

## How to start your business?

Support possibilities in Berlin-Brandenburg

deGUT, October 14th. 2022

## The Migrant Economy in Germany



## KfW Entrepreneurship Monitor 2020

- The number of self-employed persons and start-ups was again on the rise in 2019, and people with a migration background were more active than average in setting up businesses. Women were particularly active in founding sideline businesses in 2019, accounting for 36 % of startups.
- In 2019, 21 % of the founders were of non-German origin.

The main motivations were independence, especially for women, and a higher income.

 Entrepreneurs with a migration background enrich economic diversity and create jobs.

## Formal differences between German/non-German



#### Main barriers for international founders

- Nationals of an EU member state are treated the same as German citizens = freedom of settlement under the same conditions
- Residence permit required for third-country nationals
- Educational qualifications not recognized
- Difficult access to financing: Limited residence permits, no credit history
- Language barriers

## Regulations for self-employment



## Aufenthaltsgesetz / Residence Act

- In the Residence Act §21 AufG is regulated- A foreign person who has successfully completed studies at a state or state-recognized higher education institution or comparable educational institution within the territory of the Federal Republic of Germany;
- or who holds a residence permit as a researcher or scientist in accordance with Sections 18b, 18d or 19c (1), may be granted a residence permit for the purpose of self-employment;
- The intended self-employed activity must show a connection with the knowledge acquired during the university education or the activity as a researcher or scientist.

### **Activity assignment**

## Overview of trade, craft and freelance





(Trade)

Trade, services, gastronomy, Corporation (e.g. GmbH, UG etc.)

Chamber of Commerce and Industry

(Business registration)

Handwerk

(Craft)

Specific service, handicraft product: confectioner, hairdresser, carpenter etc.

**Chamber of Crafts** 

(Register of Craftsmen, Business registration)

Freier Beruf

(Freelance)

Scientist, artist, writer, doctor, lawyer, interpreter

Tax office

(tax registration form)



#### Tax advisor

# Trade Office

- Trade regulations
- Trade license

#### **Tax Office**

- Registration
- Income tax
- VAT

#### **Bank**

- Business bank account
- Share capital

- Accounting
- Annual financial statements

Self-employment / company foundation

## **Sonstiges**

- Permission
- Master craftsman certificate
- Application building authority

### **Notary**

- Certificate of incorporation
- Commercial register

# Social insurances

- Health and nursing care insurance
- Pension insurance
- Unemployment insurance
- Employer's liability insurance (accident insurance)

Health office

6

## Which legal form is best for my business?



#### The choice of legal form has an impact on:

- the expense involved in setting up the company
- the tax treatment
- accounting obligations

#### Examples of legal forms:

- soleproneur (e.g. freelancers and tradesmen)
- civil law partnership (GbR)
- limited liability company (GmbH)
- stock corporation (AG)

#### Get advice on the choice of legal form!

## Why do I need a business plan?



#### For myself

- How much do I need to turn over to make a living from my business?
- Is my business developing as planned?
- Where do I want to be in a year, in five years?

#### For financing

Bank loans, grants, venture capital from investors

#### For the authorities



Overview -> Founder(s) -> Business Idea -> Competitors analysis -> Marketing -> Organisation/Employess -> Legal Form -> Chances /Risks -> Financing -> Documents





## Overview "Gründen in Berlin"

- Berlin contact persons and dates:
  www.gruenden-in-berlin.de
- > Start: Central information portal of the Federal Ministry for Economic Affairs and Energy in different languages: <a href="www.existenzgruender.de">www.existenzgruender.de</a>
- Tools and guidelines for the Business plan:
  <a href="https://www.gruendungswerkstatt-berlin.de/">https://www.gruendungswerkstatt-berlin.de/</a>

## **Counseling for newcomers**



Lotsenstelle: for migrant Self-employment of the State of Berlin at the Welcome Center



The Welcome Center Berlin is a first point of contact for all those immigrating to Berlin.



Counseling: arrival, family, housing, work and education, everyday life, recognition etc.

Berlin 4 Ukraine | Support Initiatives for Ukrainians coming to Berlin.

## **Start-up assistance for refugees**



Start-up Class for refugees der IHK Berlin https://www.ihk-berlin.de/Service-und-Beratung/Existenzgruendung/start-upclass-for-refugees/

LOK.a.Motion GmbH
<a href="https://www.neustart-lok.de/">https://www.neustart-lok.de/</a>



## Women-specific counseling centers



- > ISI e. V. Initiative Selbständiger Immigrantinnen / www.isi-ev.de
- Gründerinnenzentrale in der WeiberWirtschaft / www.gruenderinnenzentrale.de
- Akelei e. V. Berufswegplanung mit Frauen / www.akelei-online.de
- BER IT Beratung für Frauen\* / www.ber-it.de
- Frauenalia Coaching and support program for all phases of a start-up in Germany www.frauenalia.com

## **Business consulting in the districts**





#### Economic development of the Berlin district offices:

- Companies at the location
- Companies interested in settling
- Start-ups

## Also offering:

- Business start-up consultations
- Networking for companies
- Information on regional business incubators



Grafik: berlin.de

#### **Berlin Partner**



Berlin Partner for Business and Technology offers service packages on specific topics:

- Location search
- Search for qualified personnel
- International cooperation
- Support programs
- Innovation promotion
- Sustainability

## Gönül Nar

Guwbi e.V.

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Senatsverwaltung für Wirtschaft, Energie und Betriebe



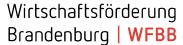


Partizipations- und Integrationsprogramm Die Beauftragte des Senats für Integration und Migration Senatsverwaltung für Integration, Arbeit und Soziales **BERLIN** 



## **Start-up support ecosystem in Brandenburg**









## **Startup funding instruments**

## For your success in Brandenburg





Brandenburg
Innovation Voucher
(BIG)

Program for the funding of research, innovations and technologies



**ProFIT Brandenburg** 

Program for the funding of research, innovations and the expected technologies



**GRW-G Growth** program for SMEs

Program for the funding of investments or personnel



**GRW-Market - International** 

Program for the promotion of business development on the global market by SMEs (trade fairs+consulting)



Founding Innovative (GI)

Program for the funding of start-ups and innovative in the start-ups and innovative in the sor December 1987.

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Brandenburg's innovation specialists (BIF)

Program for the employment of highly qualified junior staff

Enigetive Exto 555

#### **Brandenburg Innovation Voucher - BIG**



### At a glance

#### Who is sponsored?



Profit-oriented small and medium-sized enterprises (with restrictions)

**Requirement** → Registered office or operating site in the state of Brandenburg

#### What can be funded?



- A) Knowledge and technology transfer from research institutions to SMEs (BIG-Transfer)
- B) In-house R&D projects (BIG-FuE)
- Digitization measures (BIG-Digital)
- Advice on application for EU funding measures (BIG-EU)

#### How is it promoted?



- Non-repayable grant between 5 100 k EUR
- Funding rate up to 50 %
- A) Performance of the research institution
- B) Internal personnel, external R&D services, overhead flat rate 60 % of personnel expenses

#### **ProFIT Brandenburg**

## At a glance



#### Who is sponsored?



- Company
- Research institutions



**Requirement** → Registered office or operating site in the state of Brandenburg

#### What can be funded?



- Single and joint projects
  - Research
  - Development
  - Market launch
- Single projects
  - Feasibility studies

#### How is it promoted?



- Grant currently up to 400 k EUR per application (Research, Feasibility studies)
- Loan currently up to 300 k EUR per application (Market launch)

### **GRW-G Growth program for small enterprises**





Guideline from January 1, 2022 to December 31, 2023

#### Who is sponsored?



Small enterprises(SE) with < 50 employees, revenue or balance sheet total max. 10 million EUR

## What should be considered?



- Eligible investments from min. 60 k EUR to max. 2 mio. EUR
- Appropriation in advance for investment expenditure in the next 2 months
  - → No pre-financing by companies necessary

#### How is it promoted?

Grants related to physical capital <u>oder</u> wage cost-related subsidies



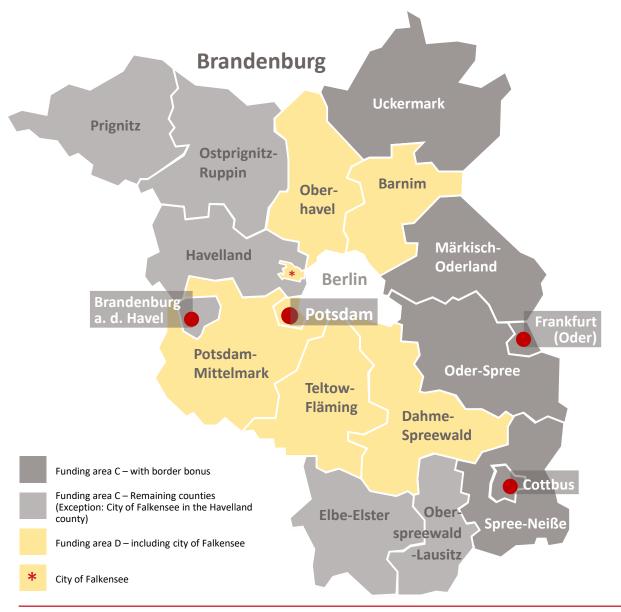
	Funding area* C	Funding area* D
Small enterprises	35%	20%
Border bonus	10%	0%
Maximum funding rate	45%	20%

<sup>\*</sup> See the map of funding areas

## **GRW-G Growth Program and Major Guideline**



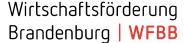
## Map of funding areas in Brandenburg



Funding area C	Funding area D
Prignitz	Oberhavel
Ostprignitz-Ruppin	Barnim
Havelland (ohne Gemeinde Falkensee)	Gemeinde Falkensee
Brandenburg a.d.H.	Potsdam-Mittelmark
Elbe-Elster	Potsdam
Oberspreewald-Lausitz	Teltow-Fläming
	Dahme-Spreewald
Funding area C with border bonus	
Uckermark	
Märkisch-Oderland	
Oder-Spree	
Frankfurt (Oder)	
Spree-Neiße	
Cottbus	

#### **GRW-Market - International**





### At a glance

#### Who is sponsored?



Small and medium-sized enterprises

**Requirement** → Registered office or operating site in the state of Brandenburg

#### What can be funded?



Opening up foreign markets with innovative products through

- Active participation in internationally oriented trade fairs
- Consulting and coaching for foreign market development

#### How is it promoted?

- Non-repayable grant of up to 15 k EUR per single measure
- Funding rate up to 80 % for start-ups



Please note → Only projects that were not started before the application was submitted will be approved. In the case of trade fair funding, the registration with the trade fair organizer is considered the start of the project!

### Founding Innovative (GI)

## At a glance



#### Who is sponsored?



Innovative companies, freelancers, market-oriented social enterprises up to three years after foundation

**Requirement** → Operating site in the state of Brandenburg and managing partner, at least 10 % shares + no other active participation of 25 % or more in other companies

#### What can be funded?



- Investment measures
- External technical consulting and development services
- Personnel costs for new jobs (except marketing/sales/admin) and management

#### How is it promoted?



- Non-repayable grant between 25 150 k EUR
- Funding rate up to 50 %

Please note → No retroactive funding after project start!

## Brandenburg's innovation specialists – BIF



### At a glance

#### Who is sponsored?



Small and medium-sized enterprises

**Requirement** → Registered office or operating site in the state of Brandenburg

#### What can be funded?



- Hiring of working students
- Hiring of university graduates
- Hiring of graduates of advanced training courses

#### How is it promoted?



- Subsidy on personnel expenses
- Funding of max. 2 innovation specialists at the same time
- De minimis relevant

## Brandenburg's innovation specialists – BIF



## How is it promoted?

#### **Working students**

- Duration 6-12 months
- 75 % subsidy
- max. 705 EUR per month

#### **Innovation Assistant**

- Term max. 24 months
- max. 60 % subsidy on the basis of mir (2,500 EUR employee gross for full-time (max. 1,560 EUR subsidy))



#### WFBB Start-up-Unit

#### The core team







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## Wirtschaftsförderung Brandenburg | WFBB

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We are looking forward to a successful cooperation.

#### www.wfbb.de











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