.	Confidence that your communication in German is professional and correct.
Networking	LinkedIn – building a business contact network.	Access to business partners, chambers of commerce, and local support groups.
Marketing	Canva/ChatGPT – creating graphics and advertising posts.	A professional look for your offers without hiring an agency.
E-commerce finance	Instant SEPA (SEPA-instant credit transfer) in **Germany**	Service of payments in € enables near-instant transfers between participating banks, useful for fast payments.
Documentation	Autenti – platform for e-signatures and document workflow.	Instant online contract signing and savings on shipping costs.

Practical Tips:

- Use official sources: If you are looking for information about legal changes in the law or residency status.
- AI as an assistant, not an oracle: Always verify important information generated by AI, especially when it concerns legal regulations.
- Individual approach and modernity: Customers value convenience; so, implementing mobile payments and digital contact options can significantly increase the attractiveness of an offer.
- Implement e-signatures: Using platforms such as Autenti or QES under eIDAS (*Bundesnotarkammer*/ Trust Service Providers) allows for remote signing of agreements with business partners, removing geographical barriers and speeding up the project implementation. This solution is fully secure and legally valid.

6.3

Local and EU Support Network

Germany's support system is decentralised, the "entry points" for a Ukrainian founder are remarkably consistent nationwide, even if specific banks or offices differ by region.

Below is a comprehensive directory of essential support programmes available in every region of Germany.

National Programmes (Available across Germany):

Gründungszuschuss (Startup Grant)

- For founders receiving **ALG I**
- Benefit: Unemployment benefit **+ €300/month** for social security (6–15 months)

***Einstiegsgeld* (Entry Money)**

- For founders receiving ***Grundsicherung* (Job Centre)**
- Benefit: Monthly subsidy during transition to self-employment

***KfW ERP-Gründerkredit* "Startgeld"**

- For: any founder with a viable business plan (including non-EU nationals)
- Benefit: Loans up to **€125,000**, easier access via bank liability guarantees

EU and International Funding:

- **Building Inclusive Economies (EU)**
  Microloans and mentoring for founders without German credit history (SCHUFA)
- **UNHCR Refugee-Led Innovation Fund**
  Grants for innovative or pilot projects (IT, digital, green solutions)

Incubators, accelerators and technology parks

Social Impact Labs (Berlin, Hamburg, Frankfurt, Stuttgart, others)

- **Focus:** Social innovation, inclusion, refugee-led startups
- **Offer:** Training, mentoring, workspace, scholarships

Chambers of Commerce (IHK/HWK)

- **Offer:** Free startup checklists, business plan templates, consultations
- Many provide materials in **Ukrainian**

Gründerplattform and Förderdatenbank

National online portals to:

- Search funding programmes
- Develop business plans
- Find loans, grants, and advisory support

Dedicated programmes for migrants and refugees

IQ Netzwerk – Integration durch Qualifizierung
Nationwide consulting for migrants

- **Focus:** Legal requirements, self-employment with §24 residence permit
- Many locations offer support in **Ukrainian or Russian**

Wir gründen in Deutschland!
Step-by-step startup guide for foreigners

- Available in **Ukrainian**

Partnering in Business with Germany (BMWE)
Connects Ukrainian founders and managers with German companies

- **Focus:** B2B cooperation and reconstruction-related business

Dedicated Programmes for Women Entrepreneurs

National and EU Programmes:

- **WEgate (EU)** – training, mentoring, networking
- ***Frauen Unternehmen* (BMWE)** – mentoring by successful women entrepreneurs
- **European Prize for Women Innovators (2026)** – awards up to €100,000

Innovation and tech focus

- **Women TechEU** – €75,000 grants + business support
- **EIT Women Entrepreneurship** – training and mentoring
- **WE-RISE / Open Horizons** – funding for GreenTech, AgriTech, and deep-tech startups

Pro tip: Most support programmes combine **financial aid, mentoring and legal guidance.** Start locally (IQ Network, IHK), then move to **national or EU funding** once your business plan is ready.

6.4

Sustainability and Social Responsibility

Sustainability is no longer just a trend for large corporations –it is now a hard economic factor. Sustainability and social responsibility are becoming essential parts of a stable and future-oriented business. For many entrepreneurs, especially refugees and migrants building a new life, including sustainability can help build trust, stand out from competitors, and contribute positively to the local community. It is also an important factor when applying for bank loans or working with large clients.

Being a Green Business – What Is It All about?

Being green starts with practical, everyday decisions. This includes reducing energy and resource consumption, choosing environmentally friendly suppliers, minimising waste, and using digital tools instead of paper-based processes. Even small steps like energy-efficient equipment, eco-friendly packaging, or shared logistics can reduce both costs and environmental impact. In Germany, environmentally responsible practices are increasingly valued by customers, partners, and government agencies, and can strengthen your credibility in the market.

For small businesses, being green is mainly about saving costs and staying compliant.

The "Trickle-Down" Effect:

- You might think laws like the Supply Chain Act (Lieferkettengesetz) only apply to large corporations.
- In reality, big companies (your potential B2B clients) are legally required to assess their suppliers. They may ask you to sign a "Code of Conduct" or provide data on your CO2 footprint. If you cannot provide this information, you may lose the contract.

Energy and Mobility:

- Solar Check: Many German states have a solar obligation (Solarpflicht) for new commercial buildings or roof renovations. Always check local rules before making changes to a roof.
- The Job-Ticket: Offering employees the Deutschlandticket (heavily subsidised and tax-free) is the standard "green" benefit in 2026. It largely replaced the traditional company car as a status symbol for many younger professionals.

Social Impact: People Are your Main Asset

This is not just an image trend but a practical condition for survival. In a tight labour market, a company's success strongly depends on how it treats people. Fair pay, transparent conditions, and ethical business practices are key competitive advantages for attracting both employees and customers.

For Ukrainian entrepreneurs, this creates additional opportunities. You already have a natural advantage: by creating jobs for fellow Ukrainians, supporting integration, or offering services that consider cultural specifics, you also perform an important social role. Make sure to highlight this in your business plan: your company not only generates profit but also helps address important social challenges.

The Business Case (Why Do it?)

- **Bank Rating (ESG Score):** When applying for a loan, banks now assess your ESG Risk (Environmental, Social, Governance). A "brown" business (polluting or with higher social risk) may face higher interest rates than a "green" one.

- **Marketing:** German consumers are sceptical of “greenwashing”. Don’t just claim to be green; prove it (e.g. “We use 100% green servers” or “We support local club X”).

Integrating sustainability into the business model from the beginning is crucial. It signals reliability to banks and customers. Sustainability added later (e.g. as charity or side projects) can look like greenwashing, while built-in responsibility (such as paperless processes, energy-efficient equipment, or employing socially vulnerable groups) reduces costs and improves access to loans and grants. To implement this, environmental or social goals should be turned into part of the business model at the planning stage (e.g. resource savings or employee retention). Support for this strategy can come from local Chambers of Commerce and Industry (IHK/HWK) or specialised sustainability consultants, including help with funding opportunities.

Practical Tools VI

This section provides practical tools to help you access financial support and business opportunities in Germany. It includes a clear guide on how to apply for local grants, with step-by-step instructions and tips to navigate the application process efficiently.

Tool 1. Guide: How to Apply for Local Grants in Germany

Applying for local grants (*Fördermittel*) in Germany is governed by ***the Hausbank-Prinzip*** (for loans) and strict "**pre-start**" **rules** (for grants). In Germany, once you have spent the first euro or signed a contract, you are often no longer eligible for funding for that specific project.

Here is your 2026 step-by-step guide to securing local and regional funding.

Step 1 The Golden Rule – No Early Start

In Germany, you must apply before you begin your project (vor Vorhabensbeginn).

- **What counts as a start?** Signing a rental lease, buying equipment, or hiring a contractor.
- **The Exception:** Market research and creating a business plan are usually allowed before applying.

Step 2 Identify Your Funding Source

Grants are usually distributed at three levels (Table 26). For local grants, you should focus specifically on your **Federal State** *(Bundesland)*.

Table 21. *Funding sources*

Level	Primary resource	Examples of grants
Federal *(Bund)*	Förderdatenbank.de	EXIST (for tech), ZIM (for R&D).
State *(Land)*	Regional development banks	GründungsBONUS (Berlin), BayTOU (Bavaria)
Local *(Kommune)*	City business development office	Rent subsidies, local shopfront grants.

Step 3 Choose Your Funding Type

Funding in Germany typically comes in four forms:

1	***Zuschuss*** (grant)	non-repayable money. Usually you must cover 20–50% of the costs yourself.

2	**Förderkredit** (subsidised loan)	low-interest loans from the KfW or state banks (e.g. IBB, LfA).
3	**Bürgschaft** (guarantee)	if you lack collateral (e.g. a house), the state guarantees your loan to the bank.
4	**Beteiligung** (equity)	enture capital from state-backed funds such as ***High-Tech Gründer-fonds* (HTGF).**

Step 4 Application Workflow

A For loans (the "Hausbank Principle")

You do not apply directly to (KfW).

- Go to your regular commercial bank (e.g. Sparkasse, Deutsche Bank).
- Present your business plan.
- If approved, the bank applies to KfW on your behalf.

B For direct grants

- **Contact the IHK/HWK:** They offer free grant consultations (Förderberatung) to check your eligibility.
- **Submit a "project sketch":** Many grants use a two-step process. You first submit a short summary around five pages). If approved, you submit a full application.
- **Digital portals:** Easy-Online or regional portals such as IBB/LfA.

Step 5 Required Documents Checklist

Prepare your documents in advance. In most cases, you will need:

- **Business Plan:** a detailed 20–40-page document.
- **Financial plan *(Finanzplan)*:** 3-year projection for cash flow, profit and loss, and investment.
- ***Handelsregisterauszug*:** proof of company registration (if already established).
- **De-Minimis Declaration:** a form confirming you have not received more than €300,000 in state aid over the last 3 years.
- ***Unbedenklichkeitsbescheinigung*:** a clearance certificate from the tax office and health insurance confirming no outstanding debts.

Pro tip: *Wirtschaftsförderung*. Every medium to large German city has a ***Wirtschaftsförderung*** (economic development office). Search for *Wirtschaftsförderung* [your city]. These offices often manage local funding programs for neighbourhood development, innovation, or green energy that may not be listed in national databases.

Additional learning material

E-Learning platform for founders with a migrant background

Link to the e-learning platform "Important start-up knowledge for founders with a migration background" by AAU e.V.:

E-Learning-Plattform for Business Starters with migration history - AAU e.V.	LINK

or Self-paced Courses on Starting a Business

Learning to Start a Business - Entrepreneurship and Self-Employment	LINK

Explanatory videos on nine relevant topics on German business market

The platform offers training on starting a business to support sustainable startups and strengthen economic integration.

Website of "Wir gründen in Deutschland"

an information platform covering all topics related to starting a business and self-employment

"We start a Business in Germany"	LINK

Step-by-step guide: examples of business startups

Startup processes on the IRC guide platform	LINK

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