



DigiRUR

HANDBOOK

A guide on how to start a business



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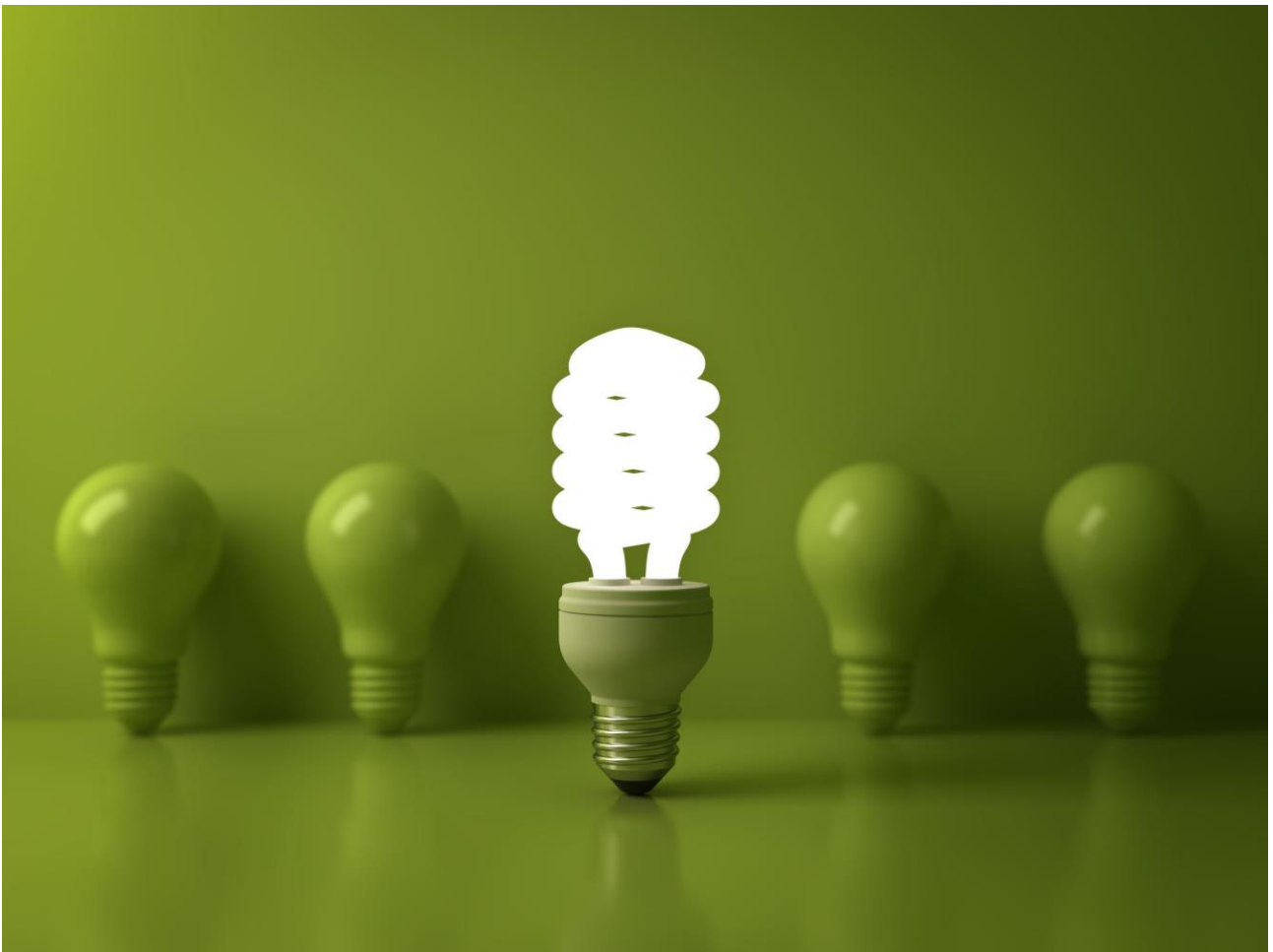
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FIRST STEPS TO START BUSSINESS



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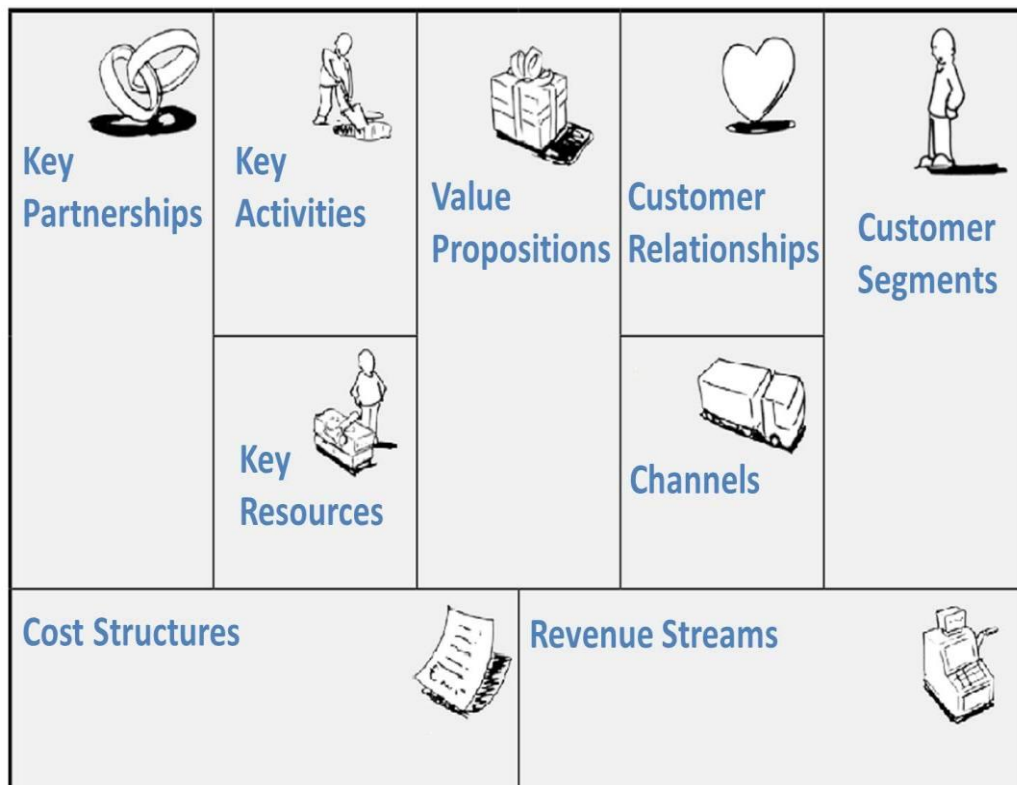
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Introduction

Part A “First business steps” of Digital Handbook for rural Start Up & MotiVIDEO is specifically designed to help rural entrepreneurs overcome unique challenges they may face when starting or growing a business. The handbook provides information on topics such as identifying and evaluating business opportunities in rural areas, building a successful business idea that is tailored to the needs of rural communities, and using digital tools and technologies to reach customers and expand the business. Additionally, the handbook includes tips for overcoming common challenges faced by rural entrepreneurs, such as limited access to funding, lack of infrastructure, and difficulty attracting and retaining skilled workers. By providing practical advice and guidance on these and other topics, the handbook can help rural entrepreneurs overcome these challenges and build successful businesses in their communities.

Introduction in business management

- Business management is the process of planning, organizing, and controlling resources to achieve organizational goals.
- Entrepreneurship is the process of creating or starting a new business venture in order to make a profit.
- Successful entrepreneurs possess certain characteristics, such as creativity, risk-taking, and perseverance.



- Identifying and evaluating business opportunities is a crucial step in the entrepreneurial process.
- Business models are frameworks that describe how a business operates and generates revenue.
- The Business Model Canvas is a tool that helps entrepreneurs visualize and develop their business model.
- Common problems faced by entrepreneurs include lack of funding, competition, and market saturation.
- Strategies for overcoming challenges include networking, seeking mentorship, and adapting to changing circumstances.
- Successful entrepreneurs often have a strong vision, a willingness to take risks, and a commitment to continuous learning.

The entrepreneurship process include:

1. **Identify an Opportunity:** The entrepreneurship process begins with identifying a business opportunity. This can involve recognizing a gap in the market, identifying a problem that needs to be solved, or developing a new product or service.
2. **Establish a Vision:** Once an opportunity has been identified, the entrepreneur must establish a vision for their business. This involves defining the purpose and goals of the business, and developing a clear understanding of what the business will look like in the future.
3. **Persuade Others:** In order to turn their vision into a reality, entrepreneurs must persuade others to support their business idea. This can involve convincing investors to provide funding, persuading customers to buy their products or services, or building a team of employees who share their vision.
4. **Gather Resources:** With a clear vision and support from others, entrepreneurs must gather the resources they need to start and grow their business. This can involve securing funding, hiring employees, and acquiring the necessary equipment and supplies.
5. **Create a New Venture, Product, or Market:** With the necessary resources in place, entrepreneurs can begin creating their new venture, product, or market. This involves developing a business model, creating a product or service that meets the needs of customers, and establishing a presence in the market.
6. **Change/Adapt with Time:** Finally, entrepreneurs must be willing to adapt and change their business over time in response to changing market conditions, customer needs, and other factors. This involves continuously evaluating their business model, products, and services, and making adjustments as needed to ensure long-term success.





Overall, the entrepreneurship process is a complex and challenging journey that requires a combination of creativity, vision, and perseverance. By following these steps and staying focused on their goals, entrepreneurs can increase their chances of success and achieve their dreams of starting and growing a successful business.

7 steps to be a successful entrepreneur.

No	Don't take 'no' for an answer.
Learn	Learn from the best.
Stay	Stay hungry and ambitious.
Stand	Never stand still; evolve with the times.
Nurture	Nurture long-term business relationships.
Inspire	Inspire those around you.
Trust	Trust your gut instinct, not just your spreadsheet.

How to create a business plan?



- The development of the Business Plan is a fundamental business requirement to start a project.
- The business plan will be your business card, your great communication tool to present your business idea to any person or institution.
- It examines all the different aspects of business management and lays the foundations for preparing for its management.
- It can be developed at any stage of the company's development - start-up, growth, maturity, etc.

The content of business plan:

1. **Summary:** A brief overview of the most important points of the plan.
2. **Description of you and your business:** This section should include information about the business structure, business model, industry, vision, mission, and purpose.

3. **Market analysis:** This section should include information about the target market, competition, and industry trends.
4. **Marketing strategy:** This section should include information about how you plan to reach your customers.
5. **Management, staff, and leadership:** This section should include information about the team involved in the business, including their roles and responsibilities.
6. **Product/service:** This section should include information about the products or services offered and how they differ from the competition.
7. **SWOT analysis:** This section should include a SWOT analysis, which stands for strengths, weaknesses, opportunities, and threats.
8. **Financial plan:** This section should include information about the financial position of the business, including capital and income, as well as estimated financial status.
9. **Annexes:** This section should include any additional information that supports the business plan, such as market research, financial projections, or legal documents.



How to finance your business?

Financial planning – crucial for the business

Financial planning is the process of assessing and establishing the necessary assets and resources, as well as estimating the future financial needs and creating plans to achieve the set goals. Planning can be made for different periods of time - for one month, three months, six months or for a longer period of time - a year, three or five years.



- The **main tool of financial planning** is the **financial plan**. It helps to determine how much cash resources are needed for the implementation of a given activity and how the company will allocate them optimally over periods.
- The financial plan provides an answer for the expected profit from the implementation of a given activity. It includes balance sheet, income statement, equity statement, cash flow statement, etc.
- The structure of the financial plan includes the following most important components, which we will consider from the point of view of forecasts and planning:
 - 1.1. Planning the volume of sales.**
 - 1.2. Cash flow planning.**
 - 1.3. Planning for income and expenses.**

Financing possibilities

- 1. Personal investment** - When borrowing, you invest some of your own money—either in the form of cash or collateral on your assets. This proves to your banker that you have a long-term commitment to your project.
- 2. Love money** - This is money loaned by a spouse, parents, family or friends. A banker considers this as "patient capital", which is money that will be repaid later as your business profits increase.

3. **Venture capital** - Invests in startups; Typically acquires stakes that are less than 50% of a company's equity; May participate in the management of portfolio companies; Extremely popular in the tech sector; Invests in companies that have yet to generate significant revenue or profits; Generates a return when a portfolio company is sold or taken public.
4. **Angels** - Angels are generally wealthy individuals or retired company executives who invest directly in small firms owned by others. Angels are generally wealthy individuals or retired company executives who invest directly in small firms owned by others.
5. **Grants and subsidies** - Getting grants can be tough. There may be strong competition and the criteria for awards are often stringent. Generally, most grants require you to match the funds you are being rewarded and this amount varies greatly, depending on the granter. For example, a research grant may require you to find only 40% of the total cost. Generally, you will need to provide: a detailed project description, including location; an explanation of the benefits of your project; a detailed work plan with full costs; details of relevant experience and background on key managers; completed application forms when appropriate
6. **Loans** - Loans are the most commonly used source of funding for small and medium sized businesses. In general, start-ups have a harder time accessing loans than do established businesses. Entrepreneurs with a solid business plan and a good credit rating are more likely to be able to access loans.

Marketing principles

Marketing is one of the most basic functions of a business and/or of an organization, as it directly concerns the promotion of the products/services that are offered to the consumers / the public. The importance of Marketing lies in the fact that it concerns the "pursuit" of any company or organization to have products or to offer services with such characteristics that meet the needs and desires of the consumers they are addressed to.

Marketing MIX

One of the most basic points of Marketing is the mixture of Marketing Elements (Marketing Mix), which largely determines the actions marketing will be implemented on behalf of a business or organization. Essentially, the Marketing mix refers to the tools a business or organization uses, in order to succeed in the targets/goals they have set and increase the Sales and Profits from its Products and Services.

8 Ps of the Marketing Mix Defined



- **Product** includes use, design, packaging, quality, features, colors & size options.
- **Price** depends on packaging (including sizes), discounts, timing, location, shipping & other offer-related elements.
- **Place** includes retail, digital, phone, chat, fax & multi-channel options.
- **Promotion** consists of content, communications & messaging to persuade audience to buy.
- **People** includes everyone your business touches.
- **Principle** means your business must stand for something more than making a profit.
- **Process** focuses on technologies to improve customer experience.
- **Performance** means measurable results aligned with financial & strategic objectives.

Source: <https://heidicohen.com/four-ps-of-marketing-mix>

Branding

Branding consists of positioning a brand, its philosophy, and its values, for a target audience in the market and it's a concept closely linked to the emotional connection of a company's product or set of products with its customers (potential and real). This process also includes the maintenance and monitoring of the reputation of the specific brand and its image linked to a logo, corporate colors, and even the claim or main message that it wants to convey. Some authors add that branding is closely related to meeting customer expectations and satisfaction.

Branding is the process of creating a strong, positive perception of a company, its products, or its services in the customer's mind and differentiates itself from competitors.

Branding increases business value - Branding is important when trying to generate future business, and a strongly established brand can increase a business's value by giving the company more leverage in the industry. This makes it a more appealing investment opportunity because of its firmly established place in the marketplace;

Branding generates new customers - A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with you because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique;

Improves employee pride and satisfaction - When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. Working for a brand that is reputable and held in high regard amongst the public makes working for that company more enjoyable and fulfilling;



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Creates trust within the marketplace - A brand's reputation ultimately boils down to the amount of trust that clients can have in it. The more you trust a brand, the better your perception of it, and the stronger its reputation and, thus, the brand itself.

Public Relations

PR is the Persuasion Business. You are trying to convince an audience, inside your building or town, and outside your usual sphere of influence, to promote your idea, purchase your product, support your position, or recognize your accomplishments.

How to do it?

- Write and distribute press releases
- Speech writing
- Create and execute special events designed for public outreach and media relations
- Writing and blogging for the web (internal or external sites)
- Crisis public relations strategies
- Social media promotions and responses to negative opinions online

Event management

Event management is the process by which events are conceived, planned, created, and assessed. Events are brought to life by the project management of a series of well-thought-out plans and tasks.

Why hold an event?

To increase awareness about something – person/product/service

To develop brand or organization loyalty

To introduce a new product or service, new company, or new market

To announce the news

To raise money – donations

To celebrate employees

To celebrate big achievements

To celebrate a birthday

→ Consumers today are looking for specific products or services. An event facilitates face-to-face discussion with your consumers, helping them to establish a much more personal and intimate relationship with your brand than what is possible in the digital space.

→ Speaking of brands, events do a ton to generate brand recognition. As many as 8 out of 10 people who take part in a marketing event pass that experience on to someone else, making your brand much more accessible to your target audience.

→ Events are a cost-effective way to roll out new products or services. You can get buy-in on a new product much quicker when you have a live, captive audience to showcase it to. And it can come in at a much lower cost than going through traditional media.

Digital marketing

The most important types of Digital Marketing are:

1. Via network partners (affiliate marketing)
2. Using electronic mail (e-mail marketing)
3. Using mobile telephony (mobile marketing)
4. Through search engines (primarily Google)
5. Contagious or "viral" marketing (viral marketing)
6. Using social media (Social media marketing)

The most popular social media networks are the following (eBizMBA, 2019):



Facebook is the most widespread social networking platform, with more than 1,5 billion users on a weekly basis. It allows its users to post information, images and videos, comment on the material and information from accounts of other users, and communicate with other users through personal messages.

When to use it: It works best for people that already have a strong following and want to maintain it. The people who use Facebook the most are women between 35 and 54 years old and men from 25 to 44 years old.

What to post: Use Facebook to share everything from photos to essential company updates.



Youtube allows its users to look for and watch different videos that have been uploaded by other users.

When to use it: Most businesses with YouTube accounts have a creative, visual or educational component.

What to post: Videos! Be mindful that YouTube has 2.3 billion users and a massive amount of content available. Therefore, to stand out, you'll need to be creative and post carefully designed videos.



Instagram allows its users to publish photos and videos, which their "followers" can watch and

comment upon. For someone to be able to comment on another user's posts on Instagram, he/she must "follow" the user to see content

When to use it: Instagram works particularly well for visual-based businesses, like art, food, retail, and beauty. Females between 16-34 and males from 16 to 24 years old are the main users of the platform.

What to post: Instagram is an image and video-based platform. Your Instagram account manager should have a good eye for detail and some photography skills, ensuring the photos and videos posted to your account are high quality.



Pinterest reaches mainly the female consumer audience with images (mainly) and videos on various topics (mainly related to fashion, art, well-being, beauty, health etc.)

When to use it: Pinterest is a platform dedicated to “scrapbooking”, which means saving content by “pinning” photos or videos on a virtual board. So, it’s more useful to businesses and brands which have a strong visual presence.

What to post: Some of the most frequently posted content is recipes, style and fashion ideas, photographs, tips on several topics, and DIY activities. It’s not the place to post a lot of textual information, such as the background of your brand and your business hours.



LinkedIn developing relationships and enhancing visibility amongst professionals, recruiting as well as B2B (ie from one company to another). LinkedIn offers multiple features such as creating a page, joining groups, and publishing on your profile. It also provides business tools to help you find talent, grow your business, and measure the impact of your page.

When to use it: LinkedIn was developed to be more professional than other social media professionals, and it’s particularly focused on businesses and professionals.

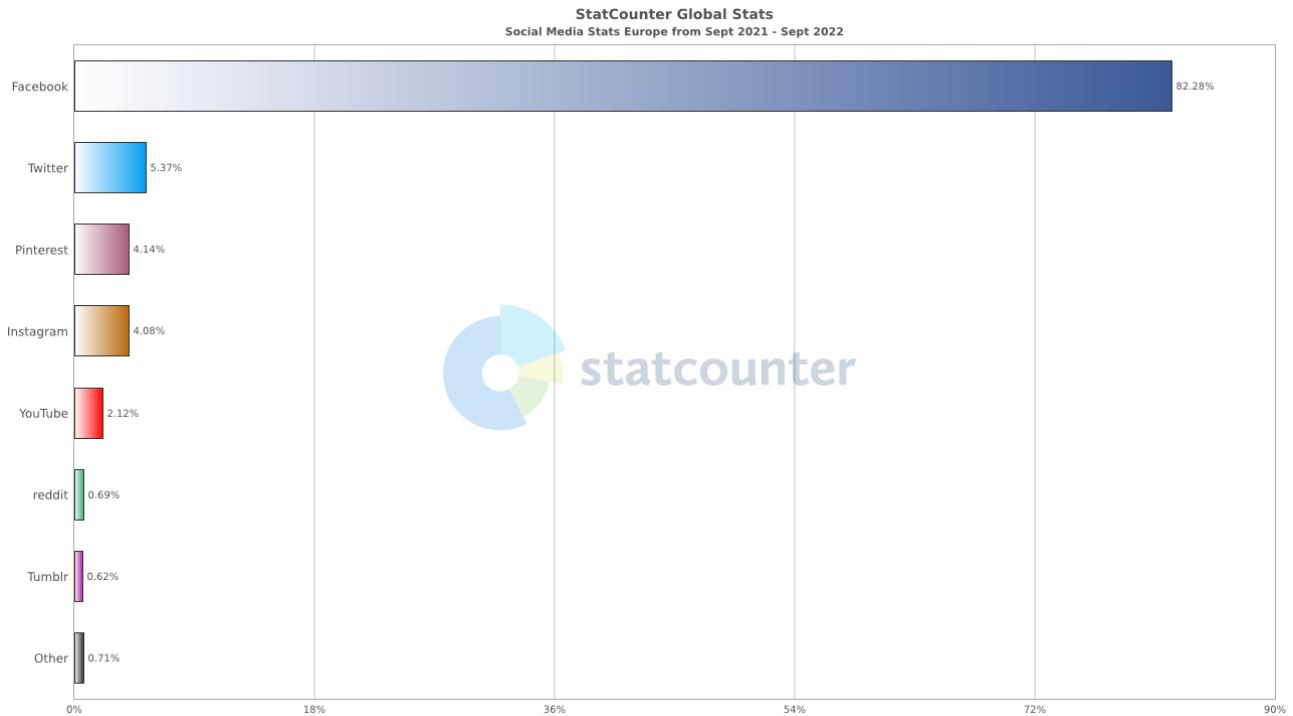
What to post: You can publish diversified content - from text to video or pictures - but try to be careful and maintain a polished, professional look.



TikTok is an app preferred by some of the younger generations because it’s very flexible in terms of the content shared, creative, and known for the sharing of relatable and funny content. It’s very easy to combine strategies in TikTok videos, deploying popular music and other making use of other trends.

When to use it: TikTok is best for visual-based businesses like art, food, retail, beauty, and some service industries. Targeting 15–34 year–old consumers.

What to post: Short videos, but be careful to find the right tone for it - don’t forget that you’re talking to Generation Z.



The points on which the company should focus in order to develop its social media marketing plan are the following:

- Targeting the right consumer audience, depending on their preference for the different social media.
- Developing the appropriate display and promotion messages, which will be included in the posts published on your social media.
- The appropriate “timing” for the appearance of publications on the company’s social media.
- A company must therefore take into account and examine, with regards to its social media marketing, not only the social media networks it intends to use but also the publications it will carry out, including the content.



- **GDPR is the General Data Protection Regulation from the European Union, in order to protect the personal data of citizens and individuals and to define the ways and conditions that will be used, for the processing and transmission of their data!**
- **The Regulation compels businesses to adhere to technical and organizational regulations with each citizen, who comes into cooperation or creates an official or customer relationship with a business (public the private).**

CONTENT MARKETING

Pillar 1: The Creation of precious, relevant and consistent content - The content can to is varied, such as articles, e-books, tickets type, social posts and webinars. Also, content marketing is not just words. The creation of visual content (image or video form) is equally, if not more important for the effectiveness of content marketing, since, as has been observed, the visual content is the one that pulls by far more the consumers' attention.

Pillar 2: The distribution of content - Platforms like your company's website or blog, YouTube, Facebook, and the rest of your social media channels, is a great starting point.

Pillar 3. Creation of content for the public (target consumers) who you are aiming at THEM, not for YOU personally! - To do this you need to know your audience very well. And get to know their concerns, their needs, but also their interests, in order to tailor your content to their concerns, interests and needs. You are reading carefully the feedback and comments left by visitors on the platforms which you manage (e.g. website, blog, social media etc.).

Pillar 4: Choosing your goal (indicatively here-below goals): To do this you need to know your audience very well. And get to know their concerns, their needs, but also their interests, in order to tailor your content to their concerns, interests and needs. You are carefully reading the feedback and comments left by visitors on the platforms which you manage (e.g. website, blog, social media etc.).

How to start the digital world of your startup?

Web design refers to the design of websites that are displayed on the internet. It focuses on how users interact with websites and is different from making software.

Web design used to be mainly for desktops, but now it's important to design websites that work well on mobile and tablet devices too.

Good Web Design:

- Focuses on the end user's experience
- User Experience Design (UX) responds to customers' digital demands
- Identifies problems with current designs and suggests changes to digital products

Therefore, it takes into consideration:

- **Layout:** *the page and the way the content is present needs to be easy to use, accessible, intuitive, and uncomplicated*
- **Visual hierarchy:** *the information needs to be displayed in a certain order, in order to be processed. Size, color, images, font, etc. are ways to influence this.*
- **Typography:** *The content's style or font needs to be appealing and simple to read*
- **Readability:** *The text should be clearly readable, and be adapted to the user needs.*

- **Load time:** *The load time of a website should be short. Optimising images helps!*
- **Mobile friendliness:** *More than ever, people access web pages on their phones. Therefore, web designers need to make sure their page is adapted to all screens.*

Create Your Own Website

Nowadays, having a website is crucial, for many reasons:

- It's a great opportunity for small businesses and entrepreneurs, and favours "local shopping";
- Provides your target group with more information about your brand/business;
- It's what's expected from the customers;
- Gives you credibility and shows that you're serious about the business;
- Provides you with flexibility, control, branding and credibility.
- Allows you to be found on the Internet, and facilitates the communication with potential customers.

What to Consider Before Starting a Website?

- **Time:** The time required to construct a website might vary greatly depending on the strategy used. So it's critical to understand if you're in a hurry or can afford to take your time.
- **Budget:** Building a website might be inexpensive if you do it correctly. However, if you wish to avoid adverts on your site or gain access to upgraded services, you'll most certainly need to budget some money.
- **Website builder:** A website builder is a program that allows you to create a website rapidly. It will provide you with premade templates, and they don't require any coding experience. It's a great place to start - but bear in mind that you're limited to the options provided.
- **Content Management System (CMS):** CMSs are sometimes confused with website builders but they are a complete platform for developing and publishing digital material. They are far more complex and versatile than a website builder, and they are fairly simple to use.
- **Create Your Own HTML and CSS:** Using Hypertext Markup Language (HTML) and Cascading Style Sheets (CSS) will allow you to construct your website from the ground up and will give you the most freedom. To pull it off, you'll need a lot of time on your hands as well as extensive programming skills.
- **Determine the sort of hosting you require:** Shared or cloud hosting is less expensive and will suffice for the majority of small business websites.
- **Think about security:** Hosts are responsible for keeping your online files secure, thus you want a host who is concerned about security.
- **Examine some important characteristics:** These are extra provided by the hosts. Choose a host that provides what you require, rather than a more expensive plan with "free" services that you will never use.

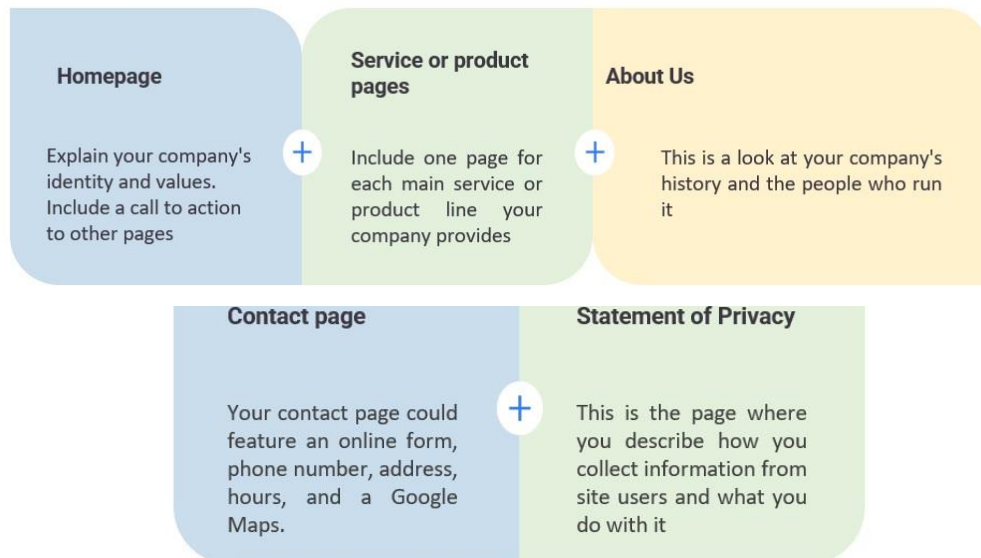
- **Define cookies preferences and research about user privacy:** They will help you keep some important information about your customers, and, therefore, will improve their use experience.
- **Pay close attention to pricing specifics:** Many servers provide discounts or a free trial period, that then is renewed. Be aware!
- **Study the evaluations** - Search about the evaluations of each host



WEBSITE BUILDERS:

- **WORDPRESS**
- **SQUARESPACE**
- **WEEBLY**
- **WIX**

Here are a few key website pages that every website should have:



How to start an e-commerce business?

In the digital economy, e-commerce (EC) has become an important technological and distribution tool, stimulating the competitiveness and innovation of companies regarding the way they promote their products and services, producing a transformation in human behavior, and producing a new consumer profile. Through the digital technologies used, e-commerce ensures the direct connection of business partners, increasing the attractiveness of the business environment and new opportunities for consumers.

In the last decade, the use of e-commerce has been booming, as most traditional businesses have started to expand their business to the online environment.

One of the great advantages of e-commerce is that it helps smaller retailers " access and establish a wider market presence" by providing more accessible and more efficient distribution channels for their products or services.

Website speed is critical to your sales success, as 75% of people abandon their shopping carts when pages take more than 3 seconds to load.

The main types of business models for e-commerce are the following:

Business-to-Consumer (B2C) - businesses sell directly to their end-users. The decision-making process for a B2C purchase short , especially for lower-value items. Because of this shorter sales cycle, B2C businesses typically spend less marketing coins to make a sale while having a lower average order value and fewer recurring orders.

Business to Business (B2B) - is when a business sells something to another business. B2B transactions generally have a longer sales cycle, but higher-order value and more recurring purchases.

Direct to Consumer (D2C) - it is the latest e-commerce model and involves brands selling its own product directly to its end customers, without the help of third-party wholesalers or online retailers. This model gives brands greater control over brand messages and consumer engagement, more opportunities for innovation, direct access to customer data, higher margins, stronger brand loyalty and expanded market opportunities.

Consumer-to-consumer (C2C) - Connect consumers to exchange goods and services and typically make their money by charging transaction or listing fees.

Consumer-to-Business (C2B) - This model involves the sale of a product or service by a consumer to a business.

Business-to-business-to-consumer (B2B2C) -Company sells its product or service in partnership with another organization to an end customer.

How to start an e-commerce business?

Dropshipping is an order fulfillment model that does not require a business to keep products in stock. Instead, the store sells the product and passes on the sales order to a third-party supplier, who then ships the order to the customer.

The vendor usually pays for the item at a discount by working directly with a manufacturer or wholesaler; their profit comes from the difference in the initial item cost and whatever price they sell it at.

The vendor does not store their own inventory or ship items directly. Instead, they focus mostly on marketing, advertising, and managing their online presence.

- 1. Do research to establish target audience, competition and costs.** Knowing who'll buy your products or services — and why — is crucial for your planning. This applies to domestic and overseas markets. Find out what advantages competitors have over the business you're planning, and examine their pricing and marketing strategies.

When launching your new e-commerce store, you'll want to consider startup costs for the following:

- The website development and platform of your online store or website;
- Your e-commerce store's inventory, if it's product-based;
- Marketing campaigns to drive brand awareness and customers to your site;
- Legal considerations, such as licensing, permits, and insurance;
- A good business plan to secure financing to help pay for the startup costs of your e-commerce business;

- 2. Develop or choose your product or service you want to offer to your customers to get your products and find suppliers.** To succeed as an entrepreneur, you must develop the ability to select and offer the right products or services to your customers in a competitive market. More than any other factor, your ability to make this choice will determine your success or failure. Once you've got a product or service in mind, you need to begin with a self-analysis:

- What kinds of products do you like, enjoy, consume and benefit from?
- Do you like the product or service you're planning to sell?
- Can you see yourself getting excited about this product or service?
- Would you buy it and use it yourself?
- Would you sell it to your mother, your best friend, your next-door neighbor?

- Can you see yourself selling this product or service for the next five to 10 years?
 - Is this a product or service that you intensely desire to bring to the marketplace?
3. **Determine the name of the business if you are just starting one.** Choosing a catchy company name that highlights your brand identity or helps your business idea stand out from other good business names can be daunting.
 4. **Prepare a detailed business plan.**
 5. **Define all aspects of the brand and think about how it differentiates itself.** Building a strong brand is the undisputed key to success in today's business world, and robust differentiation is an absolute must to build a powerful and compelling brand. Brand differentiation is the means by which your brand is set apart from the competition, by associating a superior performing aspect of your brand with multiple customer benefits.
 6. **Define your delivery strategy.** You can make the best product in the world, but if you don't have a delivery strategy for getting it to your customers, you'll end up with a fully stocked warehouse and no incoming revenue. Product delivery should be thoughtfully planned and executed and should fit into your company's overall mission and marketing strategy.
 7. **Create your e-commerce website/store.** The online shop is the first, most significant (and probably only) point of contact a potential customer has with the brand.



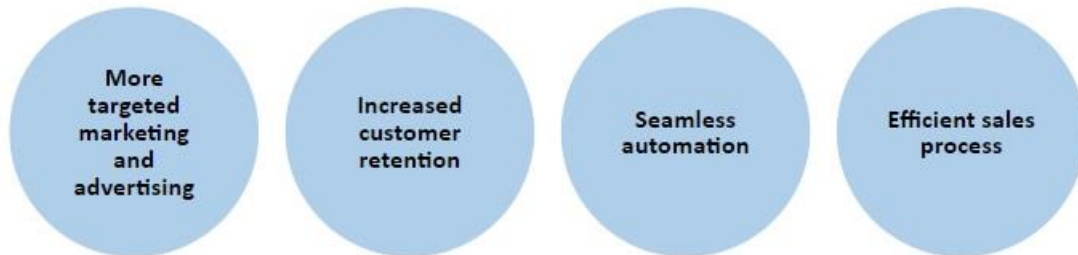
Types of e-commerce platforms

- **SaaS (software-as-a-service) platforms** - involve software only;
- **PaaS (platform-as-a-service) platforms**- they add a hardware element;
- **DaaS (data-as-a-service) platforms**- designed to enable data providers (on AWS Data Exchange) to build and offer data products and services out-of-the-box to their subscribers, without requiring them to build data processing or analytics capabilities.
- **On-premises platforms**- hosted locally by the retailer and managed by their IT staff rather than being set up by another provider and accessed through the cloud.

AI in E-commerce

- is about the learning technologies and algorithms that provide the foundation.
- deliver an optimized customer experience on and off their ecommerce websites by using collected business and customer data to make better business decisions and more accurately predict the future.
- has the potential to impact on any number of business functions across your organisation.

Benefits of Using Artificial Intelligence in E-commerce Companies



AI Use Cases in Ecommerce



Robobizz is a revolutionary RAAS(Robot as a service) software solution, managed by AI and Winner of the 2020 eCommerce Germany awards in category "Best Innovation". It automates all commercial processes in E-commerce and solves business' pains.

RoboBIZZ is delivering the future of e-commerce today by using artificial intelligence to manage online stores in real-time with minimum human input.

This highly intelligence robot takes the place of your online store management team, substantially cutting your cost of sale and increasing that all important retail profit margin in this most competitive of sectors.

RoboBIZZ automatically uploads unlimited products while accurately sourcing product descriptions, photos, prices, quantities and availability information from all of your suppliers. By doing this, RoboBIZZ eliminates the need for costly manual input and updates while ensuring your online store always has the very latest product information.

Releva is an All-in-one AI automation solution for E-commerce growth that optimizes customers' experience by providing a deeper understanding of the needs of each customer. Releva is a unique AI-first RevOps platform. In a single dashboard, Releva combines all tools you need to measure, attribute, experiment, analyze, predict and automate your growth in real-time. Releva combines users' needs with your sales strategy to optimize for expected, timely, and engaging communication.

AI-driven sales assistant that anticipates clients' needs on the website

Easy-to-build marketing automations and workflows

Hyper personalized omnichannel communication

360-degree customer profiles

How to manage data and big data?

- Data refers to raw facts, figures, or statistics that are collected, recorded, and stored for various purposes.
- It can take different forms, including text, numbers, images, audio, video, and more.
- Data provides the foundation for information and knowledge when it is processed, analyzed, and interpreted.
- It can be structured, where it is organized in a predefined format, or unstructured, lacking a specific organization or format.
- Data plays a critical role in decision-making, research, analysis, and the functioning of various systems and processes across different domains.

Big data

- Big data is a term for massive data sets having large, more varied and complex structure with the difficulties of storing, analyzing and visualizing for further processes or results.
- Thus, Big Data primarily refers to data sets that are too large or complex to be dealt with by traditional data-processing application software.
- Data with many entries offer greater statistical power, while data with higher complexity may lead to a higher false discovery rate.
- Big Data is larger, more complex data sets, especially from new data sources.
- These data sets are so voluminous that traditional data processing software just can't manage them.
- But these massive volumes of data can be used to address business problems you wouldn't have been able to tackle before.

Big data benefits:

- Big data makes it possible for you to gain more complete answers because you have more information.
- Complete answers mean more confidence in the data—which means a completely different approach to tackling problems.

The significance of data lies in its ability to provide valuable insights, inform decision-making, and drive progress in various fields. Here are some key reasons why data is significant:

1. **Informed decision-making:** Data empowers individuals, organizations, and governments to make informed decisions based on evidence and facts rather than relying on assumptions or intuition. It
2. enables stakeholders to understand trends, patterns, and correlations, which can guide strategic planning, resource allocation, and problem-solving.
3. **Improved operational efficiency:** Data analysis can identify inefficiencies, bottlenecks, and areas for improvement within processes and systems. By leveraging data, organizations can streamline operations, optimize workflows, and enhance productivity, ultimately leading to cost savings and enhanced performance.
4. **Enhanced customer insights:** Data allows businesses to gain a deeper understanding of their customers, their preferences, and their behaviors. By analyzing customer data, organizations can personalize their products and services, target specific market segments, and deliver tailored experiences, resulting in improved customer satisfaction and loyalty.
5. **Innovation and research:** Data serves as a foundation for innovation and research across diverse fields. By analyzing and interpreting data, researchers can identify trends, uncover new knowledge, and develop innovative solutions to complex problems. It fuels advancements in technology, healthcare, social sciences, and numerous other domains.
6. **Identifying market trends and opportunities:** Data analysis enables organizations to identify emerging market trends, customer demands, and opportunities for growth. By tracking and analyzing market data, businesses can adapt their strategies, develop new products or services, and stay ahead of competitors.
7. **Evidence-based policymaking:** Data plays a crucial role in shaping public policies and decision-making processes. Governments and policymakers rely on data to understand social, economic, and environmental factors, assess the impact of policies, and make informed choices that benefit society as a whole.
8. **Predictive analytics and forecasting:** By analyzing historical data and using advanced techniques such as predictive analytics, organizations can forecast future trends, anticipate market demands, and make proactive decisions. This helps in optimizing resource allocation, minimizing risks, and maximizing opportunities.

Data mining

- **Data mining** is the process of **extracting** and **discovering patterns** in large data sets.
- While upon hearing data mining one thinks that the main goal of the process is the extraction of data, it is actually discovering patterns that is what data mining mainly aims to. Discovering of patterns is performed by using **algorithms**
- Data mining involves three phases: (1) Pre-processing; (2) Data Mining & (3) Results Validation(3

(1) Pre-processing:

- Pre-processing involves defining of data target(s), assemblage (collecting, extracting) and initial processing of data to evaluate if data set is large enough and consisted so the algorithm can be implemented. Data cleaning is also part of pre-processing (noise reduction, low quality data removed).

(2) Data Mining:

- Data mining involves algorithmic operations such as:
- Anomaly detection; Association rule learning; Clustering;
- Classification; Regression and Summarization.

(3) Results validation:

- Verify that the patterns produced by the data mining algorithms occur in the wider data set. Not all patterns found by the algorithms are necessarily valid. It is common for data mining algorithms to find patterns in the training set which are not present in the general data set.

Data phishing on the other hand refers to malicious activity aiming to extract personal, sensitive or classified information or installing malware.

The similarities between data-fishing and data-mining is that in both cases you are inspecting a very large number of hypotheses from your data. If done correctly, data-mining is not frowned upon because it is acknowledged that you are doing this to generate interesting hypotheses to be tested later, where as data-fishing implies that the researcher did not confirm the final hypothesis they inspected in a new data set.

Data Strategy: Your AI strategy must be underpinned by a thorough, up-to-date data strategy. After all, AI just doesn't work without data. our AI priorities will impact or change certain areas of your data strategy.

Identifying the cross-cutting issues for your AI use cases: The rest of the AI Strategy Template is broken down into AI requirements, such as technology and skills. In each of these sections, your task is to pinpoint the challenges, themes, activities, issues and goals that are common across your various AI use cases.

Start wit you AI strategic use cases: If you haven't done so already, start by completing the AI Use Case Template for each of your AI priorities/projects. AI use cases will be different for each company and will be driven by your strategic objectives. However, some common ways to use AI include:

- Developing more intelligent products
- Developing more intelligent services
- Making business processes smarter
- Automating repetitive business tasks

- Automating manufacturing processes
- It's worth including a couple of 'quick win' AI priorities – short-term AI projects that can help you demonstrate value from AI in relatively quick, easy and inexpensive ways.

Ethical and legal issues: here are lots of ethical and legal considerations around AI

- Consent and data privacy
- AI free of bias and discrimination,
- Ethical – AI should be used for the good of the business, its employees and its customers

Technology and infrastructure: Consider the four layers of data and identify what technology you'll need for each layer:

- **Collecting data**
- **Storing data**
- **Processing (analyzing) data**
- **Communicating insights from data**

Skills and capacity: There's a huge skills gap in AI and data. There may, for example, be cross-cutting training requirements. Or perhaps you'll need to hire new staff, or partner with an external AI provider.

How Big Data works

1. Integrate: Big data brings together data from many disparate sources and applications. During integration, you need to bring in the data, process it, and make sure it's formatted and available in a form that your business analysts can get started with.

2. Manage: Big data requires storage. Your storage solution can be in the cloud, on premises, or both. The cloud is gradually gaining popularity because it supports your current compute requirements and enables you to spin up resources as needed.

3. Analyze: Your investment in big data pays off when you analyze and act on your data:

- Get new clarity with a visual analysis of your varied data sets.
- Share your findings with others.
- Build data models with machine learning and artificial intelligence.
- Put your data to work.

Common methods of collecting big data: operational systems producing transactional data such as point-of-sale software; endpoint devices within IoT ecosystems; second- and third-party sources such as marketing firms; social media posts from existing and prospective customers; multiple additional sources like smartphone locational data; and surveys that directly ask customers for information

Steps in the data collection process

- extraction -- data is taken from its originating location;
- transformation -- data is cleansed and normalized for business use; and
- loading -- data is moved into a database, data warehouse or data lake to be accessed for use.

BIG DATA MYTHS

Big Data Myth #1: It's Big

Big Data isn't "big".

It is diverse.

Large volume of data points, updated at high frequency in real-time, from various sources.

It's very granular, individual transaction data;

Big Data Myth #2: You need to apply it right away

Think carefully about what you want to do with the information before you start stockpiling data.

Big Data Myth #3: The more granular the data, the better

Is real-time and granular data always better? No, it's not.

There also needs to be an appropriate level of aggregation to cancel out all the white noise.

Big Data Myth #4: Big Data is good data

There is a distinction between a lot of data and a lot of good data. Poor quality data has lots of errors, lots of missing data that can be misleading.

You have to figure out what data to include in your analysis, and what you need to throw away.

Big Data Myth #5: Big Data means that analysts become all-important

It is often said that Big Data will see the rise of the analysts, BUT there's no time to "brief the analytics team" now.

Big Data Myth #6: Big Data gives you concrete answers

Ambiguity is the dominant characteristic of Big Data. Multiple sources of data (for example, transaction, customer acquisitions and media) can lead you away from what the evidence is telling you.

Big Data Myth #7: Big Data is a magic wand

Yes, but you need to ask the question in exactly the right way.

You need to ask your questions very carefully of the "Big Data" crystal ball.

Big Data Myth #8: Big Data can create self-learning algorithms

False positives from rogue data (for example, call center call volume prediction from direct response TV ads) indicate the limits of automated models from a marketing perspective.

When set up in the right way, algorithms can be very powerful, but they always require human intervention.

TIPS FOR GETTING THE MOST OUT OF BIG DATA ANALYTICS

1. Start with a business problem in mind.

- what kind of business problem or challenge can be addressed with the data you have,
- Ensure that the data being analyzed is current, accurate, and offers real insight.

2. Look ahead to how you'll deploy insights in different business functions.

- To achieve real business value, you need to operationalize the results of your analysis.
- Wise selection of data is critical.

3. Leverage analytic innovation.

- Innovations in big data processing and analytics are transforming how businesses get value from their customer data.
- From snapshots and dashboards (what happened) to systems that continuously analyze incoming data to produce predictions and prescriptions (what to do about it) that are actionable in real time.

4. Embrace analytic diversity.

- Analytic teams need to use multiple development methods to deliver the insights the business needs.
- Combining different types of analytic techniques can deliver superior results.

5. Leverage cloud services and productivity platforms.

- Leverage cloud services, reduce cost and increase speed and reliability of data storage.

6. Balance automation with expertise.

- More analytics doesn't mean less need for human expertise.
- Analytics expertise is key to make sense of it all!

HOW TO SET UP A BUSINESS



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Introduction

Welcome to the section on "How to Create a Business" in our comprehensive handbook. In this guide, we will provide you with essential information and step-by-step instructions to help you navigate the process of establishing your own business in the vibrant and thriving economy in all partner countries. This section will serve as your go-to resource for understanding the legal, administrative, and practical aspects of starting a business. From registering your company to obtaining necessary licenses, understanding tax obligations, and accessing government incentives, we have compiled all the relevant information and expert insights to empower you on your entrepreneurial journey.

How to set up a business in Spain

Introduction

Why Start a Business in Spain?

Spain offers a vibrant and diverse market for entrepreneurs. It boasts a strong economy, a strategic location in Europe, a skilled workforce, and a welcoming business environment. Moreover, Spain's rich cultural heritage and lifestyle make it an attractive destination for both business and leisure.

Why Start a Business in Spain?

Spain - A Land of Opportunity: Spain, located in the southwestern part of Europe, is not only known for its beautiful landscapes and rich cultural heritage but also as a land of business opportunities. With its diverse economy, strategic geographical location, and well-established infrastructure, Spain has become a favored destination for entrepreneurs looking to establish or expand their businesses in Europe.

Strategic Location: Spain serves as a gateway to the European Union (EU) market, providing access to over 500 million consumers. Its proximity to North Africa and Latin America also positions it as a bridge between different markets, creating unique opportunities for international trade and commerce.

Skilled Workforce: Spain boasts a highly skilled and multilingual workforce, making it easier for businesses to communicate and collaborate with partners and customers from around the world. The country's education system produces professionals in various fields, including technology, finance, and the arts.

Quality of Life: One of the key attractions of Spain is its high quality of life. From the Mediterranean coast to the vibrant cities like Barcelona and Madrid, Spain offers a lifestyle that combines work and leisure seamlessly. This can be particularly appealing for entrepreneurs seeking a balance between business and personal fulfillment.

Supportive Government Incentives: The Spanish government encourages entrepreneurship through various incentives and programs. These include tax breaks, grants, and subsidies for startups and businesses operating in specific industries like renewable energy, technology, and tourism.



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Thriving Tourism Industry: Spain's tourism sector is one of the strongest in the world, attracting millions of visitors each year. This provides business opportunities in areas such as hospitality, travel services, and related industries.

Key Advantages and Challenges

Advantages:

Access to the EU Market: As a member of the European Union, Spain offers businesses unfettered access to a vast market with harmonized regulations.

Skilled Workforce: Spain's universities and vocational schools produce a steady stream of skilled professionals across various sectors.

Cultural Diversity: Spain's rich cultural tapestry and regional diversity create opportunities for niche businesses catering to specific tastes and preferences.

Tourism Potential: If your business is tied to the tourism industry, Spain's popularity as a tourist destination can be a significant advantage.

Challenges:

Bureaucracy and Administrative Procedures: Like many European countries, Spain has bureaucratic processes that can be time-consuming and complex. It's essential to navigate these efficiently.

Economic Fluctuations: Spain, like any other country, can experience economic ups and downs. It's important to have a resilient business plan that can withstand economic challenges.

Competition: Depending on your industry, you may face stiff competition. Thorough market research and a unique value proposition are critical.

Language Barriers: While English is widely spoken, especially in business circles, you may encounter language barriers in some regions. Learning some basic Spanish can be advantageous.

Tax Complexity: Spain's tax system can be intricate, and understanding and complying with it is crucial for your business's financial health.

Starting a business in Spain is a rewarding endeavor, but it requires careful planning, local knowledge, and a willingness to adapt to the unique aspects of the Spanish market. In this handbook, we will guide you through the essential steps and considerations to help you establish a successful business in Spain.

Step by Step:

1. Market Research:

- Identify your target market, competitors, and potential demand for your products or services.



- Evaluate the economic climate, consumer trends, and regulatory environment relevant to your business.

2. Business Plan:

- Clearly define your business concept, objectives, and unique value proposition.
- Conduct a thorough analysis of your target market and outline your marketing strategies.
- Include financial projections, funding requirements, and a break-even analysis.
- Detail your organizational structure, management team, and operational plans.

3. Legal Structure:

- Decide on the most suitable legal structure for your business, such as sole proprietorship (autónomo), partnership (sociedad civil), limited liability company (S.L.), or public limited company (S.A.).
- Consider the legal, financial, and tax implications associated with each structure.
- Consult with a lawyer or business advisor to determine the best option for your specific circumstances.

4. Company Name:

- Choose a unique and distinguishable name for your business.
- Verify the name's availability through the Central Commercial Registry or Spanish Patents and Trademarks Office.
- Register the chosen name with the Mercantile Registry.

5. Taxation and Accounting:

- Register for taxation purposes with the Spanish Tax Agency and obtain a Tax Identification Number (NIF).
- Familiarize yourself with the relevant tax obligations and accounting requirements for your business structure.
- Determine if you need to appoint an accountant or tax advisor to handle your financial matters.

6. Permits and Licenses:

- Identify any specific permits or licenses required for your business activities.
- Research and contact the appropriate authorities or regulatory bodies to understand the licensing process.

- Obtain the necessary permits, such as local business licenses or sector-specific authorizations.

7. Social Security:

- If you plan to hire employees, register with the General Treasury of Social Security (TGSS).
- Fulfill your obligations regarding social security contributions, workplace safety, and employee benefits.
- Consult labor law regulations to understand employee rights and responsibilities.

8. Local Chamber of Commerce:

- Consider joining the local Chamber of Commerce to access networking opportunities and support services.
- They can provide information, training, and assistance tailored to your business needs.
- Benefit from their resources and guidance on local business practices.

9. Opening a Bank Account:

- Contact Spanish financial institutions to open a business bank account.
- Provide the necessary documentation, such as your NIF, company registration documents, and identification proofs.
- Choose a bank that suits your business requirements and offers suitable services.

10. Business Premises:

- Determine the location and type of premises needed for your business.
- Research commercial properties and consider factors like accessibility, cost, and suitability for your operations.
- Ensure compliance with zoning regulations and obtain any required permits for your chosen location.

11. Hiring Employees:

- Understand labor laws, employment contracts, and employee rights in Spain.
- Create employment contracts that comply with legal requirements.
- Register your employees with the Social Security system and fulfill your obligations as an employer.

12. Insurance:

- Assess the insurance coverage necessary for your business.
- Consider liability insurance, property insurance, professional indemnity insurance, and workers' compensation insurance.
- Consult with insurance providers to determine the appropriate coverage for your business activities.

13. Registering the Business:

- Register your business with the Commercial Registry (Registro Mercantil) or the corresponding regional authority.
- Prepare the required documentation, including identification documents, company bylaws, and proof of payment of registration fees.
- Follow the registration process specific to your chosen legal structure.

14. Ongoing Compliance:

- Comply with tax regulations by filing tax returns and making timely payments.
- Maintain accurate accounting records and follow the accounting principles applicable to your business.
- Fulfill any industry-specific compliance requirements or regulations.
- Stay informed about changes in legislation that may affect your business.

Market Research and Business Idea

Conducting Market Research

Understanding the Spanish Market: Conducting thorough market research is the foundation of a successful business in Spain. Spain's market is diverse, with distinct regional preferences and consumer behaviors. For example, the preferences of consumers in Catalonia, an autonomous community in northeastern Spain, might differ from those in Andalusia, in the south. Comprehensive market research helps you identify these nuances and tailor your business strategies accordingly.

Example: If you plan to open a restaurant chain, understanding local culinary preferences can be crucial. Paella and tapas may be popular in some regions, while others might have a preference for seafood dishes or traditional stews. Market research can help you determine the right menu for each location.

Competitive Landscape: Spain is home to a competitive business environment with both local and international players. Analyze your competitors, their strengths, weaknesses, and market share. Identify gaps in the market where your business can excel.

Example: If you plan to start an e-commerce platform, research existing online marketplaces like Amazon Spain, El Corte Inglés, and local competitors. Identify areas where you can offer a unique selling proposition or a better customer experience.

Consumer Trends: Stay updated on consumer trends in Spain. With the growing awareness of sustainability and health-consciousness, businesses that align with these trends have found success.

Example: Sustainable fashion brands that prioritize eco-friendly materials and ethical production have gained popularity in Spain. Understanding and incorporating these trends into your business model can be advantageous.

Choosing the Right Business Idea

Passion and Expertise: Consider your passion and expertise when selecting a business idea. Starting a business in a field you're passionate about can be motivating and increase your chances of success.

Example: If you have a background in environmental science and a passion for sustainability, consider a business related to renewable energy, eco-friendly products, or green consulting services.

Market Demand: A great business idea must address a genuine market demand. Identify problems or needs in the market that your product or service can solve.

Example: The rise of remote work in Spain due to global events created a demand for coworking spaces and digital nomad services. Recognizing this demand, entrepreneurs have successfully opened such businesses in various Spanish cities.

Feasibility Studies: Conduct feasibility studies to evaluate the viability of your business idea. Assess factors like market size, target audience, pricing, and distribution channels.

Example: Before launching a mobile app for language learning, research the size of the language learning market in Spain and the competition. Determine if there's a gap for your unique approach, such as gamified language lessons.

Identifying Your Target Audience

Demographics: Define your target audience based on demographics such as age, gender, income, and location. Consider how these factors influence their preferences and buying behaviors.

Example: If you plan to offer premium baby products, your target audience might be higher-income families living in urban areas who prioritize quality and safety for their children.

Psychographics: Explore the psychographics of your audience. What are their values, interests, and lifestyles? Understanding these aspects helps you create marketing messages that resonate.

Example: If you're launching a fitness brand, consider the psychographics of your audience. Are they fitness enthusiasts looking for high-intensity workouts, or do they prefer holistic wellness practices like yoga and meditation?

Behavioral Insights: Analyze consumer behavior, including their buying patterns and decision-making processes. What motivates them to purchase your product or service?

Example: If you're running a subscription box service for pet owners, understanding that pet owners often make repeat purchases and value convenience can guide your marketing and pricing strategies.

In Spain's dynamic business landscape, a well-researched business idea tailored to the local market can set the foundation for a successful venture. Conduct comprehensive market research, choose an idea that aligns with your passion and the market demand, and identify and understand your target audience's needs and preferences. This will increase your chances of building a thriving business in Spain.

Legal Structure and Registration

Types of Business Entities

Sole Proprietorship (Autónomo): As a sole proprietor, you are the sole owner of the business. This structure is straightforward and cost-effective for freelancers and small-scale operations. However, you are personally liable for business debts.

Partnership (Sociedad Civil or Sociedad Limitada): Partnerships allow two or more individuals to join forces and share profits and losses. Limited partnerships (Sociedad Limitada) provide limited liability for some partners, protecting their personal assets.

Limited Liability Company (Sociedad de Responsabilidad Limitada - SRL): An SRL is a popular choice for small and medium-sized businesses. It offers limited liability protection, and the share capital requirement is relatively low (usually €3,000). The management structure can be flexible.

Public Limited Company (Sociedad Anónima - SA): SAs are suitable for larger businesses with substantial capital. They have stricter regulations and governance requirements and are often used for public offerings.

Branch Office (Sucursal): If you have an existing foreign business and want to expand into Spain, you can establish a branch office. It operates as an extension of the parent company but is subject to Spanish regulations.

Registering Your Business

Mercantile Registry (Registro Mercantil): To register your business, you must file the necessary documents with the Mercantile Registry. This includes the company's bylaws, articles of incorporation, and proof of payment of the share capital.

Notary Public (Notario): Many business transactions in Spain require notarization, including the formation of a Limited Liability Company (SRL). The notary ensures that documents are legally binding.

Tax Identification Number (CIF): Your business will need a CIF, which is a unique Tax Identification Number, to conduct financial transactions and pay taxes. It's crucial for business operations.

Social Security Registration: If you plan to hire employees, you must register with the Spanish Social Security system to provide benefits like healthcare and pensions.



Obtaining a NIE (Número de Identificación de Extranjero)

Foreign Business Owners: If you are a foreign national looking to start a business in Spain, you'll need a NIE, which is a Foreigner Identification Number. It is essential for various legal and financial transactions, including opening a bank account, signing contracts, and paying taxes.

Applying for a NIE: You can apply for a NIE at a local police station in Spain or at a Spanish consulate in your home country. The application typically requires proof of your business activities in Spain, such as business registration documents.

Residence and Work Authorization: If you plan to reside and work in Spain while operating your business, you may need to apply for residence and work authorization in addition to obtaining a NIE. The specific requirements can vary based on your nationality and the nature of your business activities.

Navigating the legal requirements and registration processes in Spain can be complex, but it is a critical step in establishing a legitimate and compliant business. Depending on your chosen legal structure, you may have different obligations and responsibilities, so it's advisable to consult with a local attorney or business advisor who specializes in Spanish business law to ensure proper compliance.

Business Plan

Importance of a Business Plan

Strategic Roadmap: A well-crafted business plan serves as a strategic roadmap for your business. It outlines your vision, mission, and goals, providing a clear path to follow.

Communication Tool: Your business plan is a communication tool that can convey your business concept and objectives to potential investors, partners, and employees. It helps stakeholders understand your vision and commitment.

Decision-Making Guide: A business plan provides a framework for decision-making. It helps you evaluate opportunities, allocate resources, and make informed choices to achieve your business objectives.

Funding Tool: If you seek external financing from banks, investors, or venture capitalists, a business plan is a vital tool. Lenders and investors will review your plan to assess the viability and potential return on investment of your business.

Components of a Business Plan

Executive Summary: The executive summary is a concise yet compelling introduction to your business plan. It should capture the reader's attention and provide an overview of your business concept, highlighting its uniqueness and potential. Key components include:

- **Business Concept:** Briefly describe your business, its industry, and its purpose.
- **Mission and Vision:** State your company's mission and vision, conveying its long-term goals.
- **Market Opportunity:** Highlight the market gap or problem your business addresses.
- **Competitive Advantage:** Explain what sets your business apart from competitors.



- **Financial Projections:** Include high-level financial projections, such as revenue and profit estimates.

Example: If you're launching a sustainable fashion brand, your executive summary might emphasize how your eco-friendly materials and ethical production processes meet the growing demand for sustainable fashion in Spain.

Business Description: In this section, provide a detailed overview of your business. Clarify its purpose, core values, and long-term objectives. Components of the business description include:

- **Business Concept:** Elaborate on your business idea and what it offers to customers.
- **Mission and Vision:** Reiterate your company's mission and vision statements.
- **Industry Analysis:** Offer insights into your industry, highlighting trends and opportunities.
- **Legal Structure:** Specify your business's legal structure (e.g., LLC, sole proprietorship).
- **Location:** Provide details about your physical location and any plans for expansion.

Example: If you're running a tech startup in Barcelona, you'd detail your mission to revolutionize a specific industry through innovative technology solutions and explain your choice of Barcelona as a tech hub with a talented workforce.

Market Analysis: Dive deep into your target market and the broader industry. Include comprehensive research to support your claims. Key elements are:

- **Market Size:** Estimate the size of your target market in Spain, including regional variations.
- **Market Trends:** Discuss industry trends, such as consumer preferences or technological advancements.
- **Target Audience:** Define your ideal customer personas, considering demographics, psychographics, and behavior.
- **Competitive Analysis:** Analyze competitors, their strengths, weaknesses, and market share.
- **Barriers to Entry:** Identify obstacles newcomers face in your industry.

Example: If you're entering the Spanish craft beer market, your market analysis might reveal a growing preference for artisanal products among millennials, underscoring your opportunity.

Marketing Strategy: Outline your plans for attracting and retaining customers. Develop a comprehensive marketing strategy that includes:

- **Product/Service Positioning:** Explain how your offering meets customer needs and differs from competitors.
- **Pricing Strategy:** Detail your pricing model, considering factors like production costs and market demand.
- **Promotion Plan:** Describe advertising, public relations, and online marketing tactics.
- **Distribution Channels:** Specify how you'll deliver products or services to customers.
- **Sales Strategy:** Outline your sales approach, including sales channels and techniques.

Example: If you're launching an online Spanish language learning platform, your marketing strategy might involve digital advertising targeting individuals interested in learning Spanish for travel, work, or personal growth.

Operations Plan: In this section, provide insight into how your business will operate day-to-day. Address practical aspects like:

- **Location and Facilities:** Describe your business location, office space, or production facilities.
- **Supply Chain:** Detail your sourcing and procurement strategies for materials or products.
- **Technology and Equipment:** Explain the technology and equipment essential for your operations.
- **Key Partnerships:** Mention any strategic partnerships or collaborations.

Example: If you're running a bakery in Madrid, your operations plan might discuss the central kitchen's location, equipment (e.g., ovens, mixers), and suppliers for high-quality ingredients.

Financial Projections: This section provides a detailed financial forecast for your business. It's crucial for both internal planning and attracting investors. Key financial projections include:

- **Sales Forecast:** Estimate your monthly or yearly sales, considering factors like market demand and pricing.
- **Expense Budget:** Break down your expenses, including salaries, rent, utilities, and marketing costs.
- **Cash Flow Statement:** Project cash inflows and outflows, ensuring you have adequate liquidity.
- **Profit and Loss Statement (Income Statement):** Summarize revenue, expenses, and profit over a specific period.
- **Balance Sheet:** Present your business's financial position, including assets, liabilities, and equity.

Example: For a tech startup, financial projections might include a sales forecast for software licenses, an expense budget covering salaries for developers, and cash flow statements showing planned investments and runway.

Risk Analysis: Acknowledge potential challenges and risks your business may encounter. Address how you plan to mitigate these risks. Key aspects of risk analysis include:

- **Market Risks:** Consider factors like market volatility or changing consumer preferences.
- **Operational Risks:** Evaluate potential disruptions to your supply chain or production process.
- **Financial Risks:** Highlight financial challenges such as cash flow issues or unexpected expenses.
- **Regulatory Risks:** Discuss compliance with local laws and regulations.
- **Competitive Risks:** Address the possibility of increased competition.

Example: In the context of a restaurant business, a risk analysis might identify seasonality as a challenge and propose strategies like menu diversification to mitigate the impact.

Exit Strategy: While not always necessary, including an exit strategy can be valuable. It outlines how you plan to transition out of the business. Common exit strategies include selling the business, passing it to family members, or going public through an Initial Public Offering (IPO).

Example: If you're considering selling your e-commerce business in the future, your exit strategy might involve identifying potential buyers or investors interested in acquiring your brand.

Revisions and Updates: Emphasize that your business plan is a dynamic document. Commit to regularly reviewing and updating it to adapt to changing market conditions and business goals.

Remember that your business plan should be tailored to your specific business and market. Each section should be well-researched, data-driven, and cohesive. Seek advice from business advisors, mentors, or industry experts to ensure your plan is robust and aligned with your vision for success in Spain's business landscape.

Example Financial Projections: Include detailed financial projections for the first three to five years of your business. This should encompass sales forecasts, expense breakdowns, and anticipated cash flow. Use historical data, market research, and industry benchmarks to support your projections.

Exit Strategy: While not always necessary, outline a potential exit strategy. Whether you plan to sell the business, go public, or pass it on to family members, having an exit plan demonstrates long-term vision.

Revisions and Updates: A business plan is not static. It should be regularly reviewed and updated to reflect changes in your business, market conditions, and strategic goals.

Creating a comprehensive and well-researched business plan is a crucial step in the process of starting and growing your business in Spain. It not only serves as a blueprint for your operations but also as a valuable tool for attracting investors and securing financing. Consider seeking guidance from business advisors or mentors experienced in the Spanish market to ensure your plan aligns with local conditions and expectations.

Financing Your Business

Sources of Funding

1. *Personal Savings:* Many Spanish entrepreneurs kickstart their businesses using personal savings. For instance, a tech entrepreneur in Madrid might use their own funds to develop an initial prototype for a mobile app.
2. *Bank Loans:* Spanish banks like Banco Santander, BBVA, and CaixaBank offer a range of business loans. A Barcelona-based restaurant owner could secure a bank loan to renovate their establishment and expand the menu.
3. *Venture Capital:* Spain has a growing venture capital scene. Venture capital firms like Nauta Capital and Kibo Ventures have invested in Spanish startups. For example, a Madrid-based fintech startup might attract venture capital funding to scale its digital banking platform.
4. *Angel Investors:* Prominent Spanish angel investors, such as Iñaki Arrola and José Marín, actively support startups. An innovative biotech startup in Valencia may receive angel investment to advance its research and development efforts.
5. *Crowdfunding:* Crowdfunding platforms like Crowdcube Spain and Kickstarter are accessible to Spanish entrepreneurs. An eco-conscious clothing brand in Seville might use crowdfunding to finance its sustainable fashion line and expand production.
6. *Small Business Grants:* Spain's government offers various grants and subsidies. A tech company in Barcelona focusing on renewable energy solutions could benefit from government grants promoting green technology development.

Applying for Grants and Subsidies

1. *Eligibility:* The Catalan government's ACCIÓ agency offers grants for innovative projects. A Barcelona-based tech startup can research ACCIÓ programs and assess eligibility based on its innovative product.
2. *Prepare Documentation:* When applying for an innovation grant from the Spanish Ministry of Economy and Competitiveness, thorough documentation showcasing the potential impact of your project is crucial. A research-oriented business in Madrid would compile comprehensive documentation to secure funding.
3. *Submit Applications:* Following guidelines for each grant is essential. For instance, when applying for a European Regional Development Fund (ERDF) grant for technology innovation, a Valencia-based tech company must meet all submission requirements.
4. *Compliance and Reporting:* An Alicante biotech firm receiving government subsidies for medical research must adhere to compliance regulations, including regular progress reporting and financial expenditure documentation.

Banking and Financial Services

1. **Business Bank Account:** Open a dedicated business bank account to separate your personal and business finances. This simplifies accounting and ensures compliance with tax regulations. For instance, A Seville retail store owner might open a business bank account with Banco de Sevilla to manage finances separately from personal accounts.



2. Payment Processing: Choose a payment processing solution to facilitate transactions. This can include credit card processors, mobile payment apps, and e-commerce payment gateways. For example, To process online payments for its e-commerce store, a Madrid-based clothing brand may integrate the Redsys payment gateway into its website.

3. Merchant Services: If your business involves in-person transactions, consider merchant services that provide point-of-sale (POS) systems and card readers. Thus, A restaurant owner in Barcelona may invest in a point-of-sale (POS) system provided by CaixaBank to streamline card payments and inventory management.

4. Business Loans and Lines of Credit: Explore financing options offered by banks and financial institutions. Business loans and lines of credit can provide working capital for day-to-day operations and growth. *Example:* A software development company might secure a business line of credit to cover payroll and development costs during a slow revenue month.

5. Financial Advisors: Consider consulting with financial advisors or accountants who specialize in business finance. They can provide insights into optimizing your financial strategy and managing cash flow. For example, a growing marketing agency might hire a financial advisor to help create a budget, forecast revenue, and allocate resources efficiently.

Financial planning and management are critical aspects of business success in Spain. Choose the financing sources and methods that align with your business's growth goals and financial needs. Keep detailed financial records, monitor expenses, and seek professional advice when making financial decisions to ensure your business's long-term viability and profitability.

Location and Premises

Choosing the Right Location

Selecting the right location for your business in Spain is a crucial decision that can significantly impact your success. Consider the following factors:

1. Regional Considerations: Spain is a diverse country with distinct regions, each offering unique advantages. For example:

Madrid: As the capital and economic hub, Madrid attracts businesses in finance, technology, and professional services.

Barcelona: Known for its innovation and vibrant startup scene, Barcelona is ideal for tech and creative enterprises.

Valencia: This coastal city is renowned for its manufacturing and logistics sectors.

Andalusia: With a strong focus on tourism, Andalusia can be suitable for hospitality and leisure businesses.

Example: If you're launching a tech startup, Barcelona's thriving tech ecosystem might be your preferred location. However, if you're entering the tourism industry, Andalusia's coastal cities may be more appealing.

2. Accessibility: Consider the accessibility of your chosen location for clients, employees, and suppliers. Spain's extensive transportation infrastructure includes well-connected airports, highways, and ports.

Example: If your business relies on importing goods, a location with proximity to a major port like Valencia might be strategic.

3. Cost of Living: Spain offers a range of living costs depending on the region. Consider the cost of living for employees and the affordability of premises.

Example: If you plan to set up a call center with a large workforce, you might explore regions with a lower cost of living, such as Murcia.

4. Market Presence: Analyze your target market's presence in different regions. Your ideal location should align with your target customer base.

Example: If your business provides luxury goods, targeting high-income consumers in Madrid or Marbella might be more effective.

5. Competitive Landscape: Research the competition in your chosen location. Are there established businesses similar to yours, and how will you differentiate yourself?

Example: Before opening a new bakery, assess the existing bakeries in your chosen city to identify opportunities for unique products or services.

Finding the Right Premises

Once you've chosen a location, finding suitable premises is the next step. Consider these factors:

1. Space Requirements: Determine the size and layout of the premises you need to operate efficiently. This depends on your business type, whether it's retail, office-based, or manufacturing.

Example: A furniture manufacturer in Valencia may require a large warehouse for storage and production.

2. Lease Agreements: Carefully review lease agreements and understand the terms and conditions, including rent, lease duration, and renewal options. Seek legal advice if necessary.

Example: When leasing office space in Madrid's business district, understand the lease terms, such as whether maintenance costs are included.

3. Zoning Regulations: Comply with local zoning regulations and permits. Some areas may have restrictions on certain types of businesses.

Example: If you plan to open a restaurant in Barcelona, ensure the location is zoned for food service and entertainment.

4. Accessibility and Visibility: Consider foot traffic and visibility if you have a retail business. Locations near popular tourist spots or shopping districts can be advantageous.

Example: A boutique clothing store in Seville may benefit from a location in the city's historic center, attracting both locals and tourists.

5. Infrastructure and Amenities: Assess the availability of essential infrastructure such as utilities, internet connectivity, and parking facilities.

Example: If you're setting up a tech startup in a co-working space in Bilbao, ensure the facility offers high-speed internet and access to networking events.

6. Costs: Factor in all costs associated with the premises, including rent, utilities, maintenance, and property taxes.

Example: A small graphic design agency in Zaragoza might choose a cost-effective shared office space to minimize overhead expenses.

Choosing the right location and premises in Spain is a strategic decision that should align with your business goals and target market. Thorough research and consideration of these factors will help you find an ideal location and premises for your business within the diverse Spanish ecosystem.

Taxation and Accounting

Taxation in Spain

1. Value Added Tax (VAT): VAT, known as "Impuesto sobre el Valor Añadido" (IVA) in Spain, applies to the sale of goods and services. There are different VAT rates, with the standard rate at 21%, reduced rates at 10% and 4%, and exemptions for certain items like education and healthcare.

Example: If you run a retail store in Barcelona, you'll need to collect and remit the appropriate VAT on the products you sell.

2. Corporate Income Tax: Corporate entities in Spain are subject to corporate income tax, known as "Impuesto sobre Sociedades." The standard corporate tax rate is 25%, although certain deductions and incentives may apply.

Example: A tech startup in Madrid must calculate and pay corporate income tax on its annual profits.

3. Personal Income Tax: Individuals are subject to personal income tax, known as "Impuesto sobre la Renta de las Personas Físicas" (IRPF). Tax rates are progressive and can range from 19% to 47%.

Example: As an employee in Valencia, your salary will be subject to personal income tax, with the rate determined by your income level.

4. Social Security Contributions: Employers and employees contribute to the Spanish social security system. The rates depend on income and cover healthcare, pensions, and other benefits.

Example: If you hire employees for your business in Seville, you'll need to calculate and withhold their social security contributions and make employer contributions.

5. Local Taxes: In addition to national taxes, there are local taxes like the "Impuesto sobre Bienes Inmuebles" (IBI), a property tax, and the "Impuesto sobre Actividades Económicas" (IAE), a tax on economic activities.

Example: A restaurant owner in Zaragoza will pay IBI on their restaurant property and IAE based on the type and size of their business.

Accounting and Financial Reporting

1. Chart of Accounts: Businesses in Spain follow a standardized chart of accounts, known as the "Plan General de Contabilidad" (PGC). This chart classifies financial transactions into categories for reporting purposes.

Example: An accounting firm in Bilbao uses the PGC to categorize revenue, expenses, and assets for accurate financial reporting.

2. Financial Statements: Spanish businesses are required to prepare and submit financial statements, including the balance sheet, income statement, and cash flow statement, in compliance with Spanish accounting standards (NPGC).

Example: A manufacturing company in Valencia produces annual financial statements to assess its financial performance and comply with legal requirements.

3. Auditing: Some companies in Spain are required to undergo external audits, depending on their size and legal structure. Audits ensure financial transparency and compliance with accounting standards.

Example: A publicly traded company headquartered in Madrid must arrange for an external audit of its financial statements.

4. Tax Compliance: Businesses must file regular tax returns and declarations with the Spanish tax authorities. Compliance with tax deadlines and accurate reporting is essential to avoid penalties.

Example: An e-commerce company in Barcelona engages a tax consultant to ensure proper tax compliance and reporting.

5. Digital Reporting: Spain has adopted digital tools for financial reporting, such as the "Suministro Inmediato de Información" (SII) system, which requires real-time reporting of VAT transactions.

Example: A software development company in Seville uses SII to report VAT transactions to the tax authorities electronically.

6. Accounting Software: Many Spanish businesses use accounting software like ContaPlus, Sage, or QuickBooks to streamline their accounting processes and maintain accurate financial records.

Example: A small business owner in Alicante employs accounting software to manage invoices, expenses, and payroll.

Navigating the tax and accounting landscape in Spain requires attention to detail, adherence to regulations, and potentially consulting with local accountants or tax experts. Proper accounting and tax compliance are essential for the financial health and legal operation of your business in Spain.



Human Resources and Employment

Employment Regulations

1. **Employment Contracts:** In Spain, written employment contracts are mandatory and must include terms such as job description, salary, working hours, and notice periods. Fixed-term and indefinite contracts are common, and their terms vary.

Example: When hiring an office manager in Barcelona, you'll need to draft a contract specifying their duties, salary, and whether it's a temporary or permanent position.

2. **Minimum Wage:** Spain has a national minimum wage, updated annually. Employers must ensure that employees' salaries meet or exceed this threshold.

Example: If you employ a sales representative in Seville, their salary must meet or exceed the current minimum wage in Spain.

3. **Working Hours:** The standard workweek in Spain is 40 hours, typically spread over five days. Overtime is subject to specific regulations and often requires additional compensation.

Example: Your retail store in Valencia must ensure that employees adhere to legal working hours and receive appropriate overtime pay if necessary.

4. **Vacation and Holidays:** Employees are entitled to paid vacation days and public holidays. Vacation days typically depend on years of service and collective bargaining agreements.

Example: An employee in Madrid with five years of service may be entitled to 25 days of paid vacation per year.

5. **Social Security:** Employers and employees contribute to the Spanish social security system, providing healthcare, pensions, and other benefits.

Example: If you hire staff for your tech startup in Barcelona, you must deduct and remit their social security contributions while making your own employer contributions.

Hiring and Recruitment

1. **Recruitment Process:** When hiring employees, it's common to use job portals, recruitment agencies, or post job openings on your company's website. Interviews and reference checks are standard practices.

Example: If you're expanding your marketing team in Bilbao, you might partner with a local recruitment agency to find suitable candidates.

2. **Work Permits:** If you plan to hire non-EU/EEA citizens, you'll need to secure work permits and visas for them. The process can be complex and time-consuming.

Example: A software development company in Barcelona hires a developer from India and assists in obtaining the necessary work permits and visas.

3. **Employee Onboarding:** New employees should receive proper onboarding, including training, orientation, and an introduction to company policies and culture.

Example: When bringing a customer service representative on board in Zaragoza, ensure they receive training on product knowledge and customer service procedures.

Employee Benefits and Labor Relations

1. **Collective Bargaining Agreements:** Labor unions in Spain play a significant role in negotiating collective bargaining agreements that determine employment terms and conditions for specific sectors and regions.

Example: A manufacturing company in Valencia may need to adhere to a collective bargaining agreement negotiated by the relevant labor union.

2. **Employee Benefits:** Common benefits in Spain include health insurance, pension plans, and meal vouchers. Some employers also offer additional perks like flexible work arrangements or transportation allowances.

Example: A retail chain in Madrid may provide employees with meal vouchers as part of their benefits package.

3. **Termination and Severance:** Spanish labor laws outline specific rules for employee termination, including notice periods and severance pay based on years of service.

Example: If you need to terminate an employee's contract in Seville, ensure compliance with legal notice and severance requirements.

4. **Workplace Safety:** Employers are responsible for maintaining a safe working environment and complying with health and safety regulations.

Example: A construction company in Barcelona must prioritize safety measures and provide necessary training to prevent workplace accidents.

Employee Development and Training

1. **Continuous Learning:** Encourage employees to participate in ongoing training and development programs to enhance their skills and stay updated on industry trends.

Example: A financial services firm in Alicante may offer employees opportunities to attend training workshops to improve financial analysis skills.

2. **Performance Appraisals:** Conduct regular performance appraisals to provide feedback, set goals, and identify areas for improvement.

Example: In a tech startup in Valencia, performance reviews help employees understand their contributions and growth opportunities within the company.

Spain's employment landscape is governed by a comprehensive set of labor laws and regulations. To navigate this environment effectively, businesses should maintain compliance, prioritize employee well-being, and foster a positive work culture that supports professional development. Consulting with legal experts or HR specialists can provide valuable guidance in managing human resources and employment matters in Spain.

Marketing and Branding

Market Analysis

1. **Cultural Awareness:** Spanish culture is diverse, and regional nuances can impact consumer preferences. Understanding the local culture and traditions is crucial for effective marketing.

Example: When promoting a product in Catalonia, consider local festivals and traditions that might influence consumer behavior.

2. **Language Considerations:** While Spanish is the official language, regions like Catalonia have their own languages (Catalan). It's essential to adapt marketing materials to the local language when appropriate.

Example: An e-commerce website targeting customers in Catalonia should offer content in both Spanish and Catalan.

3. **Consumer Behavior:** Spanish consumers have unique buying habits and preferences. Market research can help identify trends and tailor your marketing strategies accordingly.

Example: Conduct surveys or analyze data to understand how Spanish consumers shop online or in physical stores.

Marketing Strategies

1. **Digital Marketing:** Spain has a high internet penetration rate, making digital marketing essential. Invest in SEO, social media marketing, and online advertising to reach a broad audience.

Example: A fashion brand in Madrid can leverage Instagram and Facebook ads to showcase its products to a wide online audience.

2. **Local SEO:** Optimize your online presence for local search. Use location-specific keywords and ensure your business is listed accurately on Google My Business and other local directories.

Example: A restaurant in Valencia should optimize its website and online profiles to appear in local search results.

3. **Content Marketing:** Create valuable and engaging content that resonates with your Spanish audience. Blog posts, videos, and infographics can help build brand authority.

Example: A travel agency targeting tourists to Spain can publish informative articles about popular destinations and cultural experiences.

Branding Strategies

1. **Cultural Sensitivity:** Be culturally sensitive in your branding efforts. Ensure that logos, slogans, and marketing campaigns do not inadvertently offend local customs or beliefs.

Example: When designing a logo for a business in Seville, avoid symbols or colors that may have negative connotations in the local culture.

2. **Local Partnerships:** Collaborate with local businesses or influencers to build trust and credibility with the Spanish audience.

Example: A cosmetics brand can partner with a well-known Spanish makeup artist for product endorsements and tutorials.

3. Customer Reviews: Encourage customer reviews and testimonials in Spanish. Positive reviews can enhance your brand's reputation.

Example: A hotel in Barcelona should actively solicit reviews on platforms like TripAdvisor and Google Reviews.

Compliance and Regulations

1. Data Protection: Comply with Spain's data protection laws, which align with the European General Data Protection Regulation (GDPR). Protect customer data and seek consent for data processing.

Example: An e-commerce website must have clear data protection policies and obtain consent before collecting customer information.

2. Advertising Regulations: Ensure that your marketing campaigns adhere to local advertising regulations. Misleading or deceptive advertising can result in legal issues.

Example: A food and beverage company in Madrid should accurately represent product claims in advertising campaigns.

3. Intellectual Property: Protect your brand's intellectual property by registering trademarks and copyrights. Respect the intellectual property rights of others.

Example: A technology startup in Barcelona should trademark its product name and logo to prevent infringement.

Market Entry Strategies

1. Market Research: Conduct thorough market research to identify competitors, target demographics, and market gaps. Understand your competitors' strategies and customer base.

Example: Before launching a new smartphone in Spain, analyze existing smartphone brands' market presence and consumer preferences.

2. Local Expertise: Consider partnering with local marketing experts or agencies with a deep understanding of the Spanish market.

Example: A foreign real estate company entering the Spanish market might collaborate with a local marketing agency to navigate regional trends and regulations.

3. Adaptation: Be prepared to adapt your marketing and branding strategies based on real-time feedback and changing market dynamics.

Example: An online grocery delivery service operating in Barcelona may modify its product offerings based on customer feedback and demand.

Effectively marketing and branding your business in Spain requires a deep understanding of the local culture, consumer behavior, and legal regulations. Tailoring your strategies to resonate with the Spanish audience while staying compliant with local laws will contribute to your brand's success in the Spanish market.

Regulations and Compliance

Business Registration and Licensing

1. Business Structure: Register your business with the relevant authorities based on your chosen legal structure, such as Sole Proprietorship (Empresario Individual), Limited Liability Company (Sociedad de Responsabilidad Limitada or S.L.), or Public Limited Company (Sociedad Anónima or S.A.).

Example: If you intend to establish a limited liability company (S.L.) in Barcelona, you must file the necessary paperwork with the Commercial Registry (Registro Mercantil).

2. Trade Licensing: Some businesses may require specific licenses or permits, depending on the industry and location. Check with local and regional authorities for any necessary trade licenses.

Example: A restaurant owner in Valencia needs to obtain a food service license from the local health department.

Employment Regulations

1. Labor Contracts: Comply with Spanish labor laws by preparing written employment contracts that detail terms of employment, salary, working hours, and other relevant conditions.

Example: When hiring employees for your tech startup in Madrid, ensure you provide them with legally compliant employment contracts.

2. Working Conditions: Adhere to working time regulations, including maximum working hours, rest periods, and overtime compensation.

Example: As an employer in Seville, ensure that your employees' working hours align with Spanish labor laws.

Tax Compliance

1. Value Added Tax (VAT): Register for VAT if your business exceeds the turnover threshold. Properly calculate, collect, and remit VAT to the Spanish tax authorities.

Example: A retail store in Barcelona must register for VAT and comply with VAT reporting requirements.

2. Corporate Income Tax: Ensure accurate accounting and reporting of corporate income tax, including deductions and incentives that may apply to your business.

Example: A manufacturing company in Valencia must calculate and pay corporate income tax in accordance with Spanish tax laws.

Intellectual Property Protection

1. Trademarks: Protect your brand's identity by registering trademarks with the Spanish Patent and Trademark Office (OEPM).

Example: A fashion retailer in Madrid should trademark its brand name and logo to prevent counterfeiting.

2. Copyrights: Understand copyright laws in Spain, especially if your business involves creative content or software development.

Example: A software development company in Bilbao should ensure it has proper licensing for software used in its operations.

Data Protection

1. **GDPR Compliance:** Comply with the European Union's General Data Protection Regulation (GDPR), which applies in Spain. Safeguard customer data, obtain consent, and provide transparent data processing policies.

Example: An e-commerce platform operating in Barcelona must have robust data protection measures in place to protect customer information.

Environmental Regulations

1. **Environmental Permits:** If your business impacts the environment, secure the necessary permits and comply with environmental regulations, which may vary by region.

Example: A construction company in Zaragoza should obtain permits for handling waste and adhering to construction site regulations.

Health and Safety

1. **Workplace Safety:** Ensure a safe working environment for employees, adhering to health and safety regulations and providing necessary training.

Example: A manufacturing plant in Seville must implement safety measures to protect workers from potential hazards.

Import and Export Regulations

1. **Customs Compliance:** If your business involves importing or exporting goods, understand customs regulations, and comply with import duties and export controls.

Example: An import/export company in Alicante should stay updated on changes in customs regulations to avoid delays and penalties.

Financial Reporting

1. **Financial Statements:** Prepare and submit accurate financial statements in compliance with Spanish accounting standards. Some companies may require external audits.

Example: A publicly traded company headquartered in Barcelona must undergo annual external audits and submit financial reports to regulatory authorities.

Consumer Protection

1. **Consumer Rights:** Comply with consumer protection laws, including clear product labeling, warranty information, and fair pricing practices.

Example: An online electronics retailer operating throughout Spain should ensure that product descriptions and warranties meet consumer protection standards.

Compliance with regulations in Spain is vital for the legal operation of your business and to avoid penalties or legal issues. Consult with legal and financial experts to ensure your business adheres to all relevant laws and standards in Spain's complex regulatory landscape.

Technology and IT

Technology Infrastructure

1. **Internet Connectivity:** Spain boasts robust internet infrastructure, including high-speed broadband and 4G/5G mobile networks. Leveraging these technologies is crucial for businesses' online presence and communication.

Example: A cloud-based software company in Madrid relies on high-speed internet to deliver its services to customers worldwide.

2. **Data Centers:** Spain hosts several data centers offering secure hosting and cloud computing services, facilitating data storage and processing for businesses.

Example: An e-commerce company in Barcelona utilizes local data centers to ensure fast and reliable website performance.

IT Regulations

1. **Data Protection:** Spain adheres to the European Union's GDPR regulations, requiring businesses to protect and manage personal data securely. Compliance with data protection laws is essential for all IT operations.

Example: An online marketing agency in Valencia must implement stringent data protection measures to safeguard client data.

2. **Software Licensing:** Ensure proper software licensing to avoid legal issues. Software audits and compliance with copyright laws are essential in the IT sector.

Example: A software development company in Seville must adhere to licensing agreements when using third-party software in their projects.

IT Talent

1. **Skilled Workforce:** Spain has a pool of skilled IT professionals, particularly in cities like Madrid and Barcelona. Hiring locally can provide access to top talent.

Example: A cybersecurity firm in Bilbao recruits local experts to strengthen its team in response to growing cybersecurity threats.

2. **Universities and Education:** Collaborate with universities and educational institutions to access emerging IT talent and foster innovation.

Example: A tech startup in Zaragoza partners with a local university to offer internships and attract young, skilled programmers.

Networking and Partnerships in Spain

Business Associations

1. **Chambers of Commerce:** Join local chambers of commerce, such as the Chamber of Commerce of Madrid or the Barcelona Chamber of Commerce, to network with businesses and gain market insights.

Example: An international logistics company in Madrid becomes a member of the local Chamber of Commerce to expand its industry contacts.

2. **Industry Associations:** Seek out industry-specific associations in Spain to connect with peers and stay informed about sector developments.

Example: A renewable energy startup in Valencia joins the Spanish Photovoltaic Union to collaborate on sustainable energy projects.

Networking Events

1. **Trade Shows:** Attend trade fairs and exhibitions in Spain, like the Mobile World Congress in Barcelona or FITUR (International Tourism Fair) in Madrid, to showcase your products and services.

Example: A technology company in Barcelona participates in the Mobile World Congress to introduce its latest innovations to a global audience.

2. **Business Conferences:** Explore business conferences and seminars across Spain to network with industry leaders and potential partners.

Example: A biotech startup in Seville presents its research findings at a biotechnology conference to attract potential investors and collaborators.

Business Partnerships

1. **Local Partners:** Collaborate with local businesses and startups to expand your reach and leverage their market knowledge.

Example: An e-commerce platform in Alicante partners with local courier services for efficient product delivery.

2. **International Partnerships:** Explore partnerships with international companies operating in Spain to access new markets and resources.

Example: A Spanish digital marketing agency in Valencia partners with a U.S.-based technology company to offer global marketing solutions.

Cultural and Language Considerations in Spain

Language Diversity

1. **Languages Spoken:** While Spanish is the official language, regions like Catalonia have their own languages (Catalan). Consider language preferences when communicating with customers and partners.



Example: An international customer service center in Barcelona offers support in both Spanish and Catalan to accommodate local preferences.

2. **Bilingual Workforce:** Hiring employees who are proficient in both Spanish and English can enhance communication and customer service capabilities.

Example: A call center in Madrid recruits bilingual agents to assist international clients effectively.

Cultural Sensitivity

1. **Regional Differences:** Spain is a diverse country with distinct regional cultures and traditions. Be aware of these differences when marketing and conducting business.

Example: An event planning company in Andalusia tailors its services to align with the region's festive and cultural celebrations.

2. **Punctuality:** Spaniards may have a relaxed approach to punctuality, so be prepared for flexible meeting times.

Example: When scheduling meetings in Valencia, account for potential delays and allow for a more relaxed atmosphere.

Business Etiquette

1. **Personal Relationships:** Building personal relationships is crucial in Spanish business culture. Take time to get to know your partners and clients.

Example: A foreign entrepreneur in Seville attends local networking events and social gatherings to establish meaningful connections.

2. **Gift Giving:** Offering small gifts or tokens of appreciation can be a thoughtful gesture in Spanish business relationships.

Example: A real estate developer in Marbella might present a gift to a client upon closing a significant property deal.

Understanding Spain's cultural and linguistic diversity and adapting your networking and partnership strategies accordingly can help foster successful business relationships in this dynamic market.

Exit Strategy and Growth

Growth Strategies

1. **Market Expansion:** Explore opportunities to expand your business within Spain by targeting new regions or cities. Consider both domestic and international markets for growth.

Example: A successful restaurant chain in Madrid may open new branches in Barcelona and eventually expand to other European cities.

2. **Diversification:** Consider diversifying your product or service offerings to capture a broader audience. This can involve launching new product lines or entering complementary industries.

Example: An e-commerce platform in Valencia could expand its offerings to include a broader range of consumer goods.

Financing Growth

1. **Venture Capital:** If you're a startup, seek venture capital funding from Spanish or international venture capital firms to fuel your growth plans.

Example: A tech startup in Barcelona secures venture capital funding to scale its software development operations.

2. **Bank Loans:** Explore traditional financing options from Spanish banks to fund expansion. Business loans and lines of credit can provide capital for growth.

Example: A manufacturing company in Seville obtains a bank loan to invest in new production equipment and facilities.

Exit Strategies

1. **Acquisition:** Consider selling your business to a larger corporation or competitor. An acquisition can provide a significant return on investment and an exit strategy for the founder.

Example: A software development firm in Bilbao is acquired by a multinational technology company looking to expand its software offerings.

2. **IPO (Initial Public Offering):** If your company has reached a substantial size and valuation, going public on the Spanish stock exchange can provide an exit for early investors and founders.

Example: A successful biotech company in Madrid conducts an IPO to raise capital for further research and development.

Legal and Tax Considerations

1. **Tax Implications:** Understand the tax consequences of your chosen exit strategy. Capital gains tax, VAT, and other taxes may apply, so plan accordingly.

Example: Before selling a retail business in Barcelona, consult with tax experts to optimize tax strategies for the sale.

2. **Legal Agreements:** Seek legal counsel to draft and negotiate contracts and agreements related to your exit strategy. Ensure compliance with Spanish legal requirements.

Example: When selling shares of a technology startup in Valencia, engage legal professionals to handle the share purchase agreement and due diligence.

Due Diligence

1. Financial Review: Conduct thorough financial due diligence to present accurate and transparent financial statements to potential buyers or investors.

Example: Prior to seeking acquisition, a renewable energy company in Zaragoza undergoes financial audits to ensure clean financial records.

2. Legal Compliance: Ensure that your business is compliant with all relevant laws and regulations, including labor, intellectual property, and environmental laws.

Example: Before pursuing an IPO, a fintech firm in Madrid reviews its legal and regulatory compliance to address any outstanding issues.

An effective exit strategy can help you realize the value of your business, while well-planned growth strategies can position your company for success in the dynamic Spanish market. Careful consideration of legal, financial, and tax implications is essential to navigate the complexities of both growth and exit strategies in Spain.

Useful Resources

Government and Regulatory Agencies

Ministry of Economy and Business: The [Ministry of Economy and Business](#) provides information on economic policies, business regulations, and financial incentives.

Spanish Tax Agency: The [Spanish Tax Agency](#) offers guidance on taxation, including VAT, corporate income tax, and personal income tax.

Invest in Spain: [Invest in Spain](#) is a government agency that assists foreign investors in navigating the Spanish business environment.

Business Associations

Spanish Confederation of Employers' Organizations (CEOE): [CEOE](#) represents the interests of Spanish businesses and provides valuable resources for entrepreneurs.

Spanish Chamber of Commerce: The [Spanish Chamber of Commerce](#) offers services and support for both domestic and international businesses.

Financial Resources

Institute of Official Credit (ICO): [ICO](#) provides financing solutions and credit lines for businesses, including startups and SMEs.

Official Credit Institute (Instituto de Crédito Oficial, ICO): [ICO](#) offers financing solutions and credit lines for businesses, including startups and SMEs.

Legal and Regulatory Information

Spanish Patent and Trademark Office (OEPM): The [OEPM](#) offers information on intellectual property rights and trademark registration in Spain.

Spanish Commercial Registry: Access the [Spanish Commercial Registry](#) to search for company information, legal documents, and business registrations.

Market Research and Statistics

Spanish National Statistics Institute (INE): The [INE](#) provides statistical data and economic indicators for Spain.

Spanish Association of Market Research Companies (AEDEMO): [AEDEMO](#) offers market research resources and industry insights.

Networking and Support

Enterprise Europe Network (EEN): [EEN Spain](#) provides support for businesses seeking international partners, innovation, and growth opportunities.

American Chamber of Commerce in Spain: The [American Chamber of Commerce in Spain](#) offers networking and support for American businesses operating in Spain.

Language and Cultural Resources

Instituto Cervantes: [Instituto Cervantes](#) provides Spanish language courses and resources for businesses looking to improve language skills.

Culture Spain: [Culture Spain](#) offers insights into Spanish culture, customs, and business etiquette.

These resources can help you navigate the complexities of doing business in Spain, whether you are seeking regulatory information, financial support, market research, or cultural understanding. It's advisable to consult these organizations and agencies for specific guidance and assistance tailored to your business needs in Spain.

Conclusion

As you conclude your exploration of creating and growing a business in Spain, it's essential to emphasize key insights and strategies that will guide your journey into the dynamic Spanish market.

Spain, known for its rich history, diverse culture, and vibrant cities, offers a fertile ground for businesses seeking growth and success. Its strategic location in Europe, robust infrastructure, and resilient economy make it an attractive destination for entrepreneurs and investors alike. Whether you're planning to launch a startup, expand an existing business, or tap into international markets, Spain provides a diverse range of possibilities.

The Path Forward

Your journey in the Spanish business landscape promises to be unique and filled with opportunities and challenges. Here's how to navigate the road ahead successfully:

1. Continuous Learning and Adaptation

Stay Informed: Keep a vigilant eye on market trends, regulatory updates, and emerging technologies relevant to your industry.

Adaptability: Embrace a culture of adaptability within your organization. Be open to change and ready to pivot when necessary.

Lifelong Learning: Invest in ongoing learning and development for yourself and your team. Education and training are vital for staying competitive.

2. Networking and Collaboration

Local Communities: Stay connected with local business communities, chambers of commerce, and industry associations. Attend networking events and engage in discussions.

Mentorship: Seek guidance from experienced entrepreneurs who understand the nuances of the Spanish business environment. Mentorship can provide invaluable insights.

Strategic Partnerships: Explore opportunities for strategic partnerships with other businesses, both local and international. Collaborative efforts can lead to growth and innovation.

3. Innovation and Technology

Embrace Technology: Leverage emerging technologies to enhance your business operations, from digital marketing to automation and data analytics.

Innovation Culture: Foster a culture of innovation within your organization. Encourage creativity and experimentation among your team members.

Research and Development: Invest in research and development to stay competitive and address evolving customer needs.

4. Regulatory Compliance and Risk Management

Stay Compliant: Continually monitor and ensure compliance with evolving regulations, both at the national and regional levels.

Risk Mitigation: Develop a robust risk management strategy to navigate unexpected challenges effectively. This includes financial, operational, and market-related risks.

Legal Counsel: Maintain a relationship with legal professionals who specialize in Spanish business law to provide guidance and ensure compliance.

5. Customer-Centric Approach

Customer Feedback: Listen to your customers and adapt your products, services, and strategies based on their feedback and evolving preferences.

Quality Service: Prioritize exceptional customer service to build strong, long-lasting relationships and earn customer loyalty.

Market Research: Continue to invest in market research to identify evolving customer needs and emerging trends.

6. Sustainability and Social Responsibility

Environmental Impact: Uphold sustainability practices that align with Spain's growing eco-consciousness. Consider adopting eco-friendly initiatives and certifications.

Community Engagement: Actively engage with the local community through corporate social responsibility (CSR) initiatives and partnerships.

Ethical Business Practices: Embrace ethical business practices that promote transparency and social responsibility within your organization.

Embrace the Journey

Spain's allure lies not only in its history and culture but also in its evolving economy and entrepreneurial spirit. As you embark on your entrepreneurial venture in Spain, remember that each day presents a new opportunity to innovate, adapt, and thrive in this vibrant and promising market.

Embrace the journey with a growth mindset, a commitment to excellence, and a willingness to collaborate and adapt. By doing so, you'll position yourself for success in Spain's dynamic business landscape. Your business can become a valuable contributor to Spain's economic growth, and you, as an entrepreneur, can make a lasting impact on this land of opportunities.



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How to set up a business in Greece

Section A: New Company Establishment

Company establishment

Choose the suitable corporate form:

- the corporation / S.A. (anonymos eteria-**AE**);
- the limited-liability company (eteria periorismenis efthinis—**EPE**);
- the private capital company (**IKE**)
- the general partnership (omorrythmi etairia-**OE**)
- the limited partnership (eterorrythmi etairia-**EE**)

Register with the Greek tax authorities

Open Business bank account at a Greek Bank

Deposit business capital at bank.

Issues Company's stamp

Register company to VIES (Γ.Ε.Μ.Η & Α.Α.Δ.Ε) platform

Handling of all the paperwork related to the Greek Authorities

Tax Office

Social Security Office

Related Chamber

One-stop- Service (GEMH)

Notary

Bank account opening

- Documentation needed by the Bank's legal department.
- Go through the approval procedure and the bank account opening procedure.

Type of companies in Greece

Public Limited Company (S.A.)

The joint-stock company, which is regulated in Greece mainly by Law 2190/1920, as amended, is a pure capital company with legal personality, for whose debts it is liable only with its own property. It is always a commercial company, even when it is not trading, mainly because of the seriousness of its role in the economy.

The main elements are:

1. It requires a share capital of at least EUR 24 000 for its establishment.
2. The share capital is divided into shares and the shareholders have limited liability.
3. Strict publicity conditions have been observed from its establishment and for as long as it lasts.
4. It has two bodies, the General Meeting of Shareholders and the Board of Directors, which decide by majority vote.

The legal establishment of a joint stock company requires a statute, publication in the Official Gazette, registration in the Register of Joint Stock Companies and an operating licence from the competent authority if the capital exceeds EUR 3 million. A limited liability company may also be a one-person company.

A Private Limited Company (I.K.E.)

The corporate form of the Private Limited Company emerged from the need to support small and medium-sized enterprises in the country and to promote entrepreneurship, being an evolution of the Limited Liability Company. The private limited company is a capital company with legal personality and is liable for its debts with its property (excluding guarantee contributions). It is always commercial, but certain activities are excluded from its scope (banking, insurance, sports, etc.).

The main elements are:

1. It requires a minimum capital of one (1€) euro for its establishment.
2. The partnership capital is divided into shares corresponding to the contribution of each partner.
3. The contribution may be a capital contribution, but may also be an extra-capital or guarantee contribution.
4. It has a fixed duration (12 years, unless otherwise specified).
5. It has two governing bodies, the General Meeting of Partners and the Administrator.

A simple private document (articles of association) is required for the establishment of the ICE, which is filed with “One-Stop Services” and is published on the website of the General Commercial Registry and not in the Government Gazette.



The Private Company, which may be a one-person company, can be established in a fast-track procedure (in theory in one day), and the same applies to its taxation as for the PE.

A Limited Liability Company

Regulated in Greece by Law 3190/1955, is a capital company with legal personality and certain personal elements. Only its property is liable for its debts without limitation and it is always considered a commercial company.

The main elements are:

1. It requires a corporate capital of at least EUR 4,500 for its incorporation, which may also consist of a contribution in kind (e.g. real estate) following a valuation.
2. The share capital is divided into shares and the shareholders have limited liability.
3. There is no state control and supervision as in public limited companies
4. It has two bodies, the General Meeting of the partners and the manager (or managers), who need not be a partner.

In order to legally establish a PE, a statute is required, which must at a minimum include the statutory requirements, publication in the Gazette and registration in the Register of PEs. The SPE may also be a one-person company. The choice of personal details and their inclusion in a PE is regulated (within the limits of the law) by its articles of association.

The areas of most frequent legal interest – particularly in comparison with a private limited company – are the general meeting of the partners and issues relating to the managers, shares and taxation of the PE.

Limited partnership

A Limited partnership is a partnership with legal personality in which two types of partners are required to co-exist: general partners, to whom the same rules apply as to the partners of a general partnership, and limited partners.

The limited partners are equal to the general partners as regards the internal relations of the partnership (participation in profits, contributions, etc.), but are liable for the debts of the partnership only up to the value of their contribution in the worst-case scenario. However, they may not represent the company and their name may not be included in the company's name. If these prohibitions are violated, the limited partner is liable as a general partner (unlimited and joint and several).

In all other respects (formation, taxation, commercial status, etc.) the same applies for general partnerships.



Section B: New Company Funding

FUNDING OPPORTUNITIES / SOURCES FOR NEW COMPANIES IN GREECE

1. ESPA

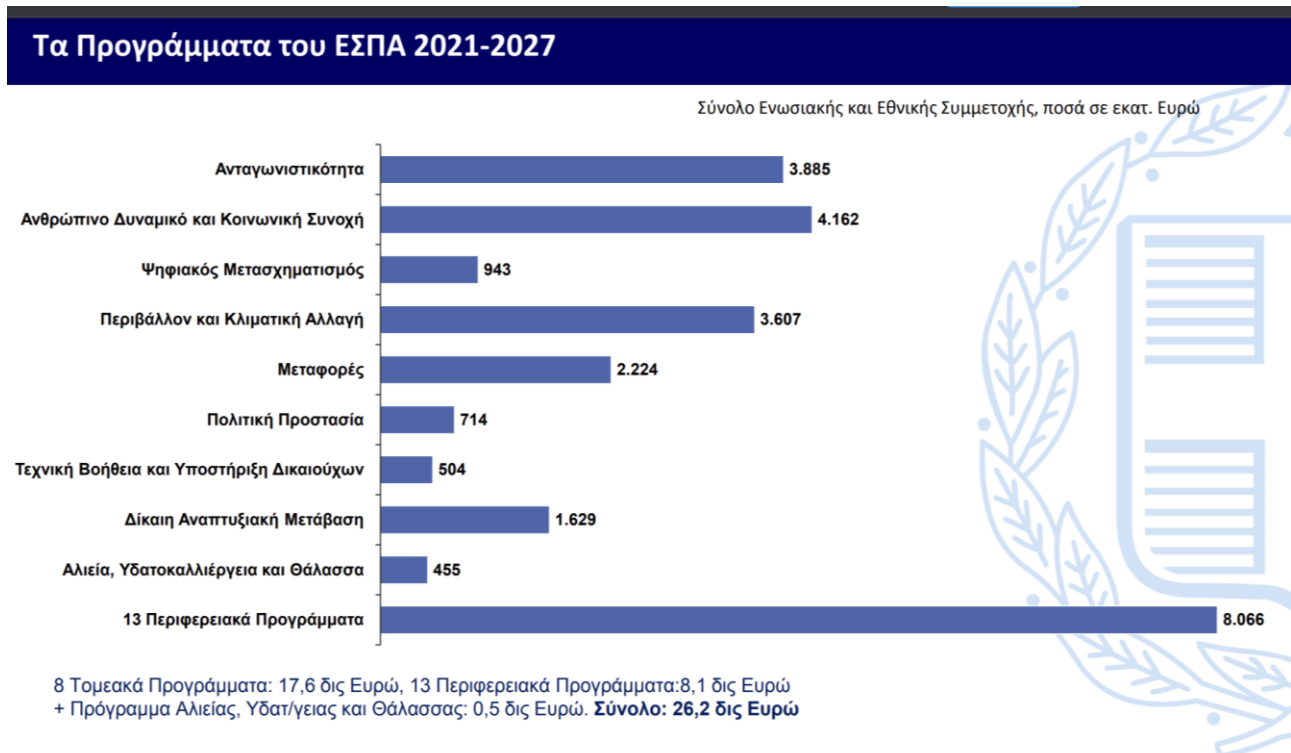
The new "Regional Development Corporate Agreement 2021-2027" ("ESPA 2021-2027") largely reflects the new priorities of the European Commission and the new development priorities of Greece for the coming years.

It was approved by the European Commission on July 29, 2021, and according to this, resources of a total amount of 26.2 billion euros are to be allocated to our country for the next 7 years, of which 20.9 billion euros concern the Union Support and an amount of 5.3 billion euros refers to the National Contribution.

Greece is the first EU Member State to officially submit and have the "Corporate Regional Development Agreement 2021-2027" approved for the new Programming Period.

The new "ESPA 2021-2027" has a strong developmental footprint through actions and projects of high added value and with multiplier benefits for both society and the economy - after the pandemic crisis - contributing the most to the start of a new cycle of prosperity for everyone.

The key programs of E.S.P.A 2021-2027



Περιφερειακά Προγράμματα του ΕΣΠΑ 2021-2027

The Corporate Regional Development Agreement 2021-2027 was approved by the European Commission on 29/7/2021. The new "ESPA 2021-2027" has a strong developmental footprint

through actions and projects of high added value and with multiplier benefits for both society and the economy - after the pandemic crisis - contributing the most to the start of a new cycle of prosperity for everyone.

2. National Register of Young Businesses – Elevate Greece

Elevate Greece is an initiative launched by the Greek Government, intended to identify promising startups and support their growth nurturing a robust innovation ecosystem along the way.

The initiative provides a digital gate through which Greek startups can apply requesting to be officially accredited by competent State Ministry (Ministry of Development & Investments – General Secretariat for Research & Innovation [GSRI]).

Elevate Greece is an initiative of the Greek Government, which aims to map start-ups and support their development, with the ultimate goal of promoting a strong innovation ecosystem.

The initiative starts with the digital portal through which Greek start-ups can apply for registration, from the competent authority of the Ministry of Development and Investments, the General Secretariat for Research and Innovation (GSIK).

National Register of Young Businesses – Elevate Greece

A. The main objectives of the initiative are the following:

1. Official and reliable registration of start-ups
2. Integrated Innovation Ecosystem Mapping-Networking
3. Monitoring the progress of startups based on indicators (KPIs)
4. Targeted support from the State
5. Prizes and expert support from Official Supporters
6. Promoting extroversion and attraction for investors
7. Specialized jobs

Source: The National Register of New Businesses is the official register of start-up businesses in Greece.

B. The institutional framework that governs the initiative is no. 85490/10.08.2020

[Joint Ministerial Decision / KYA](#) entitled: "Recommendation to the General Secretariat of Research and Technology of the Ministry of Development and Investments, National Register of Young Enterprises.

Conditions for registration.

According to the above-mentioned KYA, capital enterprises with the legal form IKE, EPE, SA, with headquarters in the Greek Territory, or corresponding capital enterprises with headquarters abroad, which maintain a branch in Greece, have the right to be registered in the Register, as long as it has

Greek TIN and is registered in the G.E.MI/General Commercial Register, in accordance with the applicable legislation. In the latter case, the registration in the Registry concerns the branch in Greece and the relevant application for registration is submitted by it.

C. Funding Opportunities

- A wide range of funding opportunities using Structural Funds 2021- 2027 (NSRF), VC Funds, and Angel Investors
- Investment Law State Aid Scheme
- Special State Aid incentive scheme for strategic investments & fast-track procedures
- A regime of state support under the New Development Law
- Competitive tax-relief scheme for R&D Investments
- Patent-Box Scheme, offering incentives for Patents

D. Conditions / eligibility criteria:

1. On the date of submission of the application for inclusion in the Registry, they must not have been in operation for more than 8 years from the date of commencement in the D.O.Y.
2. Employ less than 250 workers in Annual Work Units (EMUs) during the last management year as recorded in the ERGANI IT system of the Ministry of Labor and Social Affairs (i.e. for 2020 submissions, the EMUs from 1/1/2019-31/12/ 2019 and so on). In the event that the company has not completed a management year, it submits payroll statements signed by the Head of Accounting or by an external accountant, who is required to have a relevant license from the Hellenic Chamber of Commerce.
3. The annual Turnover should not exceed 50 million euros as recorded in the financial statements of the last management year.

In the event that the application concerns a branch of a foreign company in Greece, the no . Condition 1 should be met both for the branch and for the foreign company, while conditions 2 and 3 should be met only for the branch in Greece.

E. Basic evaluation criteria

- A. Innovation: For the present terms, the term "Innovation" is defined by the following characteristics:
 - To have technological innovation in the product/service and/or to have an innovative business model in recent (new) technology.
 - There should be a very limited number of competing start-ups or very few large companies in the sector. It is clarified that in the present, the term "competitors" refers to companies that propose solutions with similar advantages and not generally to those that address the same market.



- Enterprises whose main activity is research with the aim of producing intellectual property with prospects for commercial exploitation ("knowledge-intensive enterprises") are also characterized as innovative.
- B. Prospects for rapid scale-up of sales in the global market (Scalability):
- It is evaluated whether the business model and/or technology allows for rapid scaling of sales volume in the global market. The main product/service of the company must be standardised, (or standardizable), and not consist in the provision of consulting/research services, nor involve custom manufacturing.
 - In the case of "knowledge-intensive enterprises", (technoblasts), the business model may be based on the sale or exploitation of intellectual property in general.

The process of submitting an application for registration in the Registry is done via the link: <https://registry.elevategreece.gov.gr/login/>

F. Ways to register in the Registry:

Fast process Track, i.e., without evaluation, if they meet the above conditions / Eligibility Criteria, as they are deemed to meet both basic criteria, for businesses with the following characteristics:

1. Companies whose corporate composition includes Venture Capital Companies/ Venture Capital Funds from Greece and/or abroad, registered in the Registry of the Capital Market Commission or the competent body of each state where their headquarters are established. This article does not page 5 of 8 refer to bank or other loans and investments from contributions of Investment Angels -" Angel Investors".
2. Spin - offs of Greek Universities and Research Centers.
3. Companies that have achieved funding in Horizon 2020 Programs (SME Instrument Phase I and/or Phase II), approval for " Seal of Excellence ", Fast Track that Innovation , EIC Accelerator and their successor programs in Horizon Europe, (indicatively, Fast Track that Innovation and EIC Accelerator), as will be specified by a relevant decision of the General Secretary of Research and Technology.
4. Companies holding a registered and active patent in the European Patent Office and the US Patent Office, (cumulatively), or a concession agreement between the patent applicant(s) and the applicant company.

In the event that the application concerns a branch of a foreign company in Greece, it can be registered in the Registry through the above fast process track as long as the foreign company meets one of the conditions 3 or 4.

G. Evaluation procedure:

Each application is evaluated by two independent experts with a random selection, who recommend whether or not the two above criteria are met, with full documentation of their recommendation. In order for the business to be nominated for registration in the National Register of Young Businesses, both experts must decide that both criteria are met. In the event that it is deemed necessary, in view of a disagreement between the two experts, the application is assigned

for evaluation to a third independent expert and he/she will finally decide on the fulfillment of the criteria.

H. Submission cycles

There are three submission cycles per year:

- 1st Round: Start: 01/01 – End: 30/03
- 2nd Round: Start: 15/04 – End: 30/07
- 3rd Round: Start: 01/09 – End: 30/12

<https://elevategreece.gov.gr/>

3. Found.ation

Found.ation in collaboration with [EIT Digital](#) published for the sixth consecutive year an extensive report, with the aim of recording funding opportunities and the profile of startups in Greece.

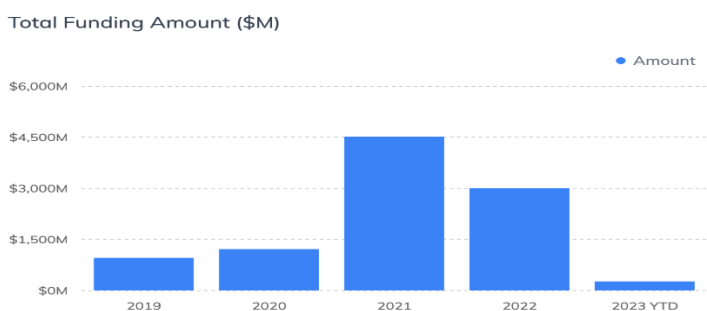
2022 was a year that put a brake on the leapfrog growth of the ecosystem seen last year, given the international circumstances. However, this was expected and does not overshadow the up-to-date upward trajectory of start-up entrepreneurship in Greece, leaving much hope for the future.

Found.ation collaborated with [Dialectica](#) and [SeedBlink](#), with the aim of analyzing and highlighting the characteristics of startupperes, but also forces of the startup community that are not easily visible, such as angel investors and those who choose to invest through crowdfunding platforms.

<https://www.google.com/search?q=funding+new+companies+greece&oq=funding+new+companies+greece&aqs=chrome..69i57j0i546l2.5415j0j4&sourceid=chrome&ie=UTF-8>

4. Other financing options

Despite the slower funding environment in 2022, Greek-founded startups raised \$3 billion, \$1.8 billion more than in 2020. It ought to be said: this is the largest amount ever, apart from 2021, which we consider an outlier year – and compared to 2021, there’s a 33% decline, which is on par with that of the global venture funding.



<https://marathon.vc/blog/greek-startups-funding-rounds-and-exit>

<https://www.enterprisegreece.gov.gr/en/greece-today/why-greece/access-to-financing>

Investors have a wide selection of alternatives for their financing needs to implement their projects:

- The **PA (Partnership Agreement for the Development Framework) 2014-2020** constitutes the main strategic plan for growth in Greece with the contribution of significant resources originating from the European Structural and Investment Funds (ESIF) of the European Union.
- Public Private Partnerships (**PPPs**) are a valuable tool leading to the construction of public infrastructure and the provision of quality services to citizens. Via the implementation of PPPs, the public sector is making use of contemporary finance tools to provide services to citizens enhancing the existing framework of public procurement. For more information, please contact the Special Secretariat for PPPs of the Ministry for Economy & Development (<http://www.sdit.mnec.gr/en>).
- **Venture Capital** and **Private Equity** financing are at a quite mature stage of development in Greece and have enabled many investors to realize their plans.
- **Financial Institutions**, offer to the entrepreneur a wide selection of customized financial instruments and complement the above mentioned financial tools to cover financing needs that cannot be met from other sources or shareholder capital. A list of the major Greek banks is available on the website of the Hellenic Bank Association (www.hba.gr).
- **TANEO – Fund of Funds**: Most funds have been incorporated with the participation of TANEO.

TANEO is the first and only “fund of funds” in Greece that aims at the competitive development of venture capital funds oriented towards supporting SMEs. Through the 11 TANEO funds, more than € 280 million have been directed to Greek SMEs.

Through the collaboration of private and institutional investors, TANEO creates new funds, tailor-made to address the needs of small businesses with a vision and a well-developed business plan.

"INNOVATION FUND"



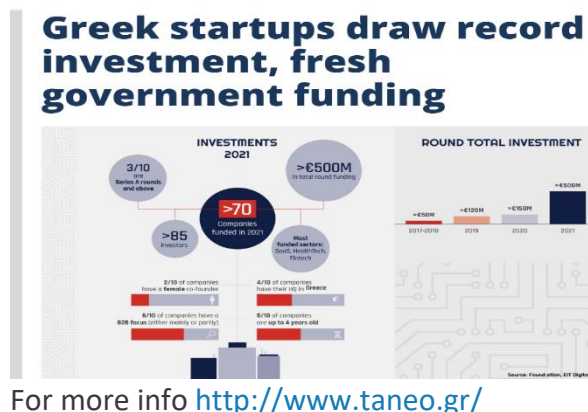
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The main objective of the General Secretariat of Research & Technology is the promotion of innovation and technological development and their integration into the productive fabric of the country as main factors of development and competitiveness.

The Ministry of Lifelong Learning and Religious Affairs and the General Secretariat of Research & Technology, following the announcement at the press conference on 01/31/2012, for the completion of planning and the start of the consultation for the Venture Capital Fund Capitals) under the name "Investments in Innovative Enterprises", announced the formation of this modern instrument of financial technique.

With the signing of a Joint Ministerial Decision of the Ministers of Education, Lifelong Learning and Religious Affairs and Development, Competitiveness and Shipping, a Portfolio (Capital) Fund was established under the name "INNOVATION FUND", as a separate financial unit within the framework of TANEQ SA. (venture capital capital) through an increase in their share capital. A key objective is also to motivate private investors to supply venture capital to companies looking for it, for the development of technological innovation business activities. The funding that ends up in businesses is repayable, which allows for continuous feedback of the Fund's resources, gradually making it a sustainable policy tool.



For more info <http://www.taneo.gr/>

Eligible actions of the act are the granting of business participation capital to businesses that need to attract:

a. pre-operational funds (from €40,000 to €250,000 per investment project) or start-up funds (from €250,000 to €1,500,000 per investment project).

The total capital of the Fund amounts to €30 million, of which €21 million corresponds to public expenditure and the rest to private investors. The public expenditure is co-financed by the European Regional Development Fund (ERDF) and by National Resources.

The operation focuses on five (5) thematic priority areas of the new economy, which show a competitive advantage and are of strategic importance for the development of the country, in the context of which interested companies will submit investment plans: – Health and Biotechnologies – Food and Rural Development – Energy – Environment – Nanotechnologies and Advanced Materials.

TANEO cooperates also with private investors selected after a public call, and open call through the fund manager to innovative businesses. <https://gsri.gov.gr/deltio-typou-tameio-kainotomias/>



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How to set up a business in Cyprus

The following section describes step by step the procedure of how to create your own business in Cyprus, with links to the government's websites with all the information you need to start, register and run your business. At the end of this section are some references to other articles you can read with tips and advice on how to start your own business.

Step 1- Idea:

Come up with a credible company concept that fits your hobbies and experience.

Step 2- Business Strategy:

Conduct market research to learn about your target market, competitors, and industry trends.

Step 3- Legal Structure:

Select the proper legal form for your firm, such as a sole proprietorship, partnership, limited liability company (LLC), or corporation.

Before making a selection, consider the legal and tax ramifications of each structure.

Tax Obligations- Electronic submission of tax returns

Every person (individual or business) who is required to file a tax return under the requirements of the Assessment and Collection of Taxes Law must do it online.

Individuals with gross income that comes within Article 5 of the Income Tax Law must file a tax return.

The Council of Ministers has the authority to adopt decrees defining the categories of taxpayers whose total annual gross income is less than the taxable level of €19.500 who will be exempt from this duty, as well as to provide extensions to the submission date.

For further information check this [Manual](#).

Step 4- [Starting a Company](#):

A comprehensive manual for starting a business in Cyprus outlines the process of incorporating, relocating the registered office, and cross-border merging of companies.

- [Incorporating a Company](#)
- [Re-domiciliation of registered office to the Republic](#)

- [Cross border merger through which the resulting company is a Cyprus Company](#)

Business Name: In this section you can find all the relevant information on how to register your business name, what is a business name, seeking professional advice, any e-services etc.

Running your business

Once registered with the Registrar of Companies, a company is required by law to maintain its register up to date, to notify the Registrar of Companies of any changes to its data, and to meet its yearly responsibilities within the term specified in the Companies Act.

- **Updating Company's Particulars**
- **Filing Annual Returns and Financial Statements**
- **Obtaining Certified Copies/Certificates**
- **Updating the register of beneficial owners**
- **Updating Charges & Mortgages Register**
- **Updating Receivership's & Managementship's Particulars**
- **Other Filings in the Company's Register**

Step 5- Business Registration:

Register your company with the right government departments based on the legal structure you've chosen. Obtain any licenses or licenses required to lawfully operate in your industry and area.

Step 6- TIN (Tax Identification Number):

Apply to the tax authorities for a Tax Identification Number (TIN) or an Employer Identification Number (EIN). This number will be required for tax purposes as well as financial transactions.

Step 7- Bank Account for a Company:

To keep your personal and corporate funds distinct, open a separate business bank account.



Step 8- Business Address:

Choose an appropriate location for your company, whether it's a real shop, office space, or an online presence.

Step 9: Commercial Insurance

Consider purchasing business insurance to safeguard your company against any dangers and liabilities.

Step 10- Bookkeeping and accounting:

Set up an accounting system to keep track of your company's financial operations and keep accurate records. To efficiently manage your funds, consider employing an accountant or using accounting software.

Step 11-Employee Recruitment (if applicable):

If your company requires staff, become acquainted with local employment rules and regulations. Create a recruiting procedure and employment contracts.

Step 12- Promote Your Company:

Create a marketing strategy to reach your desired audience. Use a variety of marketing platforms, including social media, content marketing, and advertising.

Step 13- Compliance:

Ensure that your company complies with all applicable laws. Compliance: Ensure that your company follows all applicable rules and regulations, such as zoning legislation, health and safety requirements, and industry-specific restrictions.

Step 14-Adaptation and Continuous Learning:

Keep up to date on industry developments and market changes. To remain competitive, be prepared to modify your company plans as needed.

All the procedures during the lifecycle of your business in Cyprus can be found [here](#).

Detailed Steps by Business in Cyprus

- Research the legal requirements for setting up a business in Cyprus.
- Determine the type of business you want to establish.
- Choose a business name and check its availability.
- Decide on the legal structure of your business (such as sole proprietorship, partnership, or corporation).
- Create a business plan detailing your objectives, target market, and financial projections.
- Determine the initial capital required for your business.
- Open a bank account for your business.
- Register your business with the Department of Registrar of Companies and Official Receiver.
- Obtain any necessary permits or licenses for your business.
- Find suitable office or commercial space for your business.
- Set up utilities and internet services for your business location.
- Purchase necessary office equipment and supplies.
- Develop a marketing strategy to promote your business.
- Hire employees or contractors if needed.
- Register with the Cyprus Tax Department for VAT (Value Added Tax) purposes.
- Establish a record-keeping system for financial transactions.
- Familiarize yourself with employment laws and regulations in Cyprus.
- Obtain insurance coverage for your business.
- Set up a website and establish your online presence.
- Network with other business owners and industry professionals in Cyprus.
- Develop partnerships or collaborations with relevant organizations or stakeholders.
- Advertise and market your business in Cyprus.
- Monitor and evaluate the progress and performance of your business regularly.

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How to set up a business in Portugal

Introduction to the Handbook

Welcome to the chapter on creating a business in Portugal, part of the DigiRUR handbook – your comprehensive guide to staying rural and successful in the digital era. In this chapter, we will provide you with valuable insights and step-by-step instructions on how to establish and open a business in Portugal. Whether you are an aspiring entrepreneur or an established business owner looking to expand your operations, this chapter will serve as your roadmap to navigate the intricacies of the Portuguese business landscape.

We will cover various aspects, including determining your business structure, registering your business name, obtaining permits and licenses, necessary documentation, the registration process, opening a bank account, tax obligations, and financing options. Nevertheless, keep in mind that the information provided here is based on the existing regulations and practices as of our knowledge cutoff in July 2023. Please note that regulations may change over time, so it is advisable to consult with local authorities or seek professional advice to ensure you have the most up-to-date information.

To begin, it is crucial to determine the most suitable legal structure for your business. Hence, we will explore various options available in Portugal, such as sole proprietorship, partnership, limited liability company, and more. Understanding these structures will help you make an informed decision that aligns with your business goals and needs.

Once you have determined your business structure, we will guide you through the steps involved in registering your business name and obtaining any permits or licenses required for your specific industry or activity. Compliance with legal requirements is vital for operating your business smoothly and avoiding unnecessary penalties.

Next, we will delve into the essential documentation you need to gather for the registration process. This includes identification documents, a business plan, and, for certain structures, articles of association. We will outline the step-by-step process for registering your business, ensuring that you complete each necessary procedure accurately and efficiently.

Every business registration process comes with associated fees. Therefore, we will provide an overview of the registration fees involved in establishing your business in Portugal, helping you budget and plan accordingly.

Moreover, opening a business bank account is crucial for financial transactions and managing your company's funds. We will explain the process of setting up a bank account for your business and highlight key considerations to ensure smooth financial operations.

In the following section, we will provide information on tax legislation for legal entities in Portugal. We will explore reporting requirements, ensuring you are aware of your responsibilities and can meet your tax obligations accurately.

Securing financing is often a significant concern for entrepreneurs. Thus, we will discuss various financing options available in Portugal, including small business loans, grants, angel investors,

venture capitalists (VCs), incubators, and accelerators. Additionally, we will explore state subsidies that may be applicable to your business, helping you identify potential sources of financial support.

By the end of this chapter, you will have a comprehensive understanding of the process of creating a business in Portugal. Armed with this knowledge, you will be better equipped to navigate the legal, financial, and administrative aspects of entrepreneurship. Let's embark on this exciting journey of starting a business in Portugal and embracing the opportunities offered by the digital era while staying connected to rural roots.

Determine Your Business Structure

Determining the appropriate business structure for a venture involves considering various factors such as legal, financial, operational, and tax considerations. Here are the steps to help you determine the most suitable business structure:

- Evaluate your business goals: Start by clearly defining your business objectives, long-term vision, and growth plans. Consider factors like the scale of operations, the number of owners desired flexibility, and the level of control you want to have over decision-making.
- Understand the different business structures: Familiarise yourself with the common types of business structures. The options may include sole proprietorship, partnership, limited liability company (LLC), corporation, and cooperative. Each structure has its own advantages and disadvantages.
- Consider liability protection: Assess the potential risks and liabilities associated with your business. Determine the level of personal asset protection you require. Sole proprietors and partners have unlimited liability, whereas forming an LLC or a corporation can provide limited liability protection.
- Assess taxation implications: Investigate the tax implications of each business structure. Understand how profits and losses are allocated and taxed at the individual or business level. Consider consulting with a tax professional to determine the most advantageous structure based on your specific circumstances.
- Analyse ownership and control: Determine the desired ownership structure and the extent of control you want to maintain. Some structures allow for multiple owners and shared decision-making, while others provide more centralised control.
- Consider operational requirements: Evaluate the administrative and operational aspects of each structure. Consider factors like ease of formation, ongoing compliance requirements, record-keeping obligations, and management flexibility. This assessment should align with your resources, capabilities, and long-term plans.

In Portugal, the most common business structures available are:

Sole Proprietorship (Empresário em Nome Individual):

A sole proprietorship is the simplest and most common form of business structure. It is owned and operated by a single individual.

Advantages:

- Easy and inexpensive to set up.
- Full control and decision-making power over the business.
- Minimal legal and regulatory requirements.
- Profits are taxed as personal income.

Disadvantages:

- Unlimited personal liability, meaning the owner's personal assets are at risk.
- Difficulty in raising capital.
- Limited ability to expand or take on larger projects.
- Lack of separate legal entity status.

Partnership (Sociedade em Nome Coletivo or Sociedade em Comandita):

Partnerships involve two or more individuals or entities pooling their resources and skills to run a business together. There are two types of partnerships:

General Partnership (Sociedade em Nome Coletivo):

- In a general partnership, all partners have unlimited liability and equal responsibility for the business.

Limited Partnership (Sociedade em Comandita):

- A limited partnership consists of general partners who have unlimited liability and limited partners who have liability limited to their invested capital.

Advantages:

- Shared resources and expertise.
- Shared risks and responsibilities.
- Flexible profit-sharing arrangements.
- Relatively easy and inexpensive to establish.

Disadvantages:

- Unlimited liability for general partners.
- Potential conflicts between partners.
- Lack of separate legal entity status.

- Dissolution of the partnership if a partner withdraws or dies (in the case of general partnership).

Limited Liability Company (LLC) (Sociedade por Quotas):

A limited liability company is a separate legal entity that offers liability protection to its owners (called "quotaholders"). It is a popular choice for small to medium-sized businesses.

Advantages:

- Limited liability protection for owners.
- Flexibility in ownership and management structure.
- Easier to raise capital compared to sole proprietorships and partnerships.
- Profits are taxed at the corporate level, potentially offering tax advantages.

Disadvantages:

- More complex and costly to establish compared to sole proprietorships and partnerships.
- Annual financial reporting requirements.
- Restrictions on certain activities or industries.
- Less prestige compared to a corporation.

Corporation (Sociedade Anónima):

A corporation is a separate legal entity owned by shareholders. It is commonly used for larger companies with significant growth and investment potential.

Advantages:

- Limited liability for shareholders.
- Ability to raise capital by issuing shares.
- Perpetual existence, independent of changes in ownership.
- Greater flexibility in structuring ownership and management.

Disadvantages:

- More complex and costly to establish and maintain compared to other structures.
- More extensive legal and regulatory requirements.
- Double taxation: profits are taxed at the corporate level, and dividends are taxed at the individual level.
- Greater administrative and reporting obligations.

Cooperative (Cooperativa):

A cooperative is a business owned and operated by its members, who are typically individuals or other businesses that use its services or products. Cooperatives are based on principles of self-help, mutual assistance, and democratic decision-making.

Advantages:

- Democratic ownership and control.
- Shared risks, benefits, and decision-making.
- Cooperative members can access goods or services at lower costs.
- Profits can be distributed among members based on their contributions.

Disadvantages:

- Limited access to external capital.
- Potential conflicts among members.
- More complex governance structure.
- Limited personal liability protection.

It's important to note that each business structure has its own legal, financial, and operational considerations. The choice of structure should be based on the specific needs and goals of the business, as well as the advice of legal and financial professionals familiar with Portuguese business laws and regulations.

Registration of business name and obtain any necessary permits or license

Registration of business name

Business registration and business name registration are two distinct subjects, since name registration is one of the steps of the business creation. So, in order to register your **business name**, regardless of the method opted, you can choose a pre-approved name, or create a name and apply for approval via the certificate of admissibility application service.

- The easiest option is to choose a **pre-approved name**. When you set up your company, you must indicate the name you have chosen and confirm that it is still available;
- You can also choose a **name that is not on the list of pre-approved names**. In this case, you will need to have a Certificate of Admissibility of Firm or Name issued with the name already approved;
- If you set up your company at the National Registry of Legal Persons, you can get the name approved at the time of setting up the company.

Business licenses, permits and authorisations

Once you have set up and registered your business, you will need to take care of a number of formalities. Depending on the activity chosen, there are general and specific requirements to be met in order to be authorised to carry out the activity.

On the ePortugal portal, you will find all the information on the licenses and authorisations required to carry out the different types of activities, the contacts of the competent authorities to whom you should address your requests and other electronic services.

Sectoral guides are also available for some areas of economic activity, as well as simulators that allow you to check the obligations of your business in terms of:

- access to the activity;
- infrastructure and facilities;
- operation and functioning;
- labour conditions;
- social security;
- taxes.

During the life cycle of your business, you may also need to make changes to your company, such as changing the company name, the address of the registered office, the activity, the articles of association or the statutes.

In the event of a dispute concerning industrial property, domain names, trade names and appellations, you can request dispute resolution through the ARBITRARE Arbitration Centre. If the case relates to the purchase of goods or services, you can request arbitration for the resolution of consumer disputes.

Registration of business

Setting up a business, in Portugal, is currently such a simple process that it can even be done online. The Administrative and Legislative Simplification Program ("Simplex") was created with the aim of simplifying regulatory procedures and associated public administration practices, hence reducing the bureaucratic burden imposed on citizens and business activities.

There are, in practice, three ways of setting up a business:

1. The **Traditional Method**;
2. The **On the spot Company** (Empresa na Hora);
3. The **Online Company** (Empresa Online).

Traditional Method

The creation of the company by this method implies a series of steps in different Entities and at different times, such as the application for the Certificate of Admissibility, the deposit of the company's share capital, the preparation of the pact or constitutive act of society, the delivery of the declaration of commencement of the activity, commercial registration and registration with Social Security.

On the spot Company (Empresa na Hora)

On-the-Spot Company counters it is possible to set up a sole proprietorship, private limited company, or limited company, with the partners simply needing to bring all the necessary documents. In just under an hour, it is possible to follow all the procedures necessary for the incorporation of the company at a single counter.

Online Company (Empresa Online)

The Online Company process allows the creation of sole proprietorships, private limited and public limited companies, using a digital certificate, such as the Citizen Card. You can then follow your company creation process online through the Electronic Company Dossier.

Companies whose capital is paid up using contributions in kind, i.e., where the partners' contributions in the share capital are not made in cash, cannot be incorporated through the Online Company.

In short, if the goal is to set up a business quickly and without bureaucracy, the best option is to choose one of the last two options, or **On the spot Company** (Empresa na Hora) or **Online Company** (Empresa Online).

Necessary documentation, including identification documents, business plan, and articles of association (for certain structures)

According to the Portuguese Government, before opening a company, it is important to previously develop:

- a **Business plan**, that will allow you to check the viability of your idea and thus minimise risks. It will also be crucial when looking for possible investors if you do not have enough equity to support the investment. The main pieces of information that should be included in your business plan are: Name of the company, mission, potential markets, essential lines of the business project, objectives to be met, business strategy, financial forecasts, human resources and investment.
- and, a **Market analysis**, in order to assess factors such as potential for receptivity and competition, and the risk associated with your decision.

It is best to seek advice from public bodies, such as, IAPMEI (Instituto de Apoio às Pequenas e Médias Empresas e à Inovação), a strategic public partner supporting micro, small and medium-sized enterprises in the industry, commerce, services and construction sectors.

For the business registration, it is possible to obtain the documents online through a request or in person, at one of the available counters or from the responsible entities, depending on the method you choose. Here are the following documents you need for registration:

- Tax Identification Number;
- Commercial Register;

- Proof of enrolment in the Social Security Scheme;
- Social Security;
- Declaration of Commencement of Activity;
- Certificate of Admissibility;
- Deposit of share capital;
- Preparation of the memorandum or articles of association of the company.

Steps for registration

Company On the Spot

This service also offers the possibility of adopting a pre-approved trademark similar to the company's corporate name during the incorporation process ("Trademark On The Spot").

The Company On The Spot procedure is only available for Joint-stock Limited Liability Companies, Limited Liability Companies and Sole Shareholder Limited Liability Companies.

A description of the steps to incorporate a Company On The Spot is set out below:

Step 1: Choosing the company's name

The shareholders shall choose from a list of pre-approved corporate names (available online at the Company On The Spot website or at any Company On The Spot counter). This list is a selection of proposed names that already have an associated legal entity number, that also corresponds to its taxpayer number ("NIPC"), and a Social Security number, to be issued upon incorporation.

It is possible to choose a name not included in the aforementioned list of pre-approved corporate names in case a corporate name approval certificate previously obtained with the National Registry of Legal Entities.

Step 2: Choosing pre-approved articles of association

The shareholders shall choose one of the pre-approved articles of association (available online at the Company On The Spot website or at any of the desks where Company on the Spot can be incorporated).

Step 3: Appearing before the Competent Service

In order to initiate the Company On The Spot incorporation procedure, the shareholders must personally appear before one of the competent services for that purpose. The Company On The Spot website contains a list of all competent services in Portugal.

Shareholders who are natural persons must:

- Present an identification document (citizen card, identity card, passport or residence permit); and
- State their Portuguese taxpayer number.



Note: Shareholders who are natural persons may be represented by means of a power of attorney issued in the presence of a notary, lawyer or solicitor and duly legalised.

All shareholders who are legal entities shall also present the following documents:

- Updated commercial registry extract;
- Document granting representation powers for the incorporation of the company (minutes of resolutions or powers of attorney, as applicable).

In case the share capital is fully or partially paid up by means of contributions in kind, an auditor's report must be presented at the moment of incorporation of the company. Contributions in kind are subject to valuation by an independent statutory auditor who shall issue a report on the valuation of the relevant contribution in kind, which is valid for 90 days and that shall be made available to the shareholders at least 15 days before the incorporation of the company.

Step 4: Signing the articles of association and promoting the commercial registration

Upon choosing the articles of association, they shall be immediately executed and the commercial registration shall be concluded immediately afterwards. The shareholders shall receive an access code to the online commercial registry certificate, the social security number and a certificate of the articles of association of the company.

Additionally, a company card (in electronic form) shall be issued. The company card is the ID card of the company and shall contain the Legal Entity Identification Number ("NIPC") of the company, which also corresponds to its taxpayer number, and the company's social security number. This card also contains the main Economic Activity Code of the company and up to 3 secondary codes, its legal nature, the address of the registered office and its date of incorporation.

Step 5: Share Capital

Except in the case of postponement of capital contributions, the shareholders shall deposit the share capital within 5 days after the incorporation. As for Limited Liability Companies and Sole Shareholder Limited Liability Companies, the shareholders may declare in the incorporation document that the share capital will be deposited in a bank account opened in the name of the new company until the end of the first financial year.

In case of contributions in kind regarding assets whose transfer is subject to mandatory registration (e.g. transfer of real estate property), the competent service shall assess if any taxes are applicable (e.g. Property Transfer Tax) and ensure that incorporation only takes place after their respective payment.

Step 6: Commencement of activity statement

The company shall be registered for tax purposes by filing a commencement of activity statement, which may be immediately presented to the Company On The Spot service, as long as it is signed by its Certified Accountant (Técnico Oficial de Contas) ("TOC"). Otherwise, the commencement of activity statement shall be filed with the tax services within 15 days following the company's incorporation.

Step 7: Ultimate Beneficial Owner Statement

Within 30 days of the registration of its incorporation, the company must identify its ultimate beneficial owners by submitting a statement to that effect in the electronic platform of the Central Registry of Ultimate Beneficial Owners.

For companies incorporated under the Company On The Spot framework, it is possible to request, by appointment, the assisted completion of the ultimate beneficial owner statement, which will have an additional cost of €15.

Step 8: Minutes Books

After the commercial registration of the incorporation is concluded, the company must prepare the minutes books in which the minutes of the resolutions of the general meeting and of the other corporate bodies (as applicable) shall be recorded.



Online Company

The online Company of Joint-stock Limited Liability Companies and Limited Liability Companies (with the exception of Joint-stock European Companies and of companies whose capital is paid up by contributions in kind where the transfer of assets contributed by the shareholders of the company requires a form more solemn than written form) is made on the “Empresa Online” section of the ePortugal Portal. The procedure is supervised by the National Registry of Legal Entities regardless of the location of the registered office of the company to be incorporated. However, the proceedings may be distributed to other Commercial Registry Offices.

The assessment of the company’s registration request is carried out immediately (in case the company adopts a pre-approved model of articles of association) or within a maximum term of 2 (two) business days (in case the applicants agree on a different version of the articles of association which shall be submitted by one of the applicants).

The access to the Online Incorporation service requires a computer with an internet connection and digital certification resources (through the mobile digital key, the Portuguese citizen’s card or a digital certificate).

In case the applicant is authenticated for the first time at the ePortugal Portal, he/she will have access to the information made available by the digital certificate, citizen’s card or mobile digital key. A brief description of the steps for the Online Incorporation is set out below:

Step 1: Choosing the company’s name

There are three options when choosing the corporate name of the company:

1. Choosing and reserving a name from a list of corporate names available online (list of names proposed by the National Registry of Legal Entities, which already have a Legal Entity Identification Number, that shall also correspond to its taxpayer number (“NIPC”), and a Social Security number, to be issued upon incorporation);
2. Submission of the intended corporate name for approval by the National Registry of Legal Entities, within one business day. Once the corporate name is approved, the applicant will receive an email with a link allowing him/her to start the Online Incorporation during the following 24 hours; or
3. Choosing a corporate name through prior filing for a corporate name approval certificate with the National Registry of Legal Entities (in which case the applicant shall insert the number of the certificate in the system). The corporate name approval certificate is valid for 3 months as of the date of its issuance or renewal.

Step 2: Definition of articles of association and other company-related information

The applicant must select either a pre-approved template of the articles of association or a customised document prepared/approved by the applicants.



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The following information should be filled in:

a) Company:

- In case the company's name is selected from the list of pre-approved corporate names, reference to the corporate purpose that shall be added to the company's name (optional);
- Type of company;
- Registered office;
- Corporate purpose;
- Economic Activity Code;
- Share capital; and
- IBAN (optional) for possible reimbursement by wire transfer.

Without prejudice to the above, and in case the applicant has chosen pre-approved articles of association, the following information shall be added:

- how share capital will be paid-up;
- in case of a Joint-stock Limited Liability Company, the face value of the shares; and
- binding rule.

Whenever applicable, administrative licenses may also be required for conclusion of the incorporation procedures.

b) Applicants:

Shareholders:

- Information on shareholder(s) who are natural persons – name, gender, taxpayer number, marital status (and, if married, the marital property scheme and name of spouse), place of birth, nationality, address, telephone contact and email address;
- Information on shareholder(s) who are legal entities – corporate name, registered office and legal entity number; and
- Face value of the shares (Limited Liability Companies – “quotas” – and Joint-stock Limited Liability Companies – “ações”) to be held.

In case of use of customised articles of association, the name, the Portuguese taxpayer number and e-mail of the shareholder shall be included in the forum (optional). This identification allows the shareholders to have access to the draft of the articles of association online for discussion purposes.

Board of Directors and Supervisory Board:

- In case of Joint-stock Limited Liability Companies, identification of the Effective Sole Auditor, Alternate Auditor and director(s) (full name, address and Portuguese taxpayer number); or

- In case of Limited Liability Companies, identification of the director(s) (full name, address and Portuguese taxpayer number).

Chartered Accountant (Técnico Oficial de Contas) ("TOC") – three options:

Appoint a TOC by inserting the respective data (association member number, name, taxpayer number, professional address, telephone contact and e-mail address);

Select a TOC from the list made available by the Association of Certified Accountants (Ordem dos Contabilistas Certificados); or

Not to appoint a TOC and file the commencement of activity statement before the tax authorities within 15 days after incorporation.

Step 3: Adhesion to an Arbitration Centre

After inserting the company's information, the applicant shall inform whether he/she accepts to adhere to an arbitration centre. The adhesion is simple, voluntary and has no cost: the applicant shall fulfil the form "*Adesão Plena e Imediata*" at the time of the Online Incorporation. By this undertaking, the company accepts to submit to such centre exclusive jurisdiction in relation to any conflicts that may arise within the attributions of the centre.

Companies that adopt Economic Activity Codes related to the sale and purchase of vehicles or provision of services related to vehicles are only allowed to adhere to the Automobile Arbitration Centre.

Step 4: Validation of the articles of association

After inserting the information on the company and participants, the applicant may proceed with the validation of the articles of association.

For pre-approved articles of association, the applicants are only allowed to review the document in order to correct errors or inaccuracies resulting from the data insertion. This is performed in a private forum with limited access to shareholders whose email address has been provided in Step 2.

When the articles of association are prepared by the shareholders, the applicant shall upload them, so that they are available to all shareholders in the private forum.

After receiving notice from all shareholders, the applicant may proceed with any necessary amendments by accessing the process in the Company's Electronic File (*Dossier Eletrónico da Empresa*).

When this process is concluded, the application shall automatically generate a social security number.

Step 5: Signature and submission of documents

After validating the articles of association, the applicant shall proceed with the following steps:

- Printing and signing the following documents:
 1. Articles of Association;
 2. Statement of identification of ultimate beneficial owners, pursuant to Article 3 of Law 89/2017, of 21 August (these elements must be included in the company's incorporation document, and may appear in a schedule);
 3. Form of adhesion to the Arbitration Centre (if applicable); and
 4. Form for signature legalisation.

- Uploading the aforementioned signed documents as well as:
 1. Relevant powers of attorney (if applicable);
 2. Commercial registry extracts (if applicable);
 3. Minutes of resolutions of the corporate bodies (if applicable);
 4. Articles of association of shareholders (if applicable);
 5. Statement of acceptance issued by Effective Sole Auditor (if applicable);
 6. Statement of acceptance issued by Alternate Sole Auditor (if applicable);
 7. Statement of acceptance of the appointment issued by the directors;
 8. Statement of unawareness, on the part of the directors, of any circumstances that might inhibit them from holding the office.
 9. Administrative authorizations (if applicable); and
 10. Any other relevant documents.

The online submission of documents replaces the requirement of sending physical documents by mail. The submitted documents shall be kept until receipt of confirmation of the company's incorporation.

Step 6: Next Steps

After submitting the company incorporation request on the Online Incorporation service, the information is validated by the competent services. Afterwards, the following steps will occur:

- Email notice to the applicant acknowledging the receipt of the request by the competent services;
- In case irregularities are detected, the applicant receives an e-mail requesting the respective rectification, which must be done within 5 days. The rectification is made through the Online

Incorporation website in the ePortugal Portal. If the rectification does not occur within the deadline mentioned, the registration becomes provisional or is refused.

- Email notice to the applicant confirming the conclusion of the incorporation process;
- Documentation sent by regular mail to the company's registered office: commercial registry certificate, company's card and payment receipts;
- Publication of the company's registration online at the website of the Ministry of Justice;
- Notice to the tax authorities: the information of the TOC (if appointed or assigned) is also made available so that they may submit the statement of commencement of activity;
- Submission of the information on the company's incorporation to the Social Security services;
- Submission of the information to the *Direção Geral da Política de Justiça (DGPJ)*: information related to the registration of companies to the National Institute of Statistics; and
- After incorporation, the DNS.PT Association (*Associação DNS.PT*) issues, by email, a user ID and password allowing the management of the Internet domain for the company's website.



Step 7: Ultimate Beneficial Owner Statement

Within 30 days of the registration of its incorporation, the company must identify its ultimate beneficial owners by submitting a statement to this effect in the electronic platform of the Central Registry of Ultimate Beneficial Owners.

Step 8: Minutes Books

After the commercial registration of the incorporation is concluded, the company must prepare the minutes books in which the minutes of the resolutions of the general meeting and of the other corporate bodies (as applicable) shall be recorded.

Registration fees

The registration fees cost €360. This amount includes the commercial registration and publications associated with the incorporation of the company, and must be paid immediately at the time you set up your company.

In case there is real estate associated with the incorporation of the company, this amount may increase. You can find out more about possible additional costs from the Institute of Registration and Notary (IRN).

Bank account

To open a business bank account, you must submit the requested documentation, make the required initial deposit and fulfil other requirements that the bank may deem necessary.

The documentation may vary depending on the bank and the nature of the company (sole proprietor or legal person). But in general, to open a business account banks will request the following:

A **sole proprietor** will only have to submit documents relating to their personal identification, residence and activity. Such as:

- Citizen's card
- Passport, Authorisation or Residence Permit in the national territory, if you are a foreigner.
- Proof of residence address (example: water, electricity, gas or telecommunications bill, driving licence or certificate from the parish council).
- Proof of tax address (certificate issued by the Tax and Customs Authority)
- Declaration of commencement of activity or restart of economic activity.

In the case of a **legal person company**, documents identifying the partners and proving the existence of that company will be required, such as:

- Certificate from the commercial register or other document, which contains the name, object and full address of the company.
- Legal person/company card or other document containing the legal person identification number (NIPC).
- Identification documents of the partners, such as the citizen card and proof of address.

Tax Obligations

Taxes are an important factor to consider when building a new business. Tax obligations arise when you set up your business and continue for as long as it is in operation. Therefore, it is important to know what taxes you will have to pay, as they can represent a significant share of your annual expenses.

Even though the tax burden for companies may change from time to time or be minimised by using tax credits, the taxes are always the same. What can vary is the amount of tax to be charged, and this variation depends a lot on the amount invoiced, as well as the expenses you have recorded.

Information on tax legislation for legal entities in each country

There are several types of taxes in Portugal, of which three are mainly levied on companies: on income, on consumption and on assets. Taxes to be paid by businesses, in Portugal, are:

- Corporate income tax (IRC)
- Value Added Tax (VAT)
- Other taxes:
 - Vehicle circulation tax (IUC) and Vehicle Tax (ISV) - Vehicle;
 - IMI (Municipal Property Tax), additional to Municipal Property Tax (AIMI), Property Transfer Tax (IMT) - Properties;
 - Stamp Duty if, for example, you take out a credit.

Corporate Income Tax (IRC)

It is a tax levied on the taxable income of companies, calculated on the basis of the declaration submitted annually by the end of May. It is this declaration (the Model 22) that will be used to determine the amount to be paid based on the previous year's income. The IRC calculation takes into account several variables.

The first is the IRC rate, which in mainland Portugal is 21% (in the islands of Madeira and Azores the rate is 14,7%). SMEs benefit from a rate of 17% (11,9% in the islands), but this only applies to the first €25,000 of the taxable amount¹. The standard rate applies to the remaining amount.

In addition to the amount calculated by applying the standard IRC rate, there are other rates applicable to this tax that add to the amount due, including:

- the **municipal surcharge**, a tax that is paid to the municipality based on the company's taxable profit. The municipal surcharge rates are updated annually and vary from municipality to municipality, but cannot exceed 1,5%;
- the **state surcharge**, companies with profits above €1.5 million still have to pay this additional rate. This rate varies according to the taxable profit and can be 3%, 5% or 9%;

¹ The taxable amount is the taxable profit - after deducting tax benefits and tax losses. Taxable profit is the amount the company has earned, excluding its expenses.

- **autonomous taxation** is also included in the calculation of the IRC. It is a tax payable on expenses that are not considered directly related to the activity, such as representation expenses, subsistence allowances, passenger car charges, among others.

During the tax period, several IRC payments are made that act as an advance on this tax, in other words, at the time of calculation, they are deducted from the amount calculated:

- **Payment on account**, which is calculated on the basis of the tax assessed for the immediately preceding period less withholdings and must be paid in three equal instalments, by the end of July and September and by the 15th day of December.
- **Special payment on account**, corresponding to the difference between 1% of turnover and the amount delivered in payments on account in the previous tax period, which must be paid in one go by the end of March of the tax period in question or in two instalments, one in March and other in October;
- **Withholding taxes**, for the applicable income, which, not corresponding to a direct payment by the provider, its value is withheld and paid to the State by the purchaser of the products or services.

As far as IRC is concerned, you are always paying in advance. And in May, when you submit the Model 22 declaration, the adjustments will be made.

Value Added Tax (VAT)

In practice, VAT is just money that is held by the company until it has to be returned to the state. That is, when you sell, you are charging IVA to your customers. When you buy, you have to pay IVA to your suppliers.

In Portugal, three VAT rates are applied: the standard rate, applicable to most cases, and the intermediate and reduced rates, applicable to specific activities, corresponding to, in 2021:

- Mainland - Normal: 23%; Intermediate: 13%; Reduced: 6%;
- Madeira - Normal: 22%; Intermediate: 12%; Reduced: 5%;
- Azores - Normal: 16%; Intermediate: 9%; Reduced: 4%.

After declaring these amounts, the amount to be delivered to the Tax Authority (TA) or to be received, if you have paid more VAT than you received from your customers, is calculated.

VAT returns can be submitted monthly or quarterly, depending on the size of the business. There are two frameworks applicable to the normal VAT regime:

- the **normal monthly regime**, applicable to entities that opt for it or that reach a turnover of €650,000, in which payment is made by the 15th day of the second month following that in which the transactions occurred;
- the **normal quarterly regime**, applicable to entities that do not fall under the monthly regime, in which the payment of the tax must be made quarterly by the 20th day of the second month following the quarter in which the transactions occurred.

Other taxes

- Vehicle circulation tax (IUC) and Vehicle Tax (ISV) - Vehicle

If you also have a company vehicle, you have to pay the ISV on the purchase of new vehicles, when it gets a Portuguese license plate (second-hand vehicles do not pay). And also, the Single Circulation Tax (IUC), is one of the taxes in Portugal that is levied on an entity's cars, including passenger and mixed-use cars, goods vehicles, motorbikes, mopeds, tricycles and quadricycles, recreational boats and aircraft for private use. Payment of this tax must be made once a year per vehicle, by the last day of the anniversary month of registration, with the exception of that for pleasure boats and aircraft for private use, which must be paid by the end of January.

- Municipal Property Tax (IMI), Additional to Municipal Property Tax (AIMI), Property Transfer Tax (IMT) - Properties

The Municipal Property Tax (IMI) is a property tax that applies to all entities that own real estate and is levied on the taxable value of the respective real estate, including land.

The AIMI is, as the name implies, an additional to IMI, paid by owners with large real estate assets. This tax applies to persons (natural and legal) who, on 1 January of each year, are identified in the land register as owners of urban buildings for housing or land for construction.

The Property Transfer Tax (IMT) is a property tax for both locals and foreigners. This is a transfer tax that will need to be paid when purchasing property and will range from 0 percent to 10 percent.

- Stamp Duty

Stamp duty is levied on certain activities and transactions, including all acts, contracts, documents, deeds, papers and other facts. Transactions that are not subject to or exempt from VAT are excluded from stamp duty.

Stamp duty rates are defined in the General Stamp Duty Table and vary widely depending on the transaction. If there are transactions subject to stamp duty in a given month, payment must be made by the 20th of the following month.

Social Security contributions

It is not tax, but if you have employees, you still have to count on social security contributions. In total, the Single Social Tax (TSU) is 34,75% of each employee's gross salary, with companies paying 23,75%. Employees pay the remaining 11 per cent.

The payment of contributions by companies that are employers must be made from the 10th until the 20th of the following month to which the remuneration relates.

Reporting requirements

Associated with each type of tax and not only, there are several reporting obligations that need to be fulfilled. Some serve as a basis for tax assessment, others are to keep the Tax Authority's database up to date. Associated with the above taxes are the following:

- the IRC Model 22, to be delivered by the 31st of May of each year;
- the Periodic VAT Return, to be delivered in the months referred to for the payment of the tax, until the 10th for the monthly regime and until the 15th for the quarterly regime;

- the SAF-T (Standard Audit File for Tax purposes) (PT) with the elements of the invoices, to be delivered monthly until the 12th;
- Monthly Stamp Duty Declaration (DMIS), to be submitted by the 20th of the following month of the transactions subject to the tax;
- Monthly Remuneration Statement (DMR), for all employers, to be delivered monthly by the 10th of the month, regarding the salaries of the previous month.



Financing Your Business:

There are several ways to finance your business, whether it is a loan, grant or donation. However, it is important to take into account the amount you will need to get your business started as well as the counterparts or the interest rates you will have to pay, so you need to choose the best solution for your project.

In Portugal, the most common forms of financing your business are: Crowdfunding; Bank credit; Microcredit; Support from the Institute for Employment and Vocational Training; Business Angels; Venture Capital; Public funding; and, Competitions for startups.

Small Business Loans and Grants

The Portuguese government has offered various financial support programs for small and medium-sized enterprises (SMEs). These programs may include loans, grants, and other forms of financial assistance.

One of the examples is the **Portal do Financiamento**, which was created to simplify and improve access and use of the various financing solutions with public support. It is a platform where you can find, grouped in a single location, information directed in particular to SMEs, in the different phases of their activity and investment. It provides information on a wide range of solutions, such as Mutual Guarantee, Credit Insurance, Venture Capital, Business Angels, CoInvestment Funds, Real Estate Investment Funds, also covering tax incentives for investment and the capitalisation of companies.

The other example is the range of specific incentives and support programmes for entrepreneurs that IAPMEI has been providing. In the area of Innovation and Competitiveness, IAPMEI develops and takes part in a variety of programmes and initiatives that help to identify opportunities to innovate, manage innovation and invest in Research, Development and Innovation (R+D+I). It also provides specialised information on investment and funding incentives in support of innovation and competitiveness.

In the area of Competitiveness Clusters and with a view to stimulating and supporting the emergence and consolidation of collective efficiency strategies, of which clusters are an example, IAPMEI supports these collaborative networks that encompass sectoral business lines and promote value chains. IAPMEI promotes networking among competitiveness clusters, ensuring the dissemination of national and international information relevant to their operation.

There are also three distinct areas with information on initiatives for entrepreneurs:

- Entrepreneurism and innovation
- Portugal 2020 incentives
- SME Academy

The Government has also launched the Startup Portugal+ Programme, presented in July 2018, to give fresh momentum to the initial strategy and respond to emerging challenges, where business can apply to different public grants. But further consideration will be given on the point 6.5. States and subsidies.

Besides public loans and grants, **bank loans** are one of the most common sources of funding for starting a business. The most advantageous loan offer for you will come from looking at the interest rates and associated fees, as well as the collateral required. You should always take this into

account. To obtain credit, you can also use the Mutual Guarantee Facility. This private scheme was developed specifically for situations where companies do not have sufficient collateral to access bank credit. It is up to the mutual guarantee company to provide financial guarantees for your loan (as if it were a guarantor), allowing you to unlock a bank loan for your company.

If you cannot access traditional bank loans, then **microcredit** may be the ideal solution for you. This system has spread as an alternative financing for citizens excluded from credit (due to lack of income or collateral) but with good business ideas. In Portugal, the maximum amount of funding is €15,000, through the National Association for the Right to Credit (ANDC). This funding is intended for unemployed people, young people looking for their first job and precarious workers.

Angel Investors

Business angel (BA) financing is an opportunity for innovative or growth-oriented business projects that usually also involves a management partnership, which is an important advantage for entrepreneurs with little prior business experience.

BAs are individual investors, usually entrepreneurs or company directors, who invest their capital, expertise and experience in projects promoted by entrepreneurs, which are in the early stages of activity or in critical stages of growth. This is a time-limited entry into the capital of companies, with the aim of medium-term capital appreciation through subsequent sale of the shares to other stakeholders.

In Portugal, the Business Angels Vehicle Entities are mainly owned by BAs (individuals) accredited by IAPMEI, here are some examples:

1. Co-Investment Line For Business Angels and IFD

Business angels wishing to apply for this funding line have 45 days to do so. The selection of applications will be made in 30 days and the contracts signed in 60, i.e. a vehicle entity will be set up which must necessarily bring together three or more business angels.

Each of these entities will be able to obtain a maximum of €1.4 million in funding, with a 70% share of the IFD capital fund, to create companies and support them in the start-up phase.

For capital reinforcement for companies to develop new products and services and for innovative projects in terms of products, organisation and marketing, each vehicle entity will have a maximum of 700 thousand euros, with the same level of participation.

2. FNABA - National Federation Of Business Angel Associations

The activity of Business Angels has been gaining relevance in recent years. This relevance has been achieved thanks to the general awareness that the figure of Business Angels is an indispensable player in the entire process of financing new business initiatives and, in particular, given the growing interest on the part of government entities in promoting it in the market.

FNABA's mission is to represent the interests of the various Business Angels Associations in Portugal. Thus, it intends to be a conciliatory entity that contributes to the strengthening and encouragement of Business Angel activity in Portugal, similar to what several other European countries have developed in favour of this activity.

3. APBA - Portuguese Business Angels Association

APBA's mission is to foster the development of Business Angels in Portugal in order to develop the spirit of entrepreneurship and contribute to the growth of a vibrant and innovative economy.

For those who want to invest in a high-potential company, participate in the creation of a new company or its development, share their skills and network with dynamic entrepreneurs, APBA membership may be the solution to your challenge.

3. EBAN - European Business Angels Network

EBAN was created in 1999 with the support of the European Commission and its mission is to represent Business Angels and their associations in European markets and policies, to identify and share good practices, as well as to promote their role in supporting entrepreneurship.

Venture Capitalists (VCs)

Portugal's startup ecosystem has been steadily growing over the years, with Lisbon being the primary hub for entrepreneurial activities. The country has seen an increase in the number of startups, attracting both local and international investors.

In this scenario, there are several venture capital firms operating in Portugal, providing funding and support to startups and early-stage companies. Some of the notable VC firms include:

- Indico Capital Partners
- Armilar Venture Partners
- Portugal Ventures
- Bynd Venture Capital
- Caixa Capital
- Shilling Capital Partners

Portuguese venture capitalists (VCs) have a diverse investment focus, spanning industries such as technology, fintech, biotech, cleantech, and consumer goods. However, there is a noticeable emphasis on technology startups, aligning with the global trend in the tech industry.

VCs in Portugal typically engage in multiple investment stages. They invest in early-stage startups and continue to provide funding in subsequent rounds as the companies grow. Seed funding, Series A, Series B, and later-stage funding rounds are all common investment phases for VCs in the country.

The Portuguese government plays an active role in supporting the growth of startups and innovation. Initiatives like Startup Portugal are aimed at fostering entrepreneurship and attracting more venture capital investment to the country.

Collaboration is common among VCs in Portugal, as they frequently join forces with other investors to form syndicates. This strategy allows them to pool resources and mitigate risk when investing in startups, tapping into the collective expertise and networks of multiple investors.

Portugal hosts a variety of startup events and conferences, providing valuable platforms for networking and showcasing innovative ideas. Notably, Lisbon is the proud host of Web Summit, a major global tech conference for years in a row.

While the startup ecosystem in Portugal has been growing, there are still challenges to address. Startups may encounter difficulties in securing early-stage funding, face limitations in accessing experienced talent, and require stronger connections to international markets for further expansion and success.

Incubators and Accelerators

In Portugal, incubators and accelerators are instrumental in supporting the growth of startups and early-stage companies. These programs cater to different industries and sectors, providing resources, mentorship, and networking opportunities to help startups succeed.

Incubators typically focus on nurturing early-stage startups, assisting them in refining their business ideas and models. They offer office space, mentorship, and access to a valuable network of experts, investors, and potential customers. Startups benefit from workshops and training sessions covering various aspects of entrepreneurship and business strategy.

Accelerators, on the other hand, target startups that already have a viable product or service and aim to accelerate their growth and scale. These programs often have a more intensive and shorter duration, lasting for a few months. They offer mentorship, coaching, and opportunities for funding, connecting startups to investors and corporate partners.

Both public and private initiatives contribute to the incubator and accelerator landscape in Portugal. Some programs receive support from the government or regional authorities, while others are privately funded by venture capital firms and corporations.

Lisbon and Porto are the primary hubs for incubators and accelerators, housing most of the country's startup ecosystem and entrepreneurial activities. These programs often collaborate with universities, research institutions, and corporate partners, giving startups access to research resources and specialised knowledge.

Startups interested in joining an incubator or accelerator go through a competitive application and selection process. The program managers review business plans, team capabilities, market potential, and other criteria to choose the most promising ventures.

Overall, incubators and accelerators play a vital role in fostering innovation and creating a supportive ecosystem for startups in Portugal. They contribute to the growth and success of the country's entrepreneurial community by providing essential support and opportunities for startups to thrive.

In addition to supporting startups in urban hubs like Lisbon and Porto, incubators and accelerators in Portugal also extend their reach to rural areas. These programs recognize the potential of startups and innovative ventures in rural regions and aim to foster entrepreneurship outside major cities.

In rural Portuguese areas, incubators and accelerators play a critical role in stimulating local economies, promoting job creation, and preventing urban migration. These programs offer valuable

resources and support to startups in rural communities, empowering them to develop sustainable businesses and contribute to the region's growth.

The focus of incubators and accelerators in rural areas may vary based on the specific needs and strengths of each region. Some programs might concentrate on agricultural technology (agritech) and rural innovation, helping startups develop solutions to address challenges faced by farmers and the agricultural sector.

Additionally, rural incubators and accelerators often collaborate with local governments, community organisations, and regional development agencies to create a supportive ecosystem for startups. These partnerships enhance access to funding opportunities, networking events, and specialised mentorship for rural entrepreneurs.

Furthermore, the rural setting provides unique opportunities for startups to tap into niche markets and create innovative products or services tailored to the specific needs of rural communities. These ventures might focus on sustainable agriculture, eco-tourism, renewable energy solutions, or other initiatives that align with the rural context.

By supporting startups in rural areas, incubators and accelerators contribute to balanced regional development, reducing disparities between urban and rural regions. They help strengthen local economies, encourage innovation, and foster a sense of community pride among rural entrepreneurs.

It's worth noting that while the startup ecosystem in rural Portugal is developing, there might be challenges unique to rural settings, such as limited access to infrastructure and funding. However, with the growing interest in supporting rural entrepreneurship, efforts are being made to overcome these obstacles and create a conducive environment for startups to thrive throughout the country.

State and subsidies

The Portuguese government has been actively promoting rural development through various state subsidies and funding programs. These initiatives aim to boost the economic, social, and environmental sustainability of rural areas and support agricultural activities, as well as other ventures in rural communities. Here are some key aspects of the Portuguese state subsidies for rural development:

- **Common Agricultural Policy (CAP):** Portugal benefits from the financial support provided by the European Union's Common Agricultural Policy (CAP). CAP funding constitutes a significant portion of the overall support for rural development in the country.
- **Rural Development Program (PDR):** The Portuguese Rural Development Program (Programa de Desenvolvimento Rural, PDR) is a strategic framework that outlines the country's priorities and measures for rural development. It is funded through the European Agricultural Fund for Rural Development (EAFRD) and aims to strengthen the competitiveness of agriculture, promote sustainable land management, and enhance the quality of life in rural areas.
- **Investment Support:** The PDR provides financial support for investments in agricultural holdings and rural enterprises. These subsidies can cover a wide range of activities, including farm modernization, equipment acquisition, and agricultural diversification projects.

- **Agri-Environmental Measures:** Portugal offers financial incentives for farmers who implement agri-environmental measures to promote environmentally-friendly agricultural practices. These measures aim to protect natural resources, biodiversity, and the overall landscape.
- **LEADER Program:** The LEADER approach is a bottom-up method that involves local actors in decision-making processes for rural development projects. This method encourages cooperation and innovation within rural communities and is supported by European funds, including those from the EAFRD.
- **Support for Non-Agricultural Activities:** The Portuguese government also provides financial support for non-agricultural activities in rural areas, such as rural tourism, small-scale infrastructure projects, and investments in rural services.
- **Research and Innovation:** Funding is available for research and innovation projects that contribute to the sustainable development of rural areas. These projects may focus on agricultural practices, rural technologies, or initiatives to diversify the rural economy.
- **Local Development Associations:** Local development associations and groups play a vital role in managing and distributing state subsidies for rural development projects. These associations act as intermediaries between the government and local communities, helping to identify and prioritise projects that address specific regional needs.

Moreover, the Portuguese government, through IAPMEI (Institute for Support to Small and Medium-sized Enterprises and Innovation), provides a range of specific incentives and support programs to reinforce and develop the national entrepreneurship ecosystem. These initiatives aim to promote innovation, competitiveness, and investment in Research, Development, and Innovation (R+D+I).

One of the key areas of focus is supporting Competitiveness Clusters and collective efficiency strategies. IAPMEI supports collaborative networks, such as clusters, that encompass sectoral business lines and promote value chains. This fosters networking among competitiveness clusters, ensuring the dissemination of relevant information for their operation.

The Startup Portugal+ Programme, launched in 2018, gives fresh momentum to the initial strategy and includes various new measures to support entrepreneurs. Some of these measures include the Startup Voucher, supporting projects in the ideas stage, and the Momentum Programme, aiding recent graduates in developing business ideas.

Other measures under the program include support for companies in their first year through the Incubation Valley, fostering co-investment with incubators and accelerators, and creating funding lines for technological projects in tourism and other sectors. IAPMEI also facilitates access to capital for entrepreneurs through various funding schemes.

In addition to IAPMEI, Startup Portugal is a public-private think tank that supports the entrepreneurship community. It acts as a link between the government, entrepreneurs, incubators, and accelerators, identifying the needs of the ecosystem and designing public and private initiatives to attract talent, founders, and investors.

Both IAPMEI and Startup Portugal offer assistance services to entrepreneurs seeking information and support for their ventures. To apply for the incentives presented through various programs, undertakings must register and submit applications via the appropriate platforms.

It's important to note that state subsidies and funding programs for rural development may evolve over time and could be subject to changes based on government policies and the availability of EU funding. For more updated and specific information, it is recommended to refer to official government sources or relevant agricultural and rural development agencies such as <https://eportugal.gov.pt> - "Funding programmes and initiatives for entrepreneurs".



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How to set up a business in Bulgaria

Introduction

This document includes useful guidelines for your first steps and the necessary stages when starting a new business in Bulgaria. It presents brief legal, accounting, tax and insurance information, as well as advice on financing any new business in our country. This document is informative and serves as a basic guide for the basic steps that anyone who has an entrepreneurial initiative and decides to embark on building and developing a sustainable and profitable company.



Every entrepreneur should ask himself the following basic questions before starting his business:

- ✓ Why do I want to start this business?
- ✓ Do I even want to start this venture?
- ✓ Do I have the necessary resources, means and motivation?
- ✓ What kind of business do I want?
- ✓ Do I have an ensured market?
- ✓ Who are my customers?
- ✓ What exactly products or services will I offer?
- ✓ What is the competition in my field?
- ✓ What differentiates my business idea from other players on the market?
- ✓ How many team members will I need? With what profile?
- ✓ Where is the best place for my business to be located?
- ✓ Who will be my suppliers (if I need them at all)?
- ✓ What materials and raw materials do I need?



- ✓ How much seed money will I need and where will I get it?
- ✓ Do I need a loan, credit or venture financing?
- ✓ How long will it take for my products/services to go to market and become available?
- ✓ When will I start earning, after how long?
- ✓ How do I price? What profit should I put?
- ✓ Will my prices be competitive with those of competitors?
- ✓ What company should I register? With what legal form?
- ✓ What taxes and when will I have to pay?
- ✓ Do I need to take out insurance?
- ✓ How is such a business run?
- ✓ Should I advertise my business, how and where?

The answers to these questions give an initial idea of whether there is a good prospect for your idea and intention, whether entrepreneurship is for you and how willing you are to take risks in order to succeed. It's very likely that you don't know the answer to most of the questions, and regardless, you're still strongly motivated to keep going. This is a good prerequisite for becoming a successful entrepreneur. But it also means you have to learn and grow, find solutions to unanswered challenges, and know what you need to do at any given moment. This will allow you to increase your chances of success in the long term and become one of the successful entrepreneurs who, despite everything, did not give up.

In most cases, not a small number of people start their business spontaneously, deciding to put into practice an idea that they think will be successful, investing time and money in its realization. But before long, many of them are convinced that they made a wrong decision and chose incorrect steps from the very beginning, which predetermined the final result - inevitable termination of the company's activities, and most often financial losses. However, at its core, entrepreneurship is a way of life, and difficulties should not stop you. There are few people who are not willing to trade their peace of mind for risk-taking. After all, it happens that whoever once tried and convinced himself that he can be his own boss, very hard, no matter how much he is dissuaded or invited, he is inclined to return

We would like to share with you ten basic steps for starting a business:

1. Choosing the place for the business;
2. Preparation of a business plan;
3. Choosing the legal form of the company;
4. Opening a bank account;
5. Registering the company;
6. Obtaining an EIK-unified identification code;

7. Registration with the National Revenue Agency;
8. Obtaining licenses and permits for the activity if necessary;
9. Financing of the business idea;
10. Real work as an entrepreneur.

The first step is extremely important for the successful development of the business venture, namely the place where the company will work. This also determines its headquarters. It is very important to specify whether it will develop activity only in one city or throughout the country, whether it will operate only and only in the local market or if it will export products/services abroad.

The second step is strategic and is related to the preparation of a business plan. Most often, it has a three-year scope/period. It is extremely important for the future activity, because it helps to correctly develop a strategy for the development of the company, to make the right management decisions, as well as to correctly determine the necessary financial resources in the form of capital or working capital needed for the normal and sustainable functioning of the business. A very important aspect in the business plan is the proper planning of the organization and work processes. For this purpose, responsibilities must be clearly defined/defined, distributed and tracked, that is, the functions of people in the company's team must be outlined. Its formation, construction, maintenance and development are extremely important for the success of the activities. The business plan includes information on the necessary initial investment for the possible purchase of machinery and equipment, materials, consumables, etc., as well as on operational activities such as office rent, staff remuneration, social and health insurance payments, etc. Next, a realistic forecast of the revenues expected from the company's operations must be made.

The third step covers the stage of determining the legal form of the company. It is important to establish whether the entrepreneur prefers to bear all responsibility for the business himself and receive all the profit from the activity, or will work in partnership.

Form of ownership of companies/enterprises in Bulgaria:

ЕТ – Sole trader (individual entrepreneur);

СД – General Partnership;

КД – Limited partnership;

АД – Joint-stock company;

КДА – Limited Partnership with Shares;

ООД – limited liability company with two or more founders

ЕООД – limited liability company with one founder

The most popular and widespread forms of ownership in Bulgaria are OOD and EOOD. Two or more Bulgarian or foreign natural or legal persons participate in an OOD. EOOD is created by one natural or legal person, who is the sole owner of the capital.

The fourth step: opening a bank account. It is of two types - before the registration of the company, the so-called "collection account", which is a mandatory condition for the company's registration and into which its founding capital is deposited. In Bulgaria, a company can be registered with a minimum authorized capital of BGN 2 for an LLC and a minimum of BGN 50,000 for a JSC. After the registration of the company, the collection account is closed, and a new current account is opened. The account holder is the still unincorporated legal company. For the opening and maintenance of the account, and subsequently, for its closure, fees and commissions are collected according to the tariff of the respective bank for customers who are legal entities. Some of the banks charge interest on the deposited capital amount for the period in which the funds were in the account.

The necessary documents for opening the collection account are the following:

- Request to open a bank account
- Specimen of the signatures of the persons who have the right to dispose of the money on the account on behalf of the company
 - The act authorizing the persons to dispose of the money on the account
- Copies of the identity cards of the persons authorized to dispose of the money on the account
- Protocol for establishing the company
- The relevant founding act, as well as a document that shows which persons have been elected as managers/managing body of the company, if they are not specified in the minutes/constitutional act

The current account is opened after the decision on the registration of the commercial company is issued. For this purpose, a new registration is made in the bank by closing the collection account and concluding the relevant contract. The funds that have been deposited in the collection account can be withdrawn at the cash desk or transferred to the newly created current account. It should be known that it is necessary to provide funds to pay the fee for opening the account (10-20 BGN), and most banks also require a minimum amount on the account, e.g. BGN 20. A current account can be opened in most major currencies (e.g. leva, US dollars, euros, Swiss francs, British pounds, etc.), and through it you can receive and order any payments related to the daily work of the business. If the registration decision is rejected, the collection account can be used to re-enter the documents, if there is no change in the main circumstances, such as the name of the company, partners, etc. If the registration is again refused and the collection account is closed, the capital amount deposited is withdrawn to the cash register.





Mandatory company registration is **the fifth step** to be taken. This is already done relatively quickly and easily in the Commercial Register at the Registration Agency (a legal entity can obtain registration within 5 working days). All the steps are described in detail on the Agency's website (www.brra.bg), and there are also samples of all the necessary documents. The addresses of each of the territorial units of the Registration Agency in the country are also indicated there. For the registration, there are two options for proceeding - independently or by hiring a lawyer/accountant. In the first case, only the state fees collected by the Registration Agency are paid, as well as some other additional costs, e.g. notary fees and bank fees for issuing documents (no more than BGN 20-30 for an OOD). In the second case, the price is around BGN 250-400, depending on the type of company that will be registered (for a sole trader, the price is the lowest, and for a joint-stock company – the highest, and can reach up to BGN 1,000. or more). Registration can also be done electronically, for which a valid electronic signature is required.

The sixth step: obtaining a UIC (Unique Identification Code). After the registration of the company, the Registration Agency issues a temporary certificate for a uniform identification code (UIC), which is valid for a period of 1 month. At the end of this period, you should visit the Agency again to obtain a plastic card for the identification of the EIC. With the temporary certificate, a company stamp is ordered (good automatic stamps cost between BGN 30 and 45), usually at a bookstore or a specialized store for office supplies.

The seventh step: registration with the National Revenue Agency (NRA). It is carried out ex officio - after the registration of the legal entity in the commercial register, its tax registration automatically follows. The relevant competent territorial directorate of the National Revenue Agency at the seat of the person ex officio enters the necessary data for the trader in its register. In the event of a change in circumstances entered in the commercial register, they are ex officio reflected in the tax register. For commercial companies (LLC, JSC, etc.), the competent directorate where the registration takes place is the territorial directorate (TD) of the NRA at the company's headquarters, while for sole traders it is the TD of the NRA at the permanent address of the natural persons. If desired and necessary, a voluntary VAT registration can be made in the relevant TD of the NRA. When the minimum taxable turnover for registration under the VAT Law exceeds BGN 100,000 for

a period not longer than the last 12 consecutive months before the current month, registration becomes mandatory.

The eighth step considers the activities, the performance of which requires the obtaining of licenses and permits, as well as the achievement of compliance with the applicable legislation for the activity. Depending on the specific type of activity you will perform, in a number of cases it is necessary to obtain specific sector licenses or permits. In this case, both the national legislation and the regulatory framework at the municipality level should be taken into account, e.g. the relevant Ordinance on the terms and conditions for carrying out commercial activity on the territory of the municipality, which introduces additional requirements. Depending on the specific type of business that will be developed, it should be checked exactly whether and what the regime for registration or obtaining a license is. For most activities, there are a number of legal requirements regarding the activity that must be complied with.

In addition, for each commercial or other object, the established fire safety rules and regulations should be followed in connection with its operation. If starting a commercial activity, attention should be paid to the requirements regarding the provision of guarantees for the goods being sold, as well as the requirement to purchase and connect with the National Revenue Agency a cash register. It should be known that the merchant is obliged to provide the consumer with a commercial guarantee in writing in compliance with the requirements of the Consumer Protection Act when selling goods subject to warranty maintenance. Instructions for use in Bulgarian should be provided when selling goods whose use requires the presence of technical knowledge, goods containing dangerous substances or goods whose use implies the presence of special skills or compliance with special safety requirements.

The instructions for use of the goods should contain information needed by users for the correct and safe use and installation, connection, maintenance or storage of the goods. If necessary, the instructions for use must contain a list of the constituent parts and details of the product. Sales in commercial establishments that are related to some specific activities should not be recorded through a fiscal device, e.g. sales to or from outlets specializing only in newspapers and magazines; sales of own and unprocessed agricultural produce by natural persons who are not traders within the meaning of the Commercial Law; sales of tickets or other authentication signs for services (receipt, coupon, etc.) that contain a permanently printed nominal value and at least two security elements on the paper and/or during printing; air ticket sales; income from activities of self-employed persons, etc. Legislation in the country requires every cash register to be connected to the computer systems of the National Revenue Agency. Therefore, the currently offered devices already have the technical capabilities to ensure a remote connection of the cash register with the NRA.

The ninth step is related to the financing of the business. The main initial sources of capital are usually the availability of own savings or interest-free loans from parents, friends or acquaintances. If there is no such opportunity to raise funds, then other forms and tools for financing your business from other external sources should be sought. The options are different. They can be divided into traditional and modern forms of fundraising:

The seed capital for starting a business can be provided by various means. The best way to get financing depends on several factors, such as creditworthiness, amount needed and available options.

1. Business loans

A business loan from a bank is a good option, although with a start-up company it is often difficult to obtain and there are almost no suitable tools and programs. The granting of a bank loan requires mandatory collateral - property or guarantor-guarantor.

2. Grants for business

Most often, grants for business financing can be obtained from various European programs both through direct competitions and through national ones.

3. Venture Capital and Investors

Startups that need significant seed funding can turn to an investor. Investors could contribute a huge amount of funds to a newly created company, expecting that by sponsoring, they will play an active role in the management of the business. They are divided into two groups - venture capital funds and business angels. In risk financing, there is no collateral, but most often the funds and investors require equity participation in the company.

4. Public funding

In recent years, crowdfunding, especially over the Internet, has helped many small and medium-sized businesses (crowdfunding). There are dozens of reliable crowdfunding platforms designed for different types of businesses like Kickstarter.

5. Seed, Accelerator and scale-up programs, Business incubators, shared spaces

The tenth step covers the actual work as an entrepreneur. Here it is important to know that when starting the company's activity and after hiring the first workers or employees, the entrepreneur also becomes an employer. From this arise a number of rights and responsibilities related to the management and organization of work.

When hiring employees in the enterprise, you should conclude an employment contract with them in writing. The employment contract contains information about the parties and defines:

- The place of work;
- The title of the position and the nature of the work;
- The date of its conclusion and the beginning of its implementation;
- The duration of the employment contract;
- The amount of basic and extended paid annual leave and additional paid annual leave;
- The same notice period for both parties upon termination of the employment contract;
- The basic and additional remunerations, as well as the periodicity of their payment;
- The length of the working day or week;



Accounting services

Given the specificity of the tax and insurance legislation in the country, especially given its frequent changes, it is advisable to entrust this activity to an external expert. The most common practice is to conclude a contract for accounting services with a specialized company in this field. The fee varies depending on the volume of accounting documents that will be handled on a monthly basis, whether employee payrolls will be prepared, whether the company is VAT registered or not, what its business is (services, trade or manufacturing) and so called The monthly fee for full accounting services for a small company in the field of trade, which is not registered for VAT and has up to 120 documents per month, varies between BGN 180 and BGN 200 without VAT, which makes about BGN 2,200-2,400 without VAT per year . For the same company, if it is registered for VAT, the price for the monthly processing and accounting of the documents is double. Separately, funds should also be provided for annual closing of accounts, preparation of annual financial report, annual tax return and report for the National Statistical Institute. This may cost an additional between 500 and 1,000 BGN, unless there is a different agreement with the accountant. It is important to know that within three days of the conclusion of the employment contract and within seven days of its termination, you are obliged to send a

Legal service

Depending on the specifics of the business, it may be necessary to use legal services from a qualified lawyer. At first glance, and unlike accounting services, this sometimes seems an unimportant activity, until the moment comes when there is, for example, a dispute, and a number of documents, such as a contract for example, which has been signed, have to be examined in detail.

Safety and health at work

According to the Law on Health and Safety at Work (Official Gazette, No. 124 of 23.12.1997), every employer is obliged to ensure health and safety at work for its employees by constantly applying the necessary measures, including prevention of occupational risks, providing information and training and providing the necessary organization and means of protection. "Working conditions"

means the overall environment within the enterprise, which affects the working environment, as well as the factors from the external environment, which have an impact on the internal environment in the enterprise. Ensuring health and safety at work covers the awareness of the workers in your enterprise about the possible risks and dangers in the workplace, the main types of occupational accidents that may occur, as well as the ways to prevent or minimize them. Another essential aspect of the working conditions is the nature of the work, as well as the related work and rest regime, respectively the working hours. The employer is obliged to provide a suitable environment in which employees can work with minimal risks to their health and to create conditions to limit the factors that can lead to occupational accidents.

Protection of intellectual property

Intellectual property is products, works or processes that you have created that give you a competitive advantage.

There are 3 main types/subcategories of intellectual property:

- **Industrial property:** inventions (patents), trademarks, industrial designs, new plant varieties and geographical indications of origin;
- **Artistic works protected by copyright:** original literary and artistic works, music, television programs, software, databases, architectural designs, advertising works and multimedia;
- **Commercial strategies:** trade secrets, know-how, confidentiality agreements or rapid manufacturing.

Interesting information about Bulgaria:

Tax rates in our country are one of the lowest in the EU:

- 10% flat corporate tax rate;
- 10% personal income tax rate;
- 20% VAT;
- 0% corporate tax rate in areas with unemployment 25% or higher than the average.



How to set up a business in North Macedonia

Introduction

Welcome to the section on "How to Create a Business in North Macedonia" in our comprehensive handbook. In this guide, we will provide you with essential information and step-by-step instructions to help you navigate the process of establishing your own business in the vibrant and thriving economy of North Macedonia. This section will serve as your go-to resource for understanding the legal, administrative, and practical aspects of starting a business in North Macedonia. From registering your company to obtaining necessary licenses, understanding tax obligations, and accessing government incentives, we have compiled all the relevant information and expert insights to empower you on your entrepreneurial journey.

So, let's dive in and discover the key steps and best practices to turn your business idea into a successful reality in North Macedonia

Determine Your Business Structure

As you embark on your journey to start a business, one of the crucial initial steps is to determine your business structure. The legal structure you choose will have a profound impact on your company's operations, liabilities, and even your personal finances.

There are several options available to you, each with its own advantages and disadvantages. Let's explore the most common business structures and forms of companies.

By the Company Law, domestic and foreign individuals or companies can establish the following types of business entities:

- General Partnership;
- Limited Partnership;
- Limited Liability Company (LLC);
- Joint-Stock Company;
- Limited Partnership by Stock;
- Sole Proprietors;
- One-stop-shop system.

When deciding on your business structure, it's essential to consider factors such as personal liability, tax implications, management structure, and the potential for growth. It is highly recommended to consult with legal and financial professionals who can provide guidance tailored to your specific needs and goals.

Remember, choosing the right business structure sets the foundation for your entrepreneurial endeavors, so take the time to carefully evaluate your options and make an informed decision. Good

luck as you embark on this exciting new chapter in your business journey! Registration of business Starting a business in North Macedonia is now more accessible than ever, thanks to streamlined registration processes and the implementation of a One-Stop-Shop system. The Central Register, as the authorized body responsible for company registrations, has made the process efficient and convenient, reducing administrative barriers and start-up costs. In this article, we provide a comprehensive guide to help you navigate the registration of a limited liability company (LLC) in North Macedonia.

Step 1: Gather Required Data and Documentation

To register an LLC, you will need to provide the following information and documents:

- Name of the company
- Main activity/core business
- Headquarters of the company in North Macedonia
- Name of the bank where the company will have a bank account
- Names of the owners (For individuals: name, surname, address, copy of passport and ID card. For legal entities: Current status of the company issued by the Trade Register in their native country, not older than 3 months)
- Authorized representative - manager (Copy of passport and ID card)
- Initial capital (minimum EUR 5,000)
- Information about the owner's liabilities and how profits per share are distributed.

Step 2: E-registration

The Central Register offers an electronic registration system, which provides a simple, fast, and secure method for all types of registrations in the Trade Registry and the Registry of other legal entities. This system also allows for the registration of persons in mandatory social security (pension and healthcare insurance).

To register electronically, follow these three steps:

- Obtain a certificate
- Prepare the necessary documentation
- Apply

Step 3: Begin Operations

Once your company is registered with the Central Register, you can commence operations. However, it's important to note that certain sectors, such as pharmaceuticals, banking, insurance, and higher education, may require special permits from the appropriate institutions, such as the Ministry of Health or the Ministry of Education.

Accounting and Audit:

According to the Company Law, all legal entities in North Macedonia are obligated to prepare annual accounts at the end of each calendar year. Annual accounts must adhere to local accounting rules, and listed companies, large and medium-sized entities, must also follow the International Financial Reporting Standards (IFRS). The deadline for submitting annual accounts is the end of February of the following year or by 15th March if submitted electronically. Additionally, medium and large-sized entities are required to present their financial statements to the Central Register in electronic form. The Audit Law stipulates that an audit must be conducted according to International Standards on Auditing in certain cases, such as entities with more than 50 employees and/or turnover and total assets exceeding €2 million.

Conclusion:

With the simplified registration process and the implementation of the One-Stop-Shop system in North Macedonia, aspiring entrepreneurs can establish an LLC with ease. By following the steps outlined in this guide and ensuring compliance with accounting and audit obligations, you can embark on your business journey in this vibrant and supportive business environment. For more detailed information, contact the Central Registry office at the provided address, phone number, website, or email address.

Tax Obligations

Corporate Income Tax (CIT)

Tax Rate: The standard corporate income tax rate in North Macedonia is 10%.

Taxable Income: Corporate income tax is levied on the worldwide income of resident legal entities and the income sourced within North Macedonia for non-resident legal entities.

Taxable Period: The taxable period for corporate income tax is typically the calendar year, but companies can choose to have a different fiscal year under certain conditions.

Deductions and Allowances: Various deductions and allowances may be available for certain types of expenses, investments, or incentives, such as research and development (R&D) expenses, employment of certain categories of individuals, investment in specific regions or industries, etc.

Value Added Tax (VAT)

Tax Rate: The standard VAT rate in North Macedonia is 18%. However, reduced rates of 5% and 0% may apply to specific goods and services.

Registration: Legal entities that exceed a certain threshold of annual turnover are required to register for VAT purposes.

VAT Returns: Registered entities must file regular VAT returns, typically on a monthly or quarterly basis, and pay any VAT liability or claim refunds if applicable.

Withholding Tax

Dividends: Dividends paid to non-resident legal entities are subject to a 10% withholding tax unless a tax treaty between North Macedonia and the recipient's country provides a lower rate.

Interest and Royalties: Payments of interest and royalties to non-residents are generally subject to a 15% withholding tax unless reduced under a tax treaty.

Other Taxes and Obligations

Social Security Contributions: Employers are required to contribute to social security funds for their employees, which are calculated based on employee salaries.

Property Taxes: Legal entities may be subject to property taxes on real estate and other assets they own.

Please note that tax laws can change over time. This is a general overview, and there may be additional taxes, exemptions, or specific regulations that apply to certain industries or circumstances.

To ensure compliance and accurate tax planning, it's advisable to consult with a tax professional or refer to the official tax authorities in North Macedonia, such as the Public Revenue Office (PRO).

Financing Your Business in North Macedonia

Small Business Loans and Grants

Fund for Innovations and Technology Development (FITR):

Offers grants and loans to innovative small and medium-sized enterprises (SMEs) in North Macedonia.

Check out <https://fitr.mk/>

Economic Chamber of North Macedonia: Provides various programs and funding opportunities for small businesses, including grants, loans, and financial support for specific sectors or initiatives.

Check out <https://www.mchamber.mk/Default.aspx?mId=2&htmlid=674&lng=2>

European Bank for Reconstruction and Development (EBRD):

Offers financial support and advisory services to small businesses and entrepreneurs in North Macedonia through programs like the Small Business Support (SBS) program.

Check out <https://www.ebrd.com/home>

Angel Investors

Macedonia2025 Angel Network:

An angel investor network that connects local and international investors with promising startups and entrepreneurs in North Macedonia.

Check out <https://www.macedonia2025.com/>

South Central Ventures:

While not exclusively focused on North Macedonia, this regional venture capital fund invests in startups across the Western Balkans, including Macedonia.

Venture Capitalists (VCs)

Balkan Venture Forum (BkVF):

An annual event that brings together startups, entrepreneurs, and venture capitalists from the Balkan region, including North Macedonia, providing a platform for investment opportunities.

Check out

<http://balkanventureforum.org/?fbclid=IwAR1kvfE0WZ9wZh126dN30K2HzUHjC2fjTVducsHvxh17B79bKkGo>

Southeast Europe Equity Fund (SEEF):

Although not exclusively focused on North Macedonia, SEEF is a venture capital fund that invests in high-growth companies in Southeast Europe, including Macedonia.

Check out <https://www.ebrd.com/work-with-us/project-finance.html>

Incubators and Accelerators Seavus Incubator:

A technology-focused incubator and accelerator in North Macedonia that provides mentoring, resources, and networking opportunities for early-stage startups.

Check out <https://seavusaccelerator.com/>

MASIT ICT Chamber of Commerce:

Offers an incubation program called MASIT Labs, supporting technologybased startups through mentoring, workspace, and access to a network of experts.

Check out <https://masit.org.mk/en/>

State Subsidies

Investment Promotion Agency of North Macedonia (Invest North Macedonia):

Offers various subsidies and incentives to attract foreign direct investment (FDI) and support local businesses, including grants, tax incentives, and infrastructure support.

Check out <https://investnorthmacedonia.gov.mk/>

Regional Development Agencies:

There are several regional development agencies in North Macedonia that provide subsidies, grants, and assistance programs to promote economic development in specific regions.

Please note that the availability and specific details of these programs may vary over time, so it's advisable to consult the respective organizations or relevant government institutions for the most up-to-date information on small business loans, grants, angel investors, venture capitalists, incubators, accelerators, and state subsidies in North Macedonia.

Conclusion

For aspiring entrepreneurs in North Macedonia, the time has never been better to embark on the path of starting a small business. The country offers a supportive ecosystem with various resources, funding opportunities, and incentives to fuel your entrepreneurial dreams.

In North Macedonia, you have access to small business loans, grants, and angel investors who are eager to support innovative ideas and ventures. Venture capitalists and regional networks are also looking for promising startups to invest in and help grow. Incubators and accelerators provide invaluable guidance, mentorship, and a nurturing environment to develop your business acumen and foster connections within the entrepreneurial community.

Moreover, the state and its development agencies are committed to attracting investment and fostering economic growth, offering subsidies, grants, and tax incentives to encourage entrepreneurship and create a favorable business environment.

Remember, starting a small business is not without its challenges. But with determination, perseverance, and a solid business plan, you can overcome any obstacles that come your way. Embrace the spirit of innovation, adaptability, and continuous learning. Leverage your unique ideas, talents, and the supportive ecosystem around you to turn your vision into reality.

As an entrepreneur, you have the power to shape your own destiny, make a meaningful impact, and contribute to the growth of North Macedonia's economy. So, seize this opportunity, believe in yourself, and dare to take that first step. Your journey as an entrepreneur begins now, and the possibilities are limitless.

Remember, success is not measured solely by financial gain but also by the impact you create, the jobs you create, and the solutions you bring to the world. Dream big, work hard, and persevere.

So, entrepreneurs, embrace the challenges, tap into the resources available, and let your passion and innovation shine. The future of your small business depends on your vision and determination. The journey may not always be easy, but the rewards are worth it. Start your entrepreneurial adventure today and create a legacy that inspires others to follow in your footsteps. The possibilities are yours to explore and conquer.

Resource: <https://investnorthmacedonia.gov.mk/registering-a-company/>



Entrepreneurship is a journey that requires determination, passion, and a willingness to take risks.



ITTI
Institute for Technology Transfer and Innovations



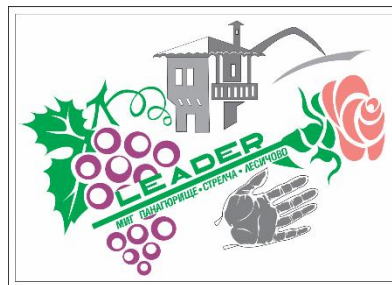
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virtualcampus



UIC
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