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BUSINESS REGISTRATION AND THE MANAGING DIRECTOR UNDER TRADE LAW IN AUSTRIA

WHAT IS A BUSINESS REGISTRATION?

A business registration is the official process of registering a commercial activity.
A key part of this registration is the appointment of a managing director under trade law. This individual assumes legal responsibility and ensures that the company complies with all statutory requirements and professional regulations.
IMPORTANT: No business activity may be carried out without a valid trade licence!

WHO IS REQUIRED TO FILE A BUSINESS REGISTRATION?

- Individuals / self-employed persons (sole traders) carrying out a commercial activity
- Corporations (Ltd., PLC) and Partnerships - General or Limited Partnerships - (acting through their managing director under trade law)

WHO IS THE MANAGING DIRECTOR UNDER TRADE LAW?

The managing director under trade law is a natural person who assumes responsibility for the proper conduct of the business activity within the company. Depending on the type of trade, this person must meet specific legal requirements.

Regulated trades (e.g. crafts, gastronomy, construction)
- ✔ the managing director under trade law must demonstrate the required **professional qualification**, for example by a master craftsman certificate or an equivalent qualification

Free trades (e.g. retail activities, certain services)
- ✔ no specific professional qualification is required
- ✔ the managing director under trade law must meet the general eligibility requirements for carrying out a trade

ACTIVE INVOLVEMENT IN THE COMPANY:

The managing director under trade law must be actively involved in the company for **at least 20 hours per week**. This minimum time requirement is intended to ensure that the managing director under trade law properly fulfils their duties and assumes responsibility for the business activity.

RESPONSIBILITY AND LIABILITY

The managing director under trade law is responsible for the proper operation of the business and for compliance with all applicable legal regulations. This includes the correct fulfilment of **tax obligations, as well as adherence to building, health and safety regulations**.

BUSINESS REGISTRATION AND APPOINTMENT OF THE MANAGING DIRECTOR UNDER TRADE LAW

The managing director under trade law must meet the following requirements:
- ✔ legal age (18 years)
- ✔ citizenship or a valid residence permit
- ✔ no grounds for exclusion (e.g., specific criminal records, insolvency offenses)
- ✔ for regulated trades: Proof of professional qualifications

REQUIRED DOCUMENTS:

- ✔ passport or national ID card
- ✔ proof of residence
- ✔ extract from the commercial register (for limited liability companies)
- ✔ articles of association (if applicable)
- ✔ proof of professional qualification (for regulated trades)

*SPECIAL REQUIREMENTS FOR FOREIGN MANAGING DIRECTORS UNDER TRADE LAW:

If the managing director under trade law **is not an Austrian citizen**, additional documents must be provided:
- ➡ extract from the criminal record of the country of origin (**important!**)
- ✔ **must not be older than 3 months**
- ✔ must confirm a **clean criminal record**
- ✔ in most cases, a **certified translation** into German is required

THE BUSINESS REGISTRATION PROCESS

1.submission of the registration
- ✔ to the district or municipal authority
- ✔ or online

2. review by the competent authority
3. entry in the trade register

COMMON MISTAKES

- ✔ incorrect classification of the business activity
- ✔ missing proof of professional qualifications
- ✔ starting the business activity before completing the business registration
- ✔ carrying out multiple activities -> multiple trade registrations are required!