


JX FUND



LEGAL NAVIGATOR
GUIDELINES FOR
OPENING MEDIA
ENTITIES ABROAD

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INTRO

Media organizations are sometimes forced to set up legal entities in other countries because, for example, restrictive legislation in their home countries makes it difficult for them to operate easily. It can be a challenge to find your way around other countries' legislation so reliable, up-to-date information is needed that considers the specific requirements of the media. Our legal navigator provides overviews of this legislation prepared by professional lawyers from selected countries, in understandable language and a comparable format.

PLEASE NOTE

This is a continuously growing project. The information is regularly updated in collaboration with local lawyers. Make sure that you have downloaded the latest version of the Legal Navigator from our [website](#). However, this navigator is only intended as an initial orientation aid. For further details, we urge you to consult a lawyer in the respective country.

If you have any questions or comments, please feel free to contact us at: assistance@jx-fund.org.

BULGARIA	3
CZECH REPUBLIC	4-6
FRANCE	7-8
GERMANY	9-16
LATVIA	17-20
POLAND	21-26
SERBIA	27-30
ANNEX	31-37

BULGARIA

HOW TO REGISTER A NONPROFIT ORGANIZATION

You do not need residency status to establish a nonprofit organization (NPO). There are two main types of NPO in Bulgaria: associations (no authorized capital; minimum of three founders) and foundations (authorized capital required; one founder sufficient). Documents required are: articles of association, minutes of the general meeting, a notarized specimen signature of the manager and various declarations. In the case of a foundation, a document from the bank verifying the deposit of the authorized capital is also required. NPOs are registered in the Unified Register of Legal Entities in Bulgaria. The cost of registration is BGN 55-110 (EUR 28-56), depending on whether the documents are submitted online or in person.

If the NPO is a public organization, it must also be registered with the Ministry of Justice, which costs BGN 20 (EUR 10).

HOW TO REGISTER A LEGAL ENTITY

Residency status is not required to establish a commercial organization. Registration in the Unified Register of Legal Entities in Bulgaria takes two working days. Documents required are: articles of association, minutes of the general meeting, a notarized specimen signature of the manager and various declarations, a document from the bank verifying the deposit of the authorized capital. The cost of registration is BGN 55-110 (EUR 28-56), depending on whether the documents are submitted online or in person.

HOW TO REGISTER A MEDIA OUTLET

There are no special requirements. Any legal entity can become a media outlet.

CZECH REPUBLIC

HOW TO REGISTER A NONPROFIT ORGANIZATION

The two most common legal options for NGOs are an association (*zapsaný spolek*) and an institute (*zapsaný ústav*) which, by their very nature, are quite different. An association must be founded by at least three persons (either natural or legal persons). It is a self-governing and voluntary association of members which is governed by articles of association that are approved in their initial version by the founding members. An association may have an individual statutory body (e.g. a chairperson) or a collective body (e.g. a committee). The principal body is usually the members' meeting. An association presupposes the involvement of active members, the payment of membership fees, the holding of regular meetings, etc. It therefore also has a social character.

An institute is more a nonprofit quasi-entrepreneurial legal person. There can be only one founder (or several founders acting unanimously), but it must be established by at least four persons. The basic bodies are a three-member board and a director who serves as the statutory body. It is also possible (but not compulsory) to make a deposit of initial capital when establishing an institute, similar to a commercial corporation, for example. No deposit of capital is needed for an association.

Once the legal form has been decided, the procedure is as follows:

1. In the case of an association (*zapsaný spolek*), three persons are required for the first members' meeting. If just a chairperson is to be registered with the court, their agreement and their certified signature (certified at a CzechPoint at any Czech post office) are required. If a committee is to be registered, the agreement of all members of the first committee (with their certified signatures) is required. In the case of an institute (*zapsaný ústav*), the certified agreement of the first members of the board (usually three) and the first director is required. The court checks the criminal record of the representative (chairperson of an association, director of an institute). This is easy if the person is a Czech citizen (or if they are a long-term resident of the Czech Republic). They can ask for their criminal record at any post office. In the case of a foreigner living in another country, the

court may ask for their criminal record in their home country or country of residence.

It should be noted that Czech court registers are very transparent. The chairperson of an association or the members of the board and the director of an institute will be published with their full names, dates of birth and the official addresses of their permanent residences in the Czech Republic.

2. An official address is required, if applicable with the agreement of the owner of the house/apartment (with certified signature) in which the office is located.
3. A founding document must be prepared consisting of the articles of association (constitution) of the organization. These specify the organization's internal rules, its mission and purpose, and financial and organizational rules. It is a crucial document.
4. If an institute is chosen as the legal form, an initial capital is recommended but not obligatory. This may be a symbolic amount, e.g. CZK 2,000. Official confirmation is required from the bank that the deposit has been paid.

HOW TO REGISTER A MEDIA OUTLET

Publishers must obtain a free trade license.

Additionally, the media itself (if it is a periodical) must be registered with the Ministry of Culture. In particular, a legal or natural person intending to publish or distribute periodicals in the Czech Republic is obliged to submit written notice of the publication of periodicals to the Ministry of Culture at least 30 days before the start of publication. This notice shall include the name and general description of the periodical's content, the interval between each edition, information about regional versions (if any) and information about the publisher.

HOW TO REGISTER A LEGAL ENTITY

To establish a limited liability company, the following must be submitted to the registration court: the memorandum of association, a trade license for the intended field of activity, confirmation from the bank that the

share capital has been paid, confirmation from the administrator that all contributions to the share capital of the company have been made (may be issued by the founder if they have been appointed as the administrator), the consent of the owner of the premises where the company will have its registered office and a criminal record certificate for each managing director. For citizens of non-EU states, an extract from the Czech Criminal Records Register, an affidavit and a specimen signature of each of the company's managing directors are also required.

The incorporation process usually takes two to three weeks. A company is considered incorporated and existing only after registration. A company must register for income tax within 15 days of its incorporation. VAT registration may be complicated because the company will need to confirm its expected annual turnover.

If the company plans to hire any employees, it will need to register with the social security authorities and relevant health insurance companies, as well as take out compulsory employer's liability insurance for occupational accidents and diseases. This registration is usually done by the payroll provider.

FRANCE

HOW TO REGISTER A NONPROFIT ORGANIZATION

The main form for a nonprofit organization in France is an association.

Legally speaking, the founders of a French association do not need to be French citizens or residents. However, it is highly advisable to have at least one French resident onboard; this will facilitate opening a bank account.

An association can be created by at least two people by signing the articles of association and the minutes of the founders' meeting, which can be held online. A legal address must be purchased prior to the incorporation of an association (EUR 220-250/year).

The process of registering an association includes publishing an announcement on the official website (*annonce légale*), submitting a declaration to the government authorities, opening a bank account, etc.

Please refer to the French government website for further information: <https://www.service-public.fr/particuliers/vosdroits/F3109>

HOW TO REGISTER A LEGAL ENTITY

The main types of legal entities in France are as follows:

- SARL (*société à responsabilité limitée* – limited liability company): This is the simplest form. The articles of association are standard and do not allow complex structures. It can be created by a single person (EURL, *entreprise unipersonnelle à responsabilité limitée*) or by two persons (SARL). There are no requirements as to the minimum amount of share capital.
- SAS (*société par actions simplifiée* – simplified joint stock company): This type of company allows more complex structures and the articles of association can be adjusted to a specific case (preferred shares, shareholders' agreements, etc.). It can also be created by a single person (SASU, *société par actions simplifiée unipersonnelle*) or

by two persons (SAS). There are no requirements as to the minimum amount of share capital.

- SA (*société anonyme* – stock corporation): This is a complex type company designed for large businesses. A minimum share capital of EUR 37,000 is required by law.
- Individual entrepreneur: Although easier to establish, this type of legal entity has certain tax peculiarities and limitations (difficulties in hiring employees). No share capital is required but an individual entrepreneur is liable for their obligations with their own assets (with certain exceptions).

When establishing a company, it is important to have onboard a French national or a person with the relevant type of residence permit in France (not all residence permits allow business activity).

For all company types (not IEs), it is necessary to deposit the share capital with a financial institution or a notary, purchase a legal address (EUR 220-250/year), draft the articles of association, publish an announcement on the official website (*annonce légale*), declare the ultimate beneficiaries and register with the French trade registry (*registre du commerce et des sociétés* on the INPI website). A bank account must then be opened for the newly established company.

It is highly advisable to have a French-speaking person as a part of the team. You may also need an external accountant to take care of the tax returns.

Please refer to the French government website for further information: <https://entreprendre.service-public.fr/vosdroits/F32886>

HOW TO REGISTER A MEDIA OUTLET

Incorporation of a mass media is generally done according to the same rules as incorporation of a legal entity (see above). There are certain restrictions however as to the percentage of shareholding which could be owned by a foreign individual in a mass media in French language.

GERMANY

HOW TO REGISTER A NONPROFIT ORGANIZATION

1. Preparation

- Decide on the legal form of association (non-registered / registered).
- Decide on the board & committee structure, rights of the members' assembly, the authorization to incur (power of representation of the board members, paid board activity permitted, further committees pursuant to Section 30 of the German Civil Code [*Bürgerliches Gesetzbuch* – BGB] / advisory board or similar desired, relationship between the association bodies).
- Perform financial planning (membership fees; if necessary, preparation of contribution rules).
- Decide the name of the association, infringements of intellectual property rights (marketability, internet domain).
- Establish an understanding of the duties of the board members (accounting and taxes, social security if applicable, data protection, intellectual property protection, etc.).
- Provide information about possible insurance, e.g. for accidents, liability, D&O (Directors & Officers).
- Decide on the association's address: either rent a suitable office address or clarify that the private address of a board member may be given (if necessary, obtain the landlord's consent in advance and take into account that the address must be published in the association register, the website's legal notice, etc.).
- Determine the responsible tax office (depending on the address).

2. Articles of association and preliminary review of nonprofit status

- Formulate the association's nonprofit (*gemeinnützig*) and possibly

also charitable/benevolent (*mildtätig*) purposes and measures to promote these purposes.

- Draft the articles of association.
- Obtain preliminary approval from the tax authorities pursuant to Section 60a of the German Tax Code (*Abgabenordnung* – AO).

3. Founding meeting

- The invitation can be issued informally.
- Plan the founding meeting: a minute-taker and meeting chair are required. If the meeting chair is running for election to the board, another person present must serve as the meeting chair during these elections.
- **Required documentation:**
 - Minutes of the meeting signed by the chair of the meeting, the minute-taker and the elected board members in the authorized number
 - Annex 1 to the minutes of the meeting: The articles of association as adopted with the handwritten signatures of at least seven founding members
 - Annex 2 to the minutes of the meeting: The attendance list of the founding meeting (if possible with the signatures of those present; their names, addresses and dates of birth should be given; guests present may be listed as guests)

Comment 1 - Representation of absentee founding members: If individuals who cannot attend in person wish to become founding members and no virtual or hybrid meeting is provided for, they may be represented by proxies authorized in writing. The proxies sign the articles of association on behalf of the absentees with the addition of “i. V.” and, if applicable, also accept election to the board on their behalf. A written power of attorney, not necessarily certified by a notary public, is required. This is attached to the minutes of the meeting as Annex 3 (a, b, etc., if applicable) when filing with the register of associations.

Comment 2 -Online or hybrid founding meeting: In principle, it is possible to hold the founding meeting online and invite third parties to attend via video conference. The meeting minutes then specify the video conferencing software used as the meeting venue, if necessary stating the “room number”. The responsible register of associations should be contacted in advance to inquire about the form for signing the meeting documents so they are accepted for register entry. The background to this is that this type of formation is still relatively new and some registers of associations have little experience and no uniform procedure for this.

From here on: non-registered association (*nicht-rechtsfähiger Verein*)

Despite minor differences in detail (liability of the members and the board of directors, etc.), the non-registered association is nowadays afforded similar competences as the registered association. It can open a bank account, apply for nonprofit status and theoretically also act in the medium and long term without having to register.

TIP: Before going to a notary (see point 4 below), make high-resolution scans and/or copies of the founding documents. If the originals are submitted to the register of associations without making copies, this will complicate the process of opening a bank account and filing for nonprofit status with the tax authority.

4. Notarization of the application to the register of associations

- Prepare a cover letter for the application to the register of associations.
- Provide the annexes to the registration (pursuant to point 3 above): the minutes of the founding meeting with annexes including the association’s articles of association, the list of participants and, if applicable, the powers of representation for absent founding members.
- The notary’s office certifies that the application has been signed by the board of directors in a number authorized to represent the association.
- The registration can be done by the notary or the association’s board.

5. Association bank account

- An account may be opened at the bank of choice (a copy of the founding documents and identification documents of the board of directors or parts thereof required, a copy of the application to the register of associations or the registration number if available should be submitted).
- Some banks require an excerpt or blank document from the transparency register in accordance with the Money Laundering Act; apply in good time if necessary.

6. Registration with the tax office & application for nonprofit status (§60aAO)

- In principle, this can be done once the association has been entered in the register of associations. Exception: If the association is already publicly active before being entered in the register, the tax registration and application for nonprofit status in accordance with Section 60a of the AO should be submitted before commencing operations.
- Submit the application form to the responsible tax office using the online form that is available nationwide, via the ELSTER tax software, via a locally provided form or possibly informally.
- When applying for nonprofit status, enclose the result of the preliminary examination, unless this has already been done by the notary's office (ask if necessary).

Tip for those in a hurry: To ensure faster processing, complete the tax registration questionnaire at an early stage or engage a tax consultant.

7. Transparency register

- Registration in the transparency register is required at the latest upon commencing the economic activity if at least one board member has one or more non-German nationalities or if there are other beneficial owners who control the association within the meaning of the Money Laundering Act (Geldwäschegesetz – GwG). (If legal entities are involved as members, their beneficial owners may also have to be disclosed. Therefore, in the case of participation chains, all information on

beneficial owners should be researched at an early stage.)

- It is also necessary to apply for registration in the transparency register if the relevant register of associations is not yet maintained electronically. Otherwise, the information submitted to the register of associations will be forwarded to the transparency register by the register of associations.

You can register yourself at: www.transparenzregister.de.

8. Application for value added tax identification number (VATID no.)

- This is required for associations with economic activities in other member states of the EU internal market.
- Information can be obtained from and the application submitted to the responsible tax office or online at the Federal Central Tax Office (*Bundeszentralamt für Steuern*, www.bzst.de).

9. Registration with the employment agency

If employees are to be employed (e.g. managing directors, marginal part-time employees, trainees), an online application for a company number must be submitted to the employment agency (www.arbeitsagentur.de).

10. Conclusion of employment contracts

Prepare contracts in good time. Clarify whether there will be an employment relationship subject to social insurance contributions or whether the activity is only honorary or voluntary on a freelance or part-time basis with expense allowance.

11. Registration of employees with the relevant employers' liability insurance association

It may be necessary to inquire which employers' liability insurance association is the correct one (free telephone hotline of the German Social Accident Insurance [*Deutsche Gesetzliche Unfallversicherung – DGUV*], www.dguv.de).

12. Registration with health insurance

If hiring employees, registration with their respective health insurance is required.

HOW TO REGISTER A LEGAL ENTITY

1. Legal assessment: Steps necessary to prepare the business operations of a new nonprofit company with limited liability (gGmbH)

- Draft the articles of association in accordance with the client's wishes and German (public benefit) tax law (see Section 52 (2) of the AO for a list of tax-exempt public-benefit objectives:
https://www.gesetze-im-internet.de/englisch_ao/index.html
(translation is from 2017 and does not include most recent additions)
- Obtain preapproval of the memorandum of association from the tax authorities (confirmation that the company will be granted a tax exemption as a public-benefit [*gemeinnützig*] organization).
- Prepare the appointment with the notary for incorporation. If the gGmbH has institutional shareholders, money laundering regulations will apply and information about the shareholders should be provided in good time.

2. Company incorporation: Actions to be taken by clients

- Decide on a bank for the company's first account. We recommend clarifying upfront the bank's requirements for the account contract and ensuring an appointment to open the account shortly after the notary appointment.
- Sign the memorandum of association and additional papers required before the notary.
- Open the bank account in the name of the new company.
- Release capital (minimum EUR 12,500 of EUR 25,000, depending on the articles of association) to the chosen bank and obtain documentation of the deposit.
- Forward the account documentation to the notary who will then file

the application for registration of the company with the commercial register (*Handelsregister*) and possibly the municipal trade office (*Gewerbeamt*).

- Soon afterwards, ensure that the company name is written on the company mailbox at the business address (so that the invoice and information from the commercial register can be delivered).
- Once the invoice is paid, the company will be registered and its registration in the commercial register published in Germany's electronic Federal Gazette (*Bundesanzeiger*). No further action is needed and the process may also take some time.
- Notify the municipal trade office about the new company. This step can be done at the same time as registering with the tax office (*Finanzamt*). The tax office may be notified of a new company by the municipal trade department and may get in touch.
- Notify the tax office about the new company and apply for a VAT identification number. Submit the completed questionnaire (Fragebogen zur steuerlichen Erfassung: Gründung einer Kapitalgesellschaft beziehungsweise Genossenschaft: <https://www.elster.de/eportal/formulare-leistungen/alleformulare/fsekapg>) along with an extract from the commercial register, a copy of the memorandum of association and the opening balance sheet to the tax office. This is done electronically (see <https://www.berlin.de/sen/finanzen/steuern/downloads/artikel.9770.php>) and requires registration in Germany's online tax portal (www.elster.de). Users apply for registration with ELSTER online and then receive a letter with a registration code to complete the registration process. Alternatively, firma.de or a tax consultant (*Steuerberater*) can handle this process. Consulting a tax professional is recommended in respect of the opening balance.

The tax office will provide the tax number. This is different from the VAT identification number which can be applied for using the same form.

- Register the company and its beneficiaries in the transparency register (www.transparenzregister.de). In the case of institutional shareholders, their beneficiaries must be registered as well. The company must file for registration before starting its business operations.

Therefore, if the company starts operations before it is entered in the trade register, both the company in formation – gGmbH i.G. – and then the formed company – gGmbHG – must be entered in the transparency register.

- Prepare the work contract for the managing director(s) and possibly additional staff.
- Declare the workforce: Register the company with the employment agency (<https://www.arbeitsagentur.de/unternehmen/betriebsnummern-service>) and declare its employees to the employers' liability insurance association (<https://www.firma.de/en/business-management/trade-insurance-institutions-berufsgenossenschaften-index-of-competencies/>). It may also be necessary to register with a health insurance fund (*Krankenversicherung*).
- The tax authorities will inform the applicant about the tax number and VAT identification number in due course (may take several weeks).
- Inform the local chamber of industry and commerce (*Industrie- und Handelskammer* – IHK) of the company's nonprofit status, verified with the appropriate documentation, to avoid paying membership fees.

Note: The company may start operations as soon as it is registered in the commercial register. However, invoicing and VAT deductions require the full tax and VAT identification numbers.

ALL INFORMATION ON GERMANY HAS BEEN KINDLY PROVIDED BY KANZLEI LEU.

LATVIA

HOW TO REGISTER A NONPROFIT ORGANIZATION

An NPO is a legal entity established by one or more persons. It is classified according to the classification of activities of associations and foundations approved by Cabinet of Ministers regulations. The classification includes 60 spheres of activity. It is possible to define or apply several spheres of activity at the same time.

Foundation

Documents required:

1. Application for registration
2. The decision on establishment
3. Articles of association detailing the foundation's objectives, management structure and operational rules
4. Registered office address (in Latvia)
5. Founders' identification details (passports or ID cards)
6. Consent of each member of the management board to hold office (at least three board members needed)

It takes up to seven working days to register a foundation.

The state fee for including a foundation in the commercial register is EUR 15 maximum.

Association

Documents required:

1. Application for registration
2. The decision on establishment

3. Articles of association detailing the association's objectives, management structure and operational rules
4. Registered office address (in Latvia)
5. Founders' identification details (passports or ID cards)
6. Consent of each member of the management board to hold office (at least one board member needed)

It takes up to seven working days to register an association.

The state fee for including an association in the commercial register is EUR 15 maximum.

HOW TO REGISTER A MEDIA OUTLET

The decision to establish a mass media outlet is made by individuals in accordance with the regulations governing the activities of the relevant entities. If the decision to establish a mass media outlet is made by a natural person, such a decision must contain information that allows the person to be identified. The founder may also be the publisher of a mass media outlet. In this case, the founder decides on the creation and publication of the mass media outlet. The right of the founder (publisher) of a mass media outlet to start its activities remains in force for one year from the date of entry into force of the decision on registration.

Documents required:

1. Application
2. Decision on establishment
3. In cases where the mass media outlet is established by a foreign legal entity, a certificate of the competent authority of the relevant country on the existence of such a legal entity and that the person acting as a legal representative of that legal entity (with the right to sign or authorize the signatory) has the rights to act on behalf of the relevant foreign legal entity.
4. An agreement regulating the relations between the owner (founder)

and the publisher, if the founder and the publisher are different persons.

5. A power of attorney, if the application is submitted by a person who is not the legal representative of the founder.

You will pay taxes according to the chosen legal form; there are no special taxes for media outlets.

HOW TO REGISTER A LEGAL ENTITY

Limited Liability Company (LLC)

Documents required:

1. Application for registration
2. Incorporation decision
3. Articles of association
4. Registered office address (in Latvia)
5. Division of the register of participants
6. Consent of each member of the management board to hold office (at least one board member needed)
7. Proof of capital contribution (minimum equity: EUR 2,800)
8. Bank confirmation of the deposited share capital

In Latvia, it is also possible to register a low-capital LLC with a share capital of less than EUR 2,800. In this case, the founders are natural persons only and the maximum number of founders is five. Board members must be shareholders of the company and may be a shareholder of just one low-capital LLC at any one time.

It takes up to three working days to register an LLC.

The state fee for including an LLC in the commercial register is EUR 20 to 75 (if not an accelerated procedure and depending on the LLC's share capital).

Stock Company (AS)

A public limited liability company is an open company whose shares may be the subject of public circulation. The minimum share capital shall be EUR 25,000.

The share capital and the nominal value of the share must share the lower nominal value of the company's shares and 10 cents without the balance. The nominal value of the share may not be less than 10 cents. A share may be registered in a shareholder register or a dematerialized share that is posted to the central securities depository.

General note on electronic submission:

If electronic submission is not possible due to the lack of an electronic signature, the documents must be submitted physically to the relevant authorities. This means that all necessary paperwork must be submitted in person or via mail. The process may involve additional administrative steps.

Identification for citizens of Russia: If a board member or founder has no Latvian personal identification number, they must provide a notarized copy of their passport to the registry office in Latvia. This ensures the official verification of the individual's identity during the registration process.

INFORMATION ON LATVIA HAS BEEN KINDLY PROVIDED BY THE SUSTAINABILITY FOUNDATION.

POLAND

HOW TO REGISTER A NONPROFIT ORGANIZATION

A foundation is one of the most popular legal forms of nongovernmental organization (NGO) in Poland. Depending on their founders, foundations can be categorized into three types: private, corporate and public. Private foundations are established and managed by individuals, corporate foundations by companies and public foundations by public administration entities.

Regardless of their type, the purpose of any foundation in Poland must be to provide a social or economic benefit. Foundations may pursue a wide range of charitable, social or economically beneficial objectives, provided these serve the public interest.

The person or entity creating the foundation shall be referred as the founder:

- The founder may be either a Polish citizen or a foreigner whose place of residence is in Poland or outside of Poland. It is advisable for a foreigner to hold a residence permit. However, it is not a requirement;
- The founder must have a unique registration number (PESEL). The procedure for obtaining a PESEL number requires the applicant to be legally resident in Poland and have an address in the country;
- The founder may appoint another person (board member, attorney at law) to draw up the statute or register the foundation by giving written power of attorney.

Establishing a foundation in Poland involves several crucial stages, each of which is necessary for the foundation to obtain legal personality. The process includes:

- Drafting a foundation act in the form of a notarial deed and determining the amount of the founding fund
- Creating the foundation's articles of association, outlining the organi-

zation and operation of the foundation

- Appointing the board of directors
- Registering the foundation in Poland's National Court Register (KRS)

The first two steps are primarily the responsibility of the founder while the final step is performed by the Polish court.

After completing these steps, the founder is not required to participate in the foundation's ongoing activities. However, the founder may choose to become involved by serving as a board member, for example, if the foundation's articles of association include provisions that allow this role.

Registering the foundation in Poland's National Court Register (KRS):

The founder or founders (or a proxy authorized by the founder) or the foundation's management board must apply to register the foundation in the National Court Register.

The registration process consists of submitting the registration forms together with documents and attachments (e.g. articles of association) required. The following documents should be attached to the application:

- Declaration on establishing the foundation (foundation act)
- Declaration indicating the competent minister of supervision
- Foundation's articles of association signed by the founder
- Resolutions on the appointment of the foundation's board of directors
- Statements by the members of the board concerning their addresses;
- Application for registration
- Confirmation of fee payment
- Written consent of the persons appointed to the board of directors

For details on founding an association (e.V.) as a non-EU citizen, please see annex, page 29f.

HOW TO REGISTER A MEDIA OUTLET

A media entity may have one of the following legal forms:

- a) Company, e.g. limited liability company (*spółka*)
- b) Economic activity, e.g. individual economic activity (*działalność gospodarcza*)

a) Company, e.g. limited liability company (*spółka*)

Advantages of establishing a company:

- The minimum authorized capital of the company is only PLN 5,000 (approximately EUR 1,250). The owners risk only the company's authorized capital and assets, not their own property. Exceptions include violations of the law and fraud. In such cases, the authorities may take everything.
- Any foreigner may register a company. The process requires only a passport and may be completed online.
- Fast registration in the National Court Register (KRS) is possible if all documents are submitted correctly at the same time. Registration usually takes seven to ten days.
- The minimum documentation required from a physical person is a passport with current validity.
- Each of the company's shareholders has a number of voting rights equal to the size of their holding. In other words, a holding of 40 percent in the company confers 40 percent of the voting rights.
- There is ample opportunity to establish the arrangements, rights and obligations of the co-owners in the company's articles of association. This is the company's internal constitution.
- A person can obtain a residence permit in the Republic of Poland by

establishing a business. It is not necessary to be physically present on Polish territory and the business can be operated remotely.

- In the Republic of Poland, a company can be established either by an individual or a group of founders. The shares in the company can be owned by another legal entity.
- Owners may withdraw dividends at any time, not just at the end of the year.

A limited liability company should be registered by a notary's office or professional lawyer (*radca prawny* or *adwokat*). It is a more complex procedure that requires the founder's physical presence at the office and involves additional costs.

List of documents required:

- A declaration by all members of the management board that all contributions have been made in full by all shareholders
- A list of shareholders (listing all shareholders with their first name and surname or the company name and the number and nominal value of the shares held by each of them; if the company has a sole shareholder, also indicate their correspondence address)
- A list including the first name and surname with a correspondence address or the business name and the registered address of members of the bodies or persons authorized to appoint the management board
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- A list of the management board members or proxies (with their surnames, first names and addresses)
- A document showing the appointment of the members of the company's governing bodies if this is not stipulated in the notarial deed containing the articles of association
- A statement by the members of the management board or their proxies that they consent to their appointment

In addition to the registration, supplementary data must be provided to

the tax office using form NIP-8. This must be submitted within:

- 21 days from the date of registering the company in the National Court Register
- 7 days from the day the business starts operating if it is intended to pay social security contributions

The application to register a company in the National Court Register should be examined by the registry court within seven days from the date of its receipt. The applicant may be asked to add missing information or to correct any mistakes. Once completed, the revised application will be examined within seven days. If the applicant fails to revise an application as requested, the application will not be accepted and will be returned to the applicant. A completed application can be resubmitted within seven days of receiving the returned application.

b) Economic activity, e.g. individual economic activity **(działalność gospodarcza)**

An individual economic activity can be registered online or in the traditional manner at any municipal office (*urząd gminy*). The registration of a business in CEIDG by a foreigner may take up to 30 days. However, the whole process usually takes about seven days.

A **PESEL number** (a unique personal identification number) is needed to register an individual economic activity. An application for a PESEL number can be made at any municipal office and must indicate the legal basis for requesting a PESEL number.

Once a person has obtained their PESEL number, they must **create a trusted profile** in order to create an account at Biznes.gov.pl. This is needed to complete the online application.

A trusted profile is a free tool that allows the user to:

- Confirm their identity in online government administration systems
- Sign documents with a trusted signature

The profile is used only for public administration procedures. When a per-

son submits an application to register a business activity online, it can be signed with a trusted profile or trusted signature.

An individual economic activity can be registered without a PESEL number in the traditional manner by going in person to any municipal office (*urzqd gminy*). A passport or other document confirming identity and citizenship must be presented to the municipal office employee.

Please note: If, after registering a business at the municipal office, a person then obtains a PESEL number and wants to be able to submit future applications to CEIDG online, it is necessary to visit a municipal office again in person to add the PESEL number to the CEIDG entry. Only then will it be possible to create an account at [Biznes.gov.pl](https://biznes.gov.pl).

For details about what to enter in the application for registration in CEIDG in response to the question on the foreigner's status, please see annex.

Irrespective of whether a business is registered online or in the traditional manner, any person who is not a citizen of a member state of the European Union or the European Economic Area or a citizen of the United States or Switzerland must provide a document confirming that their residence permit allows them to establish an individual economic activity. Other documents may also be required.

SERBIA

HOW TO REGISTER A NONPROFIT ORGANIZATION

The founders may be at least three natural or legal persons, of which at least one must have a permanent residence permit or registered office in Serbia. Registration requires the articles of association, the decision on establishment, a document demonstrating the payment of the state fee, the registration address for the establishment and copies of the founders' passports/ID cards. A nonprofit organization is only required to pay income tax if the difference between its income and expenses exceeds RSD 400,000 (about EUR 3,400 euros at present). In this case, annual income tax of 15 percent must be paid on the difference.

HOW TO REGISTER A LEGAL ENTITY

The following documents are needed to register a limited liability company (LLC):

1. Registration application form
2. Founding documents (decision on establishment or agreement, depending on the number of founders) with the notarized signatures of the founders
3. The number of founders with their notarized signatures; if the founders cannot speak Serbian, a court interpreter must be present for the certification process (cost of around EUR 130 to 150)
4. For founders that are natural persons: a copy of their passports; for founders that are legal persons: an extract from the register of business companies on registration (certified Serbian translation is required)
5. Decision on the appointment of the director
6. Confirmation from the bank of payment of the founding capital (minimum RSD 100 dinars or EUR 0.80)

7. Proof of payment of the registration fee (around EUR 45 to 50)
8. Rental agreement for the company's premises

The deadline for registration is five working days.

Unlike sole proprietorships, LLCs cannot use the imputed income/profit tax system. If the annual turnover of the LLC exceeds USD 8 million (around EUR 68,000), it is legally subject to the VAT system. In any case, at the end of the fiscal year, the LLC will pay 15 percent income tax plus monthly social contributions for its employees (26 percent to the pension fund, 10.3 percent to the health insurance fund, 1.5 percent to the unemployment insurance fund). The founder also pays tax of 15 percent on their profits (i.e. dividends).

VAT is either 20 percent (most common) or 10 percent, depending on the type of activity. The founder of an LLC is liable with their property for the company's activities up to the amount of their investment, unless the willfully negligent disposal of the LLC's property is proven. Both the founder of an LLC and the owner of a sole proprietorship require a work permit. Both LLCs and sole proprietorships entitle the owner and their family members to state health insurance.

HOW TO REGISTER A MEDIA OUTLET

This requires the relevant constituent acts, registration address, office space rental agreement and fees of about EUR 60. A sole proprietor will pay taxes.

To register a sole proprietorship (IE) in Serbia, the following are required:

1. A copy of the entrepreneur's passport
2. A completed application form
3. Proof of payment of the state fee of EUR 15
4. A registration address (a lease agreement is not necessary)

IEs most often fall under a system equivalent to imputed income taxation (*paušalno oporezivanje*). The tax does not depend on turnover and inclu-

des both social contributions and business tax. Annual turnover should not exceed RSD 6 million (around EUR 50,000 to 51,000). The amount of tax paid depends primarily on the type of activity, the place of registration, the average salary in the entrepreneur's municipality, the number of employees, the equipment used in the activity, the size of the premises where the activity is carried out, the age of the entrepreneur and the estimated income from the activity. On average, the monthly tax is between EUR 200 and 400 euros and is paid each month.

Under this taxation system, there is no need to keep accounting records as such. However, the equivalent of an income book (*knjiga ostvarenog prometa* – KPO) must be maintained. This records the invoices issued for goods sold or services rendered. There is no requirement to record expenses. If payment is received in cash, this must be deposited to the account within seven days. However, funds may be withdrawn from the account without restriction or explanation or the obligation to pay any additional taxes. The only restriction is on the amount: A maximum of RSD 150,000 (around EUR 1,300) may be withdrawn each day. This limitation is due to the requirements of Serbia's Anti-Terrorism Law. The need for a cash register depends on the specific type of activity. A sole proprietor may keep a CCW of their own if they know the language and how to fill it out correctly. If the annual turnover exceeds RSD 6 million but remains below RSD 8 million, the sole proprietor must switch from the imputed income taxation system to the self-taxation (*samooporezivanje*) system and if it exceeds RSD 8 million to the VAT system.

The self-taxation system has two forms:

- A salary is assigned and paid to the sole proprietor; social contributions and taxes are paid monthly depending on the salary assigned and amount to 67 percent of the gross salary, plus an annual income tax of 10 percent; this is a good option if a stable income is expected.
- No salary is assigned and paid to the owner of the sole proprietorship; it is still necessary to pay social contributions and taxes, which are calculated on the net profit and amount to 67 percent, plus an annual profit tax of 10 percent; this is the most unfavorable option.

In these cases, bookkeeping is mandatory and must be done by a registered accountant. The monthly cost of an accountant for a sole proprietorship averages EUR 60 to 100.

A sole proprietorship is not a legal entity. The owner of a sole proprietorship is responsible for its activities with all their personal property. A sole proprietorship may hire employees, just like a legal entity. One of the advantages of a sole proprietorship is that its work can be suspended for an indefinite period, during which taxes are not paid. In this case, the pension record is interrupted. A sole proprietorship may be reorganized into an LLC at any time, but not vice versa.

ANNEX

GERMANY

Founding an association for third-country nationals (*Ausländerverein*)

German law differentiates between foreign associations (*ausländischer Verein*) and associations founded/run by foreigners (*Ausländerverein*). The first criterion for differentiation is the actual registered office of the association, i.e. the place where its affairs are conducted. An association with either a majority of non-EU members or non-EU leadership that has its registered office in Germany is considered to be an association founded/run by foreigners (*Ausländerverein*). One thing to bear in mind here is that the association's actual leadership is considered. Having a German/EU president is not sufficient if the association's day-to-day business is run by a foreigner.

Having an unlimited residence permit (*Niederlassungserlaubnis*) is not relevant for classification as an association run by foreigners (*Ausländerverein*). Nationality is the only criterion. Dual German/EU nationality and another nationality is enough to be considered German/European within the meaning of association regulations.

Concerning the residence of the members and/or leadership, there is currently no uniform way that association registers handle this. Some still require the leadership and the majority of members to be resident in Germany. Others have adjusted their requirements concerning the leadership especially to reflect increased global mobility and require only unlimited access to Germany to conduct urgent business affairs (similar to the managing directors of companies, who can also be foreigners and reside abroad, something that has been increasingly accepted by company registers over the last ten to 20 years).

In summary: If the majority of an association's members AND leadership are European citizens AND the administration is conducted in Germany AND the majority of the members reside in Germany, the association will be considered German.

If the majority of an association's members are foreigners residing in Ger-

many AND the administration is conducted in Germany AND the (possibly foreign) leadership is present in Germany to the extent that the responsible register of associations accepts this as leadership and administration in Germany, the association will be considered an association (run) by foreigners (*Ausländerverein*). This entails additional registration requirements and some additional rights of the public administration to ask questions about the association's affairs and its possible political activities (see Germany's laws on associations: *Vereinsgesetz*, *Vereinsgesetz-Durchführungsverordnung*) but these are manageable.

If EITHER the majority of the members reside outside Germany OR the associations' management and administration are conducted outside Germany OR the majority of the leadership resides outside Germany or is considered unfit to manage the association from within Germany (there is some scope for assessment by the responsible court registry), an association will be considered a foreign association and cannot be registered as a German e.V.

It is best to consult the relevant register of associations in Berlin about the plans and strategy for an association once the association's name has been decided because the court clerks' responsibility is assigned on alphabetical basis.

An alternative option is to establish a nonprofit limited liability company (gUG) which requires less capital than a gGmbH but is run in a similar way. There are a few restrictions on founding and managing a gUG as a foreigner. However, it is possible for the founding partners to reside outside Germany, provided the managing director is permitted to work/be self-employed in Germany. Complications may arise here if a majority of the partners/shareholders are non-EU citizens residing in Germany without the type of visa that permits self-employment.

POLAND

What to enter in the application for registration in CEIDG in response to the question on the foreigner's status:

Legal basis for setting up an individual economic activity	What to enter in the application for registration in CEIDG reg. <i>foreigner status</i>	What documents need to be scanned and attached
Permanent residence permit	Residence permit number	Decision to grant a residence permit
EU long-term residence permit (permit granted in Poland)	Temporary residence permit number	Decision to grant a temporary residence permit (on the basis of marriage)
Temporary residence permit and marriage to a Polish citizen residing in the territory of Poland		<i>or</i> (1) Decision to grant a temporary residence permit (of any type – does not have to be based on marriage) and (2) spouse's identity card and (3) marriage certificate <i>or</i> (1) Temporary residence permit (of any type – does not have to be based on marriage) and (2) spouse's identity card and (3) marriage certificate

Refugee status	Residence permit number or number of the Geneva travel document	Decision to grant refugee status
Subsidiary protection	Residence permit number or number of the Geneva travel document	Decision to grant subsidiary protection
Tolerated stay permit	Tolerated stay permit number	Decision to grant a tolerated stay permit
Humanitarian residence permit	Residence permit number	Decision to grant a residence permit for humanitarian reasons
Temporary residence permit for the purpose of conducting a business activity, granted in relation to the continuation of a business activity	Temporary residence permit number	Decision to grant a temporary residence permit
Valid Pole's Card	Pole's Card number	Valid Pole's Card
(1) Reside in the territory of the Republic of Poland pursuant to Article 108(1)(2) or Article 206(1)(2) of the Act on Foreigners or (2) on the basis of a stamp in the travel document, which confirms the submission of an application for an EU long-term residence permit, if directly	Passport number	Passport with the stamped page

before submitting the application the entrepreneur was entitled to set up and conduct business activity pursuant to paragraph 2(1)(c) and (g)

Poland Business Harbour visa

Visa number

Passport with the page on which the visa is affixed

Temporary residence permit granted in connection with a situation referred to in Article 144 of the Act on Foreigners (for the purpose of studying at a university)

Temporary residence permit number

Decision to grant a temporary residence permit (based on university studies)

Temporary residence permit granted in connection with a situation referred to in Article 159(1) of the Act on Foreigners (for the purpose of family reunification)

Temporary residence permit number

Decision to grant a temporary residence permit

Temporary residence permit granted in connection with a situation referred to in Article 186(1), (3), (4) and (7) of the Act on Foreigners (concerning an EU long-term residence permit granted by another member state of the EU)

Temporary residence permit number

Decision to grant a temporary residence permit

<p>Temporary residence permit granted in connection with a situation referred to in Article 151(1) of the Act on Foreigners (for a researcher – for the purpose of conducting scientific research or development work)</p>	<p>Temporary residence permit number</p>	<p>Decision to grant a temporary residence permit</p>
<p>Family members of EU citizens</p>	<p>Residence permit number</p>	<p>Residence permit annotated with the words ‘Family member of an EU citizen, Article 10 of Directive 2004/38/EC’</p> <p><i>or</i></p> <p>Permanent residence permit annotated with the words ‘Family member of an EU citizen, Article 20 of Directive 2004/38/EC’</p>

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