



ONLINE HANDBOOK

SUCCESSFUL STEPS IN ENTREPRENEURSHIP

Countries: Estonia, Greece, Italy, Slovenia, Turkey

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INTRODUCTION

This handbook is the result of work of all the participants in the Erasmus Project 'Models of Entrepreneurship and Volunteering':

- Puka Secondary School, Puka, Estonia
- 1st Workshop Centre of Kavala, Kavala, Greece
- Istituto Comprensivo Don Milani , Lanciano, Italy
- Srednja Zdravstvena Šola, Slovenj Gradec, Slovenia
- Eyüp Imkb Mesleki Ve Teknik AnadoLu Lisesi, Istanbul, Turkey

Each country has made its own contribution giving some information for each of the following sections:

- 1 CHARACTERISTICS OF A SUCCESSFUL ENTREPRENEUR
- 2 DRAFTING A BUSINESS PLAN TO START A BUSINESS
- 3 COMPARISON BETWEEN DIFFERENT TYPES OF ENTERPRENEURSHIP IN EACH COUNTRY
- 4 REGISTRATION OF A CORPORATION
- 5 SELECTION AND VERIFICATION OF THE BUSINESS NAME
- 6 SELECTION, VERTIFICATION AND REGISTRATION OF A TRADE MARK
- 7 TAX SYSTEM
- 8 FINANCING A START UP COMPANY
- 9 DISSOLUTION OF A COMPANY

This handbook will help a beginner to get knowledge about starting an enterprise in general and, more specifically, in the countries involved in this project.

1. CHARACTERISTICS OF A SUCCESSFUL ENTREPRENEUR

ESTONIA

A successful entrepreneur usually has the following characteristics:

- ❖ **Mental capability** – creativity, intelligence, ability to analyze and generalize;
- ❖ **Will to achieve** – a strong wish to achieve something and not give up in the process;
- ❖ **Responsibility**– awareness and aptness to be responsible, being in control of yourself and feeling free in your actions;
- ❖ **Communication skills** – skills to communicate with partners, clients and employees;
- ❖ **Confidence with decisiveness** – faith in yourself, optimism, courage to decide;
- ❖ **The ability to set goals** – ambitious and focused devotion towards achieving objectives;
- ❖ **Being willing to risk** – courage to act in uncertain situations.

A forementioned characteristics are usually decisive for someone actually wanting to be an entrepreneur themselves. This requires certain and specific steps to be taken.

GREECE

Although there are many traits that make an entrepreneur successful, perhaps the most important are passion and motivation. Also, entrepreneurs believe in themselves and are confident and dedicated to their project. Their intense focus on and faith in their idea may be misconstrued as stubbornness, but it is this willingness to work hard and defy the odds that make them successful. Entrepreneurs are risk takers, ready to dive deep into a future of uncertainty. It takes time for any entrepreneurial venture to become profitable. Until then, capital is limited and needs to be utilized wisely. Successful entrepreneurs plan for present and future financial obligations and set aside an emergency fund. Being an entrepreneur involves a learning process. If you're not willing to learn, think about leaving the startup world. An entrepreneur shall be able to soak in everything and anything they can, just like a sponge. Moreover, empathy leads to understanding what the people an entrepreneur sell to want, what they need, how they think, and how to best reach them. So an entrepreneur should be open – minded and place himself on his client's position. A successful entrepreneur needs to be able to be fair with those they do business with in order to preserve healthy relations with their customers and employees. Let's not forget that an entrepreneur must have the ability to listen

carefully and draw all the useful information he can find from his environment. To be a successful entrepreneur, a person needs to have a solid vision of success and their end goals.

ITALY

- ❖ **Motivation:** it is important to make a company bigger and bigger in order to offer work to young and enterprising staff to meet customer demands
- ❖ **Quality:** the company working with high quality standards acquires the certification, a title attesting the inclination towards the customers maximum satisfaction
- ❖ **Experience:** it is necessary to train "international" and skilled personnel to work with foreign countries
- ❖ **Availability:** ability in listening to and meeting customer needs
- ❖ **Safety:** the company must create security conditions for both workers and customers
- ❖ **Professionalism:** ability in working with competence and efficiency

SLOVENIA

- ❖ **Self-motivation** - when you want to succeed, you need to be able to push yourself.
- ❖ **Take risks** - Playing it safe almost never leads to success as a business owner.
- ❖ **Basic money management skills and knowledge** - if you want to be successful, you should have basic money management skills and knowledge.
- ❖ **Flexibility** - this is an essential part of problem-solving. You want to be able to find unique and effective solutions to issues.
- ❖ **Passion** - passion is what will help you find motivation when you are discouraged and it will drive you forward.

TURKEY

- ❖ **Passion and Motivation**

Although there are many traits that make an entrepreneur successful, perhaps the most important are passion and motivation.

- Is there something you can work on over and over again without getting bored?
- Is there something that keeps you awake at night because you haven't finished it yet?
- Is there something you have built and want to continue to improve upon?
- Is there something you enjoy so much you want to continue doing it for the rest of your life?

❖ **Not Afraid to Take Risks**

Entrepreneurs are risk takers, ready to dive deep into a future of uncertainty. But not all risk takers are successful entrepreneurs.

❖ **Self-belief, Hard Work and Disciplined Dedication**

Entrepreneurs believe in themselves and are confident and dedicated to their project. Their intense focus on and faith in their idea may be misconstrued as stubbornness, but it is this willingness to work hard and defy the odds that make them successful

❖ **Adaptable and Flexible**

Being passionate and dedicated is important, but being inflexible about client or market needs will lead to failure. Remember, an entrepreneurial venture is not simply about doing what you believe is good, but also making a successful business out of it.

❖ **Product and Market Knowledge**

Entrepreneurs know their product inside and out.

❖ **Strong Money Management**

It takes time for any entrepreneurial venture to become profitable

❖ **Effective Planning Skills**

Entrepreneurship is about building a business from scratch while managing limited resources. However, trying to plan for everything and having a ready solution in place for all possible issues may prevent you from ever taking the first step.

❖ **The Right Connections**

Many people seek comfort in commiseration—friends, colleagues and neighbors are happy to complain about "the global slowdown," poor demand, or unfair competition—but that won't improve the bottom line.

❖ **Exit Preparedness**

Not every attempt will result in success

2. DRAFTING A BUSINESS PLAN TO START A BUSINESS

ESTONIA

One of the first things a starting entrepreneur should do is compile a business plan. Compiling a business plan forces you to thoroughly think through the planned activities and analyse the business idea in regards to different aspects and thus, helps to avoid mistakes in planning financial decisions.

A starting business does not have a history, i.e. the data, to provide a statistically adequate prediction. Therefore, a business plan and in particular, its financial part, can be taken as a tool for playing through the perspectives. For example, this includes:

How much do I have to sell to cover the minimum of unavoidable fixed costs;

How much additional financing (loan, grant, capital) do I need to include to acquire the necessary assets and cover the start-up costs;

Which are the sales volumes and prices that achieve profit for the entire company and when will the company achieve them.](

A business plan is also necessary if you are looking for funding to start the business – whether you are applying for an enterprise support, wish to include an investor, or contract a loan from the bank. The business plan must provide an all-embracing overview of the operation of the planned business and enable to assess the prospects of the business idea. Business plans do not have a specific predetermined structure, but there are a number of topics that must be included. If you are compiling a business plan for a specific donor, you must take into account that the donor may have their own requirements for the content and forming of the business plan. Additionally, various types of donors may consider different things more important. For example:

Risk investors are interested in the capability of the business to grow rapidly and reach great volumes and foreign markets as fast as possible and therefore, it is important to present a competent and ambitious team;

National donors (for example, EAS) – the proposed project must comply with the conditions of the support measure and these conditions, in turn, determine which aspects must be considered in the business plan (for example, export, job creation, added value and its growth);

Banks find it important that the business is able to maintain stability and profitability, which would guarantee the loan servicing and therefore, projects must have a low risk and the business itself must be reliable.

When compiling a business plan, it is important to emphasise the distinctive features of the business – what makes it different from the others? Specific competitive advantages should be presented.

Generally, a professional business plan reader seeks answers for the following questions:

Does the product or service seem necessary and is there a demand for it?

If yes, then how big would its market be and will it grow?

Is the whole business, given the potential size of the market and the conditions (people, capital, expenses, assets, properties) necessary for the provision of the product/service, effective and sustainable?

Is the business plan convincing in terms of winning a considerable share of the market, i.e. what is the plan for going against its competitors?

Do the key persons of the business seem capable of achieving the described objectives, what is their background and previous experience?

GREECE

Initially, if you want to start a business, you need first three basic things, the business idea, a management team and the appropriate capital. When these are done then we have the business. But before you set up a new business, it's important to be ready to become a business venture and take some risk.

So when someone is ready to do this, he will need to collect the necessary money through a loan or a program. In Greece, the average for a small business is between 15 and 25 thousand euros.

But doing this shop to work successfully is something different. It needs knowledge, business planning and purpose. Statistics show that after five years a few companies, around 20-25%, have been successfully pursuing and none of them had a "business plan". It is worthwhile asking yourself questions about your business for your needs and goals.

Why do you think your business idea will be sustainable? What products and services do you sell? Why should you choose a consumer rather than your competitors? What else can you offer? What market needs do you plan to cover? These are some useful questions to which you will have to give clear answers otherwise this can prevent your business from developing and profiting.

You can continue with an analysis of the market you plan to cover by specifying the population you are addressing, the profile of the consumer you are interested in making your customer, habits, income, and how much he intends to make available for the product or business your service. Develop a strategy and set individual goals.

Finally, determine how you will reach the desired point in the future. This is what financial planning will help us. This section should analyze the viability of the business according to the activities it is going to develop.

Cost calculations are made after you have taken into account the cost of setting up your business, the cost of purchasing equipment, operating expenses, staff salary costs, and working capital needed to start the business. Revenue needs a careful estimate and is calculated on the basis of sales forecasts based on calculating the competitive advantages of your products and the size of the market you are targeting.

It takes determination and self-discipline to complete it.

ITALY

Remembering that a business plan is predictive, here are some important elements to be considered:

- ❖ **Study / feasibility analysis:** In order to evaluate consciously the strength and weak points of the entrepreneurial project, it is necessary a deep and dynamic market analysis

and suitable to the changes taking place inside or outside the company. It is necessary to collect information on the macro-environment (which cannot be controlled directly by the company such as public administration, political, social, economic and cultural climate) and micro-environment (the reality in which we operate, composed of customers, suppliers, competitors, commercial intermediaries, etc.) where the start-up will operate.

- ❖ **Marketing strategy:** Drawing up a guide that locates and places the company's product / service in the market to communicate its existence and get its loyalty, by favouring the customer.
- ❖ **Organizational structure:** Evaluate the available material resources, the human resources by giving the personnel tasks and roles suitable to achieve the fixed targets, the company structure, the internal and external company know-how.
- ❖ **Financial-economic forecast:** Study an economic and financial feasibility plan foreseeing the expected income, the overall financial needs (for intangible and technical investments and working capital) and the related coverage.
- ❖ **Choice of investment coverage source:** Must be paid attention in choosing the capital type to be used. The financing sources can be:
 - a) one's own capital (or risk): this is one's capital the aspiring entrepreneur invests in the business he wants starting;
 - b) third-party capital (or debt capital): all the loans coming from company outside partners (ex. banks, sponsors, etc.) and that must be repayed;
 - c) company self-financing: this is the capital that the company is able to produce by itself deriving from an optimal economic management;
 - d) E.U./State aids and facilitations.
- ❖ **Promotion and corporate advertising:** Promoting the company and its product through the description of the business project, the idea, the motivation, the business targets and the product winning features. Promotion can take place in various forms: posters, flyers, radio, TV, Facebook, etc.

SLOVENIA

Whether you're trying to raise money for your business or are developing a plan for strategic growth, a solid business plan is a key component to every successful business.

- ❖ **Executive summary** The executive summary introduces your company, explains what you do, and lays out what you're looking for from your readers. Structurally, it is the first chapter of your business plan.
- ❖ **Opportunity** This is where you will describe in detail the problem that you're solving, your solution, who you plan to sell to, and how your product or service fits into the existing competitive landscape. You'll also use this section of your business plan to demonstrate what sets your solution apart from others, and how you plan to expand your

offerings in the future.

- ❖ **Execution** Describe how you're actually going to make your business work. You'll cover your marketing and sales plans, operations, how you'll measure success, and the key milestones that you expect to achieve.
- ❖ **Team and company** In this chapter, you'll review the structure of your company and who the key team members are. These details are especially important to investors as they'll want to know who's behind the company and if they can convert a good idea into a great business.
- ❖ **Financial plan** This is often what entrepreneurs find most daunting, but it doesn't have to be as intimidating as it seems. A typical financial plan will have monthly projections for the first 12 months and then annual projections for the remaining three to five years. Three-year projections are typically adequate, but some investors will request a five-year forecast.

TURKEY

Writing a business plan may seem like a difficult hurdle, but it doesn't have to be. If you know your business and are passionate about it, writing a business plan and then leveraging your plan for growth will be not nearly as challenging as you think.

- ❖ **Keep it short.**

Business plans should be short and concise.

1. First, you want your business plan to be read (and no one is going to read a 100-page or even 40-page business plan).
2. Second, your business plan should be a tool you use to run and grow your business, something you continue to use and refine over time. An excessively long business plan is a huge hassle to deal with and guarantees that your plan will be relegated to a desk drawer, never to be seen again.

- ❖ **Know your audience.**

Write your plan using language that your audience will understand. For example, if your company is developing a complex scientific process, but your prospective investors aren't scientists (and don't understand all the detailed scientific terminology you want to use), you need to adapt.

- ❖ **Don't be intimidated.**

The vast majority of business owners and entrepreneurs aren't business experts. Just like you, they're learning as they go and don't have degrees in business.

- ❖ **Executive Summary**

Within the overall outline of the business plan, the executive summary will follow the title page. The summary should tell the reader what you want. This is very important. All too often, what the business owner desires is buried on page eight. Clearly state what you're asking for in the summary.

❖ **Business Description**

The business description usually begins with a short description of the industry. When describing the industry, discuss the present outlook as well as future possibilities. You should also provide information on all the various markets within the industry, including any new products or developments that will benefit or adversely affect your business.

❖ **Market Strategies**

Market strategies are the result of a meticulous market analysis. A market analysis forces the entrepreneur to become familiar with all aspects of the market so that the target market can be defined and the company can be positioned in order to garner its share of sales.

❖ **Competitive Analysis**

The purpose of the competitive analysis is to determine the strengths and weaknesses of the competitors within your market, strategies that will provide you with a distinct advantage, the barriers that can be developed in order to prevent competition from entering your market, and any weaknesses that can be exploited within the product development cycle.

❖ **Design & Development Plan**

The purpose of the design and development plan section is to provide investors with a description of the product's design, chart its development within the context of production, marketing and the company itself, and create a development budget that will enable the company to reach its goals.

❖ **Operations & Management Plan**

The operations and management plan is designed to describe just how the business functions on a continuing basis. The operations plan will highlight the logistics of the organization such as the various responsibilities of the management team, the tasks assigned to each division within the company, and capital and expense requirements related to the operations of the business

❖ **Financial Factors**

Financial data is always at the back of the business plan, but that doesn't mean it's any less important than up-front material such as the business concept and the management team

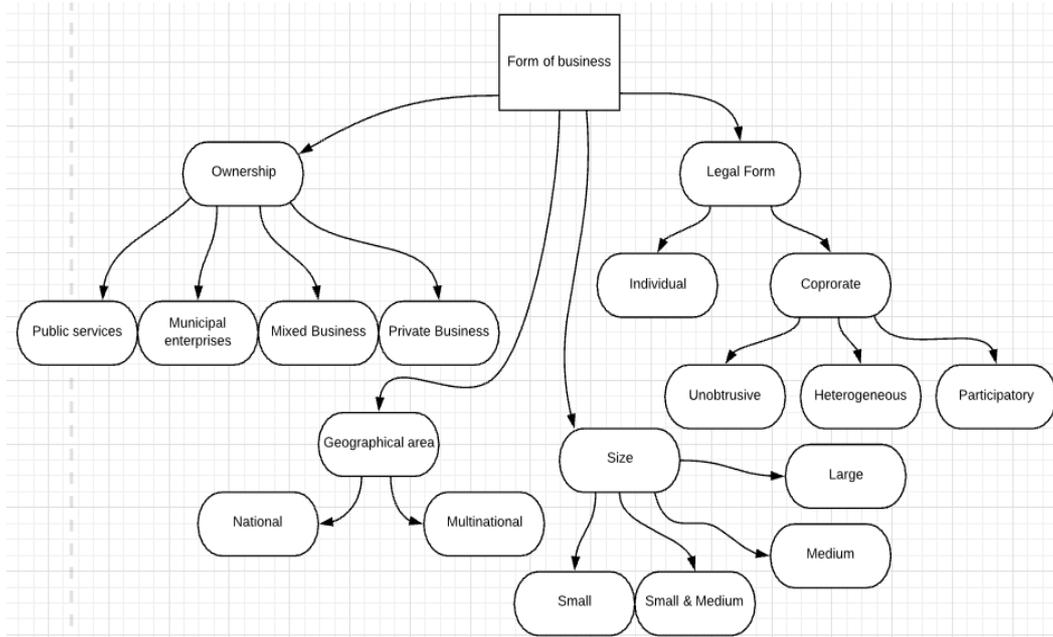
3. COMPARISON BETWEEN DIFFERENT TYPES OF ENTREPRENEURSHIP IN EACH COUNTRY

ESTONIA

Types	Min.required startup capital (euros)	Minimum required number of founders	Financial liability	Management
SOLE PROPIETOR (FIE)	none	1	Unlimited liability	No management bodies
PRIVATE LIMITED COMPANY (OÜ)	2500, none if the share capital is not bigger than 25000	At least 1	Partners are not personally liable for the private limited company's obligations	The obligatory management body of the private limited company is the management board; a supervisory board is mandatory only if specified in the articles of association
PUBLIC LIMITED COMPANY (AS)	25000	at least 1	Shareholders are not personally liable for the public limited company's obligations	The supreme management body of the public limited company is the general meeting of shareholders; a public limited company must have a management board and supervisory board
GENERAL PARTNERSHIP (TÜ)	None ; amount of the contribution is stipulated in the partnership agreement	At least 2	Unlimited liability for the partnerships obligations is shared equally by the partners	No obligatory management bodies
LIMITED PARTNERSHIP (ÜÜ)	None ; amount of the contribution is stipulated in the partnership agreement	At least 2	At least one general partner has unlimited liability for the partnerships obligations ; at least one limited partner has limited liability to the extent of their contribution	No obligatory management bodies
COMMERCIAL ASSOCIATION	2500	At least 2	Partners are not personally liable for the commercial associations obligations unless agreed otherwise	The general meeting is the associations supreme body, decisions are made by voting, where every member of the association has one vote. The management board is the associations management board

GREECE

Business is called every economic unit which produces products and services combining rightly the productive factors (capital, work, facilities and entrepreneurship) in order to achieve it's goals.



❖ **Minimum startup capital**

The minimum start-up capital for a participatory business adds up to the amount of 24.000 euros, while the law requires for the unobtrusive companies to start up with a capital that raises to the amount of 2.400 euros. Lastly, for the creation of the heterogeneous business the capital must be over 1 euro.

❖ **Minimum required number of founders**

For the creation of the Heterogeneous Business at least two founders are needed which are both over 18 years old. In order to create an individual business just one person is enough whom has to be over 18 years old.

❖ **The financial liability**

The financial liability of the Individual business is all up to the founder(s). In the case of Obtrusive business each founder is responsible to the financial liability of the business only according to the amount of the start-up capital they offered to it. On the other hand, in the case of a Heterogeneous business, each founder is equally responsible against the financial liability no matter their share on the capital.

❖ **Management**

Administrative council is the highest administrative and, above all, decisive body of a company and is responsible on pressing control to the organize, management and function of the company.

ITALY

Form of business	Min.required startup capital (euros)	Min.required number of fouders	Finacial liability	Management
Company of people -Simple Company (S.s.) -General company (s.n.c.) -Company limited partnership (S.a.s)	The capital given to the company is not very high	The number of members is restricted	All members (except S.a.s. ones) are responsible with their personal assets for social debts (unlimited liability) and are also responsible for other members debts (joint liability)	The management is only for members or part of them
Capital company -Limited liability company (Sr.l.) -One people company -Simplified company -Joint-stock company (S.p.a) - Shares limited partnership(S.a.p.a)	Generally no less than 10,000 euros. Inside Joint-stock company no less than 50,000 euros	At least one	Limited liability (creditors can only claim for the company assets except for the Shares limited partnership	The management can also be up to non-members
Cooperative companies	each member paid from a minimum of 25 euros to a maximum of 100,000 euros.	At least three	creditors can only claim for the corporate assets and not for individual assets of each shareholder	Management is up to the board of directors (made up of more than one director); non-members are also admitted
Innovative start-up	Like companies (S.p.a., S.r.l., cooperative). The members, in person, must have the majority of the shares (quotas) when the start-up is set up and for the next 24 months,	At least one	Liabilities are those established for companies (S.p.a., S.r.l., cooperatives)	The management follows the same rules established for companies (S.p.a., S.r.l., cooperatives)
Other social forms -Consortium -Network contract	You can apply the regulations regarding a specific company (S.p.a., S.r.l.) (Consortium) Everything is always in relation to the companies that are part of the network aggregation (network contract)	At least three (consortium) At least three (network contract)	Liabilities are those established by the Joint-stock companies that are part of it (consortium) In relation to the companies, being part of the network, liabilities are established by the act (network contract)	Board of Directors is elected among the joint-stock companies that take part in the consortium according to the arranged social charter (consortium) If he is part of a legal personality he has the same responsibilities as a consortium (network contract)

SLOVENIA

The characteristics of different types of business

❖ **Individual Private Entrepreneur – s.p.**

- Firstly, the company owner is a natural entity, that means he/she is a holder of rights and obligations, and he/she is liable for his/her obligations with all his/her personal property.
- Secondly, it retains all profits except tax.
- Individual Private Entrepreneur has limited powers and liabilities in carrying out commercial transactions.
- No founding capital is required to begin operations.
- Considered to be rather less credible form of the company, and has more difficulties to obtain credit from a bank.
-

❖ **Limited Liability Company – d.o.o.**

- Firstly, this is a legal entity with one or multiple founders who are not liable for the obligations of their undertakings.
- Secondly, the members are entitled to profits in proportion to their contributions (or contractually).
- Share capital must be paid in; the minimum amount is EUR 7,500, which is also available for operations when the company starts to operate.
- The decisions are taken by all members (in proportion to their contributions or contractually).
- Has slightly higher credibility which makes it easier to obtain bank loans.

However, third country nationals can not immediately register any form of the presented types of business. Immediately you can register an LTD company.

TURKEY

The **new Commercial Code** recognizes the following forms of **Turkish legal entities**:

- ❖ **Limited liability companies** (Limitet Şirket)
- ❖ **Joint stock companies** (Anonim Şirket)
- ❖ **Comandite companies**
- ❖ **Collective companies**
- ❖ **Cooperative companies**

Partnerships in Turkey

Besides the above mentioned **types of companies**, other **legal entities** recognized by the **Turkish law** are the **commercial partnerships** (Kollektif Şirket and Komandit Şirket). **Legal**

entities set up as Komandit Sirket are rarely used, as the general managers are liable for the debts incurred by the company. The **ordinary partnerships** are not considered **legal entities**; they are formed as a **consortium of entrepreneurs** who are personally liable for the debts of the consortium. An **ordinary partnership** cannot have a trade name and they are not registered at the Register of Commerce.

An **ordinary partnership** (consortium) is formed by a group of entrepreneurs united under an agreement. As a particularity, the ordinary partnership is not registered at the Register of Title Deeds, as it is not formed as a legal entity. All partners are liable for all the debts and obligations and have equal rights.

The two forms of **commercial partnerships** are:

- ❖ **General** (Kollektif Sirket - all the members are fully liable for the debts and obligations and have equal rights);
- ❖ **Limited** (Komandit Sirket - formed by a general partner fully liable for the debts and obligations but with decisional powers and silent partners, liable for the debts and obligations in the limit of their contributions to the capital).

The joint stock company in Turkey

The **A.S (joint stock company)** requires having at least one shareholder and may be closed or open. The **closed joint stock company** must provide a minimum share capital of 50.000 TRY and the **open joint stock company** must provide a minimum share capital of 50.000 TRY and a registered capital of 100.000 TRY. The **open joint stock companies** may offer its shares to the public, by registering it to the stock market, unlike the **closed joint stock companies**. All the **shares of the joint stock company** may be in cash or kind and must have a nominal value (of minimum 1 KR). The management of the **joint stock company** is assured by a board of directors that may be formed by a single member. There is no necessity to be shareholder in the company to be part of the board of directors.

The limited liability company in Turkey

A **Turkish LS (limited liability company)** is formed by at least one shareholder with a share capital of minimum 10.000 TRY. The **minimum share capital** has to be deposited at once, installments are not allowed. The total number of **shareholders** cannot be above 50. The management of a **limited liability company** may be assured by a manager or a council of managers, which may not be shareholders of the company. The obligation of keeping a website was recently introduced for the **limited liability companies** by the **New Commercial Code**.

The comandite company in Turkey

The **comandite company** is a **commercial company** formed by commanditers (legal members with limitation of liabilities determined by their subscribed capital) and unlimited members. There is no necessity to subscribe a minimum share capital for this **type of business** and the liability for the company's debt is not shared in the same way for all the shareholders; some shareholder may be liable for the subscribed capital, while other can be fully liable for the company's debts, in accordance to the provisions of the **Article of Association**.

The Turkish collective company

The **collective company** is a form of business formed with no minimum share capital, which is set up **as a company** with commercial activities. The liability of the members is limited by their contribution to the capital. All the shareholders of a collective company must be real persons. If you need more details about the **types of companies**, **our law firm in Turkey** can offer you assistance on the subject.

4. REGISTRATION OF A CORPORATION

ESTONIA

Registering a company

When you have settled on a suitable form of business, selected a business name and area of activity, you can begin registering the company.

There are two ways of doing so:

- ❖ **electronic registration** via the e-Commercial Register's Company Registration Portal
- ❖ **through a notary**

The Commercial Register registrar will enter your company into the Commercial Register.

Electronic registration via the e-Commercial Register's Company Registration Portal
<http://ettevotjaportaal.rik.ee>

Electronic registration is the most convenient and quickest way of establishing a company. In order to log in to the Company Registration Portal and perform the registration procedure, you need an ID-card or Mobile-ID, and the digital signature software.

You can register a business electronically in the Company Registration Portal only in the case all persons related to the establishment (members of the management board, founding members, members of the supervisory board etc.) are able to sign the initial entry application and establishment documents digitally.

The Company Registration Portal can be used to register private limited companies, general partnerships, limited partnerships and non-profit associations, and enter business as a self-employed person. Commercial associations or public limited companies cannot be established electronically. Upon the electronic registration of a private limited company, one must enter data concerning the founding members and the company to be established; enter the business name; design a template for articles of association; pay the state fee; and make a share capital contribution, if desired. The Company Registration Portal enables establishing a company without immediately making the share capital contribution as well.

In the best case, electronic registration will take only a few hours but still it is advisable to budget one business day.

Registering a company through a notary

If you do not have the option of establishing the company electronically or do not wish to do so, you can use the services of a notary.

You will have to do so in case if:

- ❖ the contribution of the company's share capital is not monetary but rather a monetarily appraisable thing or proprietary right to be transferred to the private limited company (such as equipment, software etc);
- ❖ the founders of the company cannot digitally sign documents.

First make the contribution of share capital and pay the state fee. Then, with the assistance of a notary, prepare and file the following documents with the Commercial Register:

- ❖ memorandum of association;
- ❖ articles of association;
- ❖ application;
- ❖ information on communications devices;
- ❖ bank certificate regarding deposit of share capital;
- ❖ certificate regarding payment of state fee.

The notary will prepare the necessary documents for you. The notary's office will have all of the samples of documents and templates necessary for founding companies.

Registering a company through a notary will usually take 2-3 days.

GREECE

An Anonymos Eteria is a legal entity in which the liability of a shareholder is limited to the amount contributed to the share capital. This entity is the equivalent of the French "Société Anonyme" or the German "AG" and enjoys the highest status in Greece.

All actions required for the establishment of AEs (except for the temporary registration of its corporate name) are carried out by a Notary Public, who is considered the One-Stop Authority. The Notary Public interfaces with the other authorities as applicable, making most payments and submitting all documents and applications to the authorities involved in the establishment of the AE. Short timelines generally apply for the completion of the procedures.

In general, the following are required:

- ❖ Temporary registration of the corporate name with the competent Commercial Chamber;
- ❖ Preparation and signature of Articles of Association by the founders before the Notary Public to include provisions relating to, amongst others, the corporate name, registered

address, duration, objects of activity, share capital (number and nature), Board of Directors and Shareholders;

- ❖ Payment of various registration duties;
- ❖ Registration of the corporation with the Registry maintained with the General Commercial Registry;
- ❖ Issuance of establishment approval by the Ministry of Regional Development and Competitiveness (only for specific corporations such as Banks, insurance companies etc.);
- ❖ Publication of the establishment of the AE in the General Commercial Registry's website.

The AE's establishment for corporate law purposes is considered to have been completed upon the registration of the AE with the General Commercial Registry, whereas ministerial approval of the Corporation's establishment is required only in specific cases (i.e. Banks, insurance companies etc.).

The AE's tax registration is also carried out by the One-Stop Authority.

The Articles of Association of an AE can be signed by one or more founding shareholder(s), either individuals or legal entities. The minimum share capital required for the establishment of an AE is currently EUR 24 000, which must be paid up in full upon incorporation and the payment thereof must be certified by the Directors within two months from the date of incorporation. Special laws prescribe higher minimum capital requirements for AEs with particular business activities, for example banking institutions and insurance companies.

The administration of an AE is carried out by the Board of Directors and by the shareholders at general meetings. The management of the AE is vested in the Board of Directors, which must consist of at least three members who can be individuals or legal entities if so provided for in the Articles of Association

ITALY

- ❖ According to Italian laws, the companies register is a register in which Italian companies, foreign companies settled in Italy and other local authorities must be recorded;
- ❖ Freelances are excluded ;
- ❖ Italian companies must join the Italian chambers of commerce company register, connected to each other through the "InfoCamere S.c.p.A." computer company;
- ❖ About recording, it is necessary to identify the section , ordinary or special, to which the company belongs. Entrepreneurs with quite big companies , people company / capital company join the ordinary section. Agricultural entrepreneurs, small entrepreneurs, company limited partnership join the special section.

- ❖ It is possible to access the registers in order to get cadastral surveys, balance sheets, protests and other types of acts or information either by going to the counter or by going on the Internet with "Telemachus" registration.
- ❖ Besides the company Register there is also the administrative economic list: a company economic and administrative news collection.

SLOVENIA

There are no conditions limiting how to establish a company in Slovenia - anyone may register a company, and the procedure is the same for all EU, EEA Member Countries citizens and for citizens of the Swiss Confederation.

Economic activity may be performed by an individual or business in a variety of different legal and organisational forms.

Individuals most often operate as sole traders (samostojni podjetnik or s.p.), legal entities may establish different forms of businesses: the most common are the limited liability company (LLC or d.o.o.) and public limited company (PLC or d.d.).

TURKEY

The necessary documents for **registering a company in Turkey** must be notarized and consists in:

- ❖ 3 copies and the original of the articles of association,
- ❖ 2 copies of the signature documents,
- ❖ 2 copies of the identification documents of the firm managers,
- ❖ one copy of the passport for each foreign shareholder,
- ❖ 3 copies of a notification form of establishment.

Other requirements are:

- ❖ the original receipt from the bank, proving that the 0,04% from the capital were deposited to the Competition Authority,
- ❖ the certificate of deposit of the minimum capital.

For tax reasons, the company has to submit the **certificate of registration**, which will contain the tax number. The investor must also present a letter of undertaking, as stated by the **Trade Registry Regulation**.

Alongside with the bank receipt, stating the **deposit of the minimum capital**, the bank must also issue a letter in this sense, which will be added to the documentation necessary for the **registration of the company**.

P.S : If you have provided all the documents required for the **registration of the company**, the **incorporation process** may take less than 2 weeks (this period is calculated taking into

account the time necessary to **set up an office** here, but also the **registration for tax compliance**).

5. SELECTION AND VERIFICATION OF THE BUSINESS NAME

ESTONIA

The selection of business name is one of the most important steps in establishing a company. A distinctive and memorable business name will contribute to the renown and success of a firm. Restrictions on business names

The following restrictions have been imposed on business names in Estonia, which should be taken into consideration:

the business name must include an indication of the company's form of business (such as OÜ or "osaühing" at the beginning or end of the name);

the business name of a FIE must include the entrepreneur's given name and surname;

the business name may not include the name of a person who is not a shareholder/partner;

the business name may not be similar to other companies' business names already entered into the register;

the business name may not be similar to already registered trademarks, unless the companies are operating in different areas of activity.

Besides local companies, European Community trademarks have legal protection in Estonia:

a company's business name and area of activity may not be in conflict;

the business name may not be contrary to good morals;

Clear distinguishability of business name.

The requirement that a business name be clearly distinguishable is not limited by the specific number of letters or syllables that must be different. In some cases, merely one letter is sufficient to be different, while in another case, even three letters will not be enough. It is not just the appearance of the word that must be different but the pronunciation as well. Nor are differences in declensions, conjugations and other grammatical word endings considered differences.

A company's business name may not be too short and should also reflect the company's main activity (such as goods produced, services) and location of the company or shareholders/founders.

Verification of business name

You can verify the distinctiveness of your preferred business name. You can do so in the name query section of the e-Business Register information system, where the new name is compared to those already entered in the register. The court maintaining the register makes a decision regarding the distinctiveness and suitability of the business name.

GREECE

It is very important when you're choosing a business name that you make sure that you can use that name. To spend money publishing stationery or setting up your website could be a terrible waste if another company with your prospective title already exists. Making a few simple checks before you do any of this is a good idea. General Secretariat for Commerce is responsible for the business name availability.

ITALY

The name of a company is successful when:

- ❖ It's simple, clear, concise, easy to pronounce and write;
- ❖ It has a positive and suitable meaning for the product context;
- ❖ It avoids being too technical;
- ❖ It's original;
- ❖ It gives the company mission, its facilities and its professionalism;
- ❖ It must not contain names belonging to other companies in order to avoid conflict with other companies copyright.

On the Internet you can create business names, starting from existing words and using some of the following sites:

www.bustaname.com (it also checks the Internet domain availability. A strong name must have a free domain.com); www.namemesh.com; www.dotomator.com; hipsterbusiness.name (it's useful for brainstorming); rhymer.com (in order to find names in rhyme);

Before launching officially the brand it is necessary to test it through online surveys and advertising. After the test stage, your business name is officially ready and the start-up can start.

SLOVENIA

Naming your business involves far more than just thinking of a name you like. A good name will reflect your business's identity and goals. It will help you market yourself. And it won't get you into legal trouble.

Your business name will be with you for a long time, so it's important to carefully consider your choice before you invest in starting a business entity, setting up a website and creating signs and other promotional materials.

While you're looking for a unique name, keep your eye out for competitors that are using names similar to the one you want. Avoid business names that could cause confusion between your business and another similar type of business in your geographical area. For example, if there's a "Blue Horizon Hair Care" in your town, you shouldn't name your business "Blue Horizon Nail Spa."

People who have names that are long, hard to pronounce or difficult to spell tend to get tired of it. And while that can be annoying for an individual, it can be deadly for a business. So stick to simple and memorable words and don't get cute with your spelling or use hard-to-remember acronyms.

Before choosing a business name, figure out what you want to be known for. And then choose a name that reflects that quality.

Choosing a name is one of the most exciting and creative parts of starting a new business. Before you commit to a name, though, research your state’s legal guidelines and make sure it’s available. And be sure to choose a name that reflects your business’s desired image and long-term goals.

TURKEY

Your business can have only one “legal” name at a time. But, it can have any number of DBA (doing-business-as) names at the same time. For example, if your LLC’s legal name is “Smith and Jones, LLC,” you could file a DBA (doing-business-as) to do business in the community as “Best Painters.” You can use this name on your site, signs, ads, promotions, etc

Each state varies in how it decides whether a name is different enough to be distinguishable (and acceptable for filing) or is too substantially similar to others already on record (and not acceptable).

A company name is a valuable asset that helps customers remember you, find you, and understand what you do. Aside from the state business entity naming rules discussed here, you might also want to consider trademark rights and protection—which provides businesses with a different kind of name protection—it essentially allows one business to prevent others from using its name or mark.

6. SELECTION, VERIFICATION AND REGISTRATION OF A TRADE MARK

ESTONIA

Selection and verification of a trade mark

In addition to the business name, each company can register trade marks in its name, helping to distinguish the company and the offered goods or services from those of competitors. Words, numbers, images or combinations of thereof can be protected as trade marks.

When you have developed your trade marks, you will have to register them with the Estonian Patent Office to obtain the exclusive right to use them.

Distinctiveness of a trade mark

The most important aspect in selecting a trade mark is its distinctiveness and difference from other trade marks in the same field. Before applying for a trade mark, check that there are no identical or similar trade marks registered or filed for registration in the same area of activity in Estonia or the European Union.

If the areas of activity overlap, the company that first protected the trade mark or applied for protection will have the right to the trade mark. If there are overlapping areas of activity, the trade mark may not be identical or similar to the business name of another company.

As the purpose of a trade mark is to distinguish a company and the goods/services it offers from those of competitors, the trade mark should be memorable, catchy and comprehensible for customers.

Verification of a trademark

You can check the Estonian Patent Office's electronic database to see whether the desired trade marks are still available. As all trade marks protected in the European Union are also protected in Estonia, it is reasonable to make a query in both local and the European database.

GREECE

A trade mark is any sign capable of being represented graphically, capable of distinguishing the goods or services of one undertaking from those of other undertakings. Trade marks may include, in particular: names of natural or legal persons, words, aliases, business name, logo, illustrations, drawings, letters, numbers, shape of a product, shape of a package, newspaper or magazine title newspaper or magazine. The registration of a trademark (name registration, name, logo registration, branding) is an act of defending the interests of a company or business and not only. The process is complex and requires expert and minute handling by a lawyer as a small change in the description of a service can prevent opposition from large multinational companies. An experienced trademark attorney will safely guide you in protecting your trademark

ITALY

In order to become the business trademark owner on a national scale, you need to register this one on the Patent and Trademark Italian Office (UIBM) of the Economic Development Office.

A business trademark is formed of every mark suitable for standing out business products or services from other people's ones:

- ❖ Words(including people's names);
- ❖ Drawings;
- ❖ Letters;
- ❖ Figures;
- ❖ Sounds;

- ❖ Product or wrapping shapes;
- ❖ Colours.

A trademark can be successfully recorded as I brand when it has the following characteristics:

- ❖ novelty, so it isn't mistakable with others trademarks;
- ❖ distinctive ability, as it is suitable for standing out a product or a service from the others;
- ❖ lawful, it must not deceive and must not be against to the law, to the public order, to morality.
- ❖

Who can record a mark Who uses a trademark in manufacture or in product or service commerce can record a mark.

How recording a mark Before recording, a mark must:

- ❖ be lawful;
- ❖ don't have negative features in Italy or in other export Countries;
- ❖ have free domain name (or Internet address);
- ❖ be easy in reading, writing, memorizing and advertising on all media;
- ❖ be different from other marks previously recorded. You can search for it on the OMPI (Intellectual Property World Organization) Internet site;
- ❖ find product/service membership classes you want to record. You can use the Brand Classification International System (or Nizza System).

Application for a record You must use an application form in order to record a business brand and register the trademark in a Chamber of Commerce or send it by mail/ e-mail through the Patent and Trademark Italian Office.

When record a mark You can apply for a business brand record at any time. The business brand record is 10 years long and can be renewed.

SLOVENIA

If you need to choose a great brand name for your product, service or business, start by considering the importance of the name in your branding efforts. Your name is an extension of your brand, and it can reinforce the value you provide or distance you from it. In order to obtain trademark protection in Slovenia you can register your trademark in two ways: First option is that you request registration in the entire European Union with one single application; this can be done via the Community Trademark agreement which grants trademark protection in the 28 country members of the EU. Second option is that you register directly your trademark in Slovenia. Once you have determined how you plan on presenting your goods or services to the public, you will likely have certain logos or

designs that are unique to your company and/or products. These marks are used to identify your brand and to help you stand apart from the competition. If another company uses the same (or closely similar) designs for its products, then it has the potential to cause confusion among consumers and dilute your brand. That is why protecting your trademark is so important.

TURKEY

Criteria for choosing brand elements:

❖ **Memorable**

Any image or logo that is unforgettable will easily remain in the minds of the consumers. It should be such that it can be promptly recalled by the consumers. This helps in building brand awareness and brand equity.

❖ **Meaningful**

The brand element should have a meaning and be able to communicate general or specific information about the product. For example a healthcare brand of herbal products shows green leaves as a symbol. This suggests something about the product ingredient; that it is herbal. Thus it makes it easy to remember along with the nature and purpose of the brand.

❖ **Pleasant**

It is very important that the brand elements are liked by the consumers. They can be interesting and entertaining as well. Brand elements can have images, colors, styles and themes that are pleasing to the consumers. For example, for a brand of baby care products, it is pleasing to have a gentle appearance with mild colors.

❖ **Flexible**

It is essential that the brand elements should be chosen in such a way that they are flexible even with a brand extension. This is also true in case of geographic and cultural differences, where the brand elements should be flexible enough to be accepted everywhere. For example, if the name of the brand is in a particular native language, it will have to be translated in other languages when considering global availability. If the name is less specific, it can be easily transferred across other categories for extensions as well as easily considered for global marketing. The brand elements should also be adaptable to the changing trends and consumer values with time or place.

❖ **Protected**

The most important aspect is that the brand element like name, logo, character, etc must be legally protected. They should be registered with the concerned governing bodies. Additionally, while choosing brand elements, healthcare providers must also check if the brand is competitively protectable. The name, colors, packaging etc if easily copied, the brand can lose its uniqueness.

If the brand element is more memorable, meaningful or specific it is less flexible. It is difficult to choose a brand element that satisfies all the features. It is therefore better to include multiple

brand elements. For example, a brand of baby care products can have an image of a baby, with mild colors, tender look, soft music for the jingle, a name suggesting baby care, etc.

7. TAX SYSTEM

ESTONIA

Types of taxes

❖ State and local taxes

Local taxes may be established by a local government – for instance, on the use of infrastructure or other resources in a certain region. State taxes include income tax, social tax, land tax, gambling tax, value-added tax, customs duty, excise duties and heavy goods vehicle tax.

❖ Direct and indirect taxes

In the case of a direct tax, your company will have to bear the tax obligation. This applies to income tax, land tax and heavy goods vehicle tax.

In the case of indirect tax, the end consumer is responsible for paying the tax, and the tax is reflected in the form of an increased price on goods or services. Such taxes include value-added tax, excise duties and customs duty.

❖ List of corporate taxes

As to which taxes have to be paid at which rate, this depends on the specific characteristics of your company.

- Income tax 20 % in 2017
- Value-added tax 20 % ja 9 % 2017.a.
- Social tax 33 %
- Customs tax and excise duties
- Unemployment insurance Premium 0,8 % employer and 1,6 % employee
- Environmental charges
- Taxes payable in the case of cross-border operations

❖ Other taxes

- Taxation of employees' income
- Personal income earned by employees is also subject to income tax and you must withhold and pay income tax on gross wages earned, extra payments, bonus pay, holiday pays and other payments that are regarded as wages.
- The natural person income tax rate in 2017 is 20%. The tax-free minimum is 180 euros a month of which no deduction of income tax takes place. If an employee has filed an application to the person making the payments (employer) concerning the implementation of tax-free income, you can deduct the amount of tax-free income permitted per month when calculating the amount of income tax to be withheld.
- In addition to income tax, you must withhold from the employee's income the mandatory funded pension payment and unemployment insurance payment. Besides, social tax should be paid from gross wages of an employee.

Value-added tax, known as VAT, is levied on goods and services sold in the course of business, import of goods from non-EU countries and acquisition of goods from European Union countries. Value-added tax is paid by the end consumer. A tax rate of 9% applies to some goods and services – for instance books (including textbooks and workbooks), periodicals, accommodation services, and medicines, health and hygiene products specified by the Ministry of Social Affairs, and medical equipment for use of disabled persons. Revenue from social tax is used to fund pension insurance and state health care. Social tax is to be paid by an entrepreneur (employer) for an employee. The social tax rate is 33% of the employee's gross earnings. Unemployment insurance premium rate and payment. An employer will be required to calculate and pay unemployment insurance premiums at a rate of 0.8% (employer's unemployment insurance premium) of the employee's gross earnings (for instance, you would pay an unemployment insurance premium of 8 euros for an employee who earns 1,000 euros). In addition, an employer will be required to withhold and pay the employee's unemployment insurance premium at a rate of 1.6% of gross earnings. The aim of the unemployment insurance premium is to insure employees against unemployment, collective termination of employment contracts or the insolvency of the employer. Environmental charges must be paid for use of natural resources as well as for losses caused by environmental contamination. The charges are obligatory not only for holders of environmental permits but also for persons whose type and of activity implies environmental permits. You will have to deal with customs if you are engaged in exporting goods to or importing goods from non-Community countries (outside of the European Union). In Estonia, the Tax and Customs Board is in charge of implementing and enforcing customs regulations. In implementing and enforcing customs regulations, you will have to know and adhere fully to formalities and instructions for fulfilling them. In Estonia, excise duties are imposed on alcohol, tobacco products, fuel and electricity, and packaging. Excise duties are mainly regulated by the Alcohol, Tobacco, Fuel and Electricity Excise Duty Act (ATKEAS) and the Packaging Excise Duty Act.

GREECE

Taxation in Greece, as in most developed nations, is based on the direct and indirect systems.

❖ Income tax

Income taxation in Greece is progressive. An individual in Greece is liable for tax on their income as an employee and on income as a self-employed person. In the case of an individual who is a permanent resident of Greece, their tax owed is calculated on their income earned in Greece and overseas. An individual whose income is only from a wage is not obligated to file an annual return. The employer deducts tax from the employee and transfers it to the tax authority every month.

The 2014 tax rates are as follows:

Income	Taxation
€0 – €25,000	22%
€25,001 – €42,000	32%
> €42,001	42%

In May 9, 2016 a new set of emergency measures were voted in the Parliament by the SYRIZA/ANEL government. These changes include new income tax rates as well as new solidarity tax rates. The tax rates applicable to income earned in 2016 are as follows:

Income	Taxation
€0 – €20,000	22%
€20,001 – €30,000	29%
€30,001 – €40,000	37%
> €40,001	45%

❖ Social security tax

Employees

An employer is obligated to deduct tax at source from an employee and to make additional contributions to social security as in many other EU member states. The employer's contribution amounts to 24.56% of the salary. The employee's contribution is 15.5%.

Self-employed or contractors

The basic social security contributions amount to the 27.1% of total income (after VAT paid, qualified expenses deducted and before income tax paid). This number can be broken down to 20.0% for public pension funding and 7.1% for the public health system.

An extra 7.0% is charged for people enlisted to added benefits public pension schemes. An extra 4.0% is charged for people enlisted to retirement bonuses public schemes. Thus the total contributions can go as high as 38.1% of income.

Income range for calculation of Social security tax is 4,923 - 70,330 EUR per year. If annual income is out of the range above, the lower/higher limits respectively will be considered for calculation.

Especially for agriculture professionals, the basic contribution of 27.1% will be lower until 2021, as follows:

- 21.1% in 2017
- 23.1% in 2018
- 25.1% in 2019
- 26.1% in 2020
- 26.6% in 2021
- 27.1% in 2022+

Especially for doctors, pharmacists, engineers, lawyers and economists, the total contribution of 27.1-38.1% will be 5-50% lower until 31/12/2020, as follows:

For total income 0-7,000 EUR 0% lower
For total income 7,000-13,000 EUR 50% lower
For total income 13,000-14,000 EUR 49% lower
For total income 14,000-15,000 EUR 48% lower
...
For total income 56,000-57,000 EUR 6% lower
For total income 57,000-58,000 EUR 5% lower
For total income 58,000+ 0% lower

❖ **Corporation tax**

Corporations in Greece are taxed on their income in Greece and from overseas. Foreign companies in Greece are taxed only on income that is generated in Greece.

Corporate tax rates by year:

2007, 2008 and 2009 - 25%
2010 - 24%
2011 and 2012 - 20%
2013 and 2014 - 26%
and 2015 - 29%

Capital gains tax

A capital gain in Greece is added to regular income and is taxable at the same rate as regular income for a company, other than in specific instances as defined in law.

Withholding tax

As of 1 Jan 2009, Greece imposes a withholding tax of 10% on corporate dividends, unless the dividend qualifies for application of the EC Parent-Subsidiary Directive or if a lower rate applies under an applicable double tax treaty.[6] It also imposes a withholding tax on interest and royalties, however the tax rates may be reduced or eliminated by an applicable double tax treaty or if the payment qualifies for application of the EC Interest and Royalties Directive.

VAT

The VAT tax in Greece is 6.0% to 24%. For all goods not belonging to any special category, the VAT is 24%. For Category 1 goods the VAT is 13%, and for Category 2 goods it is 6.0%. Some items are exempt from VAT, such as medical services and education.[9] On some islands there is a VAT reduction for Category 1 goods to 17%.

❖ **Tax exemptions**

There are several cases of Tax exemptions under the Greek taxation system, these are as follows:

Proceeds from the sale of shares that are traded on the Athens Stock Exchange.

Income from ships and shipping.

A dividend received from a Greek company.

Capital gain from sale of a business between family members, as defined by law.

❖ **Tax deductions**

The examples of Tax deductibility in Greece are, as with most other features of Greek taxation, similar to that of other Western European and North American nations, that is, tax deductibility for things such as charity and other things as shown below:

15% credit on a mortgage for the first residential apartment.

15% rent paid on the main residential apartment up to maximum.

Donations to public, religious and other institutions.

Compulsory payments to social security.

Business deductions

Payments

Social security tax is paid 12 times a year

VAT tax is paid 3 times a year

Income tax is once a year

ITALY

TYPES OF TAXES:

- ❖ **DIRECT TAXES:** paid by citizens according to their income;
- ❖ **INDIRECT TAXES:** paid when one buys goods (IVA);
- ❖ **EXTRAORDINARY TAXES:** taxes out of the ordinary;
- ❖ **PERSONAL TAXES:** taxes done or made for a particular person according to his/her goods;
- ❖ **REAL TAXES:** taxes existing in fact according to goods;
- ❖ **PROPORTIONAL TAXES:** taxes having got a fixed rate;
- ❖ **PROGRESSIVE TAXES:** taxes where the rate increases by regular degrees.

❖ **MAIN ITALIAN TAXES**

DIRECT TAXES:

- **IRPEF (CITIZENS INCOME TAX):** direct, personal, progressive tax paid by citizens according to their income;

- **IRES (COMPANY INCOME TAX):** direct, real, proportional tax paid by Companies according to their goods and services;
- **ICI (today IMU) (REAL ESTATES TOWN TAX):** direct, real, proportional, propertied tax with a rate fixed by Town Councils on lands and buildings according to their land value.
- ❖ **INDIRECT TAXES:**
 - **IVA (ADDITIONAL VALUE TAX):** rate on goods and services;
 - **REGISTER TAX:** tax on real estates registration;
 - **LAND REGISTER AND MORTGAGE TAX:** real tax on real estates.

SLOVENIA

The tax system consists of three main categories of taxes:

- direct taxes on
 - income;
 - direct taxes on property;
 - indirect taxes.

Income (EUR)	Tax Rates 2017
1 – 8,021	16%
8,022-18,960	27%
18,961-70,907	41%
70,908 and over	50%

❖ Income Taxes in Slovenia

- Corporate Income Tax in Slovenia

Corporate Income Tax rate in Slovenia is 19 %. Income Tax in Slovenia is always calculated for the previous business year i.e. 1. January to 31. December. A foreign company carrying our business in Slovenia has to pay Corporate Income Tax, if their activities are performed through business unit. There is also a special tax rate in Slovenia, which is 0 % for investment funds, pension funds and venture capital companies, if they fulfil certain conditions.

- Personal Income Taxes in Slovenia

An individual's income is taxable at a progressive rate of 16 %; 27 %, 34 %, 39 %, 50 %. A foreign individual, having residence permit in Slovenia has to pay Personal Income Tax if they are present in Slovenia for more than 183 days in 12 months period. In order to become Slovenian tax resident, an application form has to be filed to the Tax Office.

- Social Security Contributions

Every employer and employee should pay Social Security Contributions – employer 16,1 % and employee 22,1 %.

- Profit Repatriation Tax

Profit repatriation Tax is 0 % on dividends paid abroad for EU members and 15 % for other countries unless otherwise stated in a bilateral agreement. We will check bilateral agreements for you.

- **Capital Gains Tax**

The Capital is taxated by 0 to 25 % tax rate; the taxation depends on a holding period of sold capital.

- **Property Tax**

Slovenia doesn't hold a property tax yet!

- **Immovable Property Transfer Tax**

When you sell property, you have to pay Immovable Property Transfer Tax which is 2 %. It is paid by the seller when the deal is closed. Mainly it is based on the contract value of the property.

TURKEY

TAXES ON GOODS AND SERVICES

Turkish taxation system comprises several indirect taxes, but the most important ones are value added tax and special consumption tax (also called excise duty).

- ❖ **VALUE ADDED TAX** (Law No. 3065, Official Gazette No. 18563 dated 02.11.1984)
In Turkey, the Value Added Tax (VAT) Law entered into force on January 1st, 1985. By the VAT Law, some indirect taxes on consumption were abolished. Turkish taxation system levies value added tax on the supply and the importation of goods and services. Liability for VAT arises;

(a) When a person or entity performs commercial, industrial, agricultural or independent professional activities within Turkey,

(b) When goods or services are imported to Turkey. VAT is levied at each stage of the production and the distribution process. However; liability for the tax levies on the person who supplies or imports goods or services, the real VAT burden is on the final consumer. This result is achieved by a tax-credit method where the computation of the VAT liability is based on the difference between the VAT liability of a person on his sales (output VAT) and the amount of VAT that he has already paid on his purchases (input VAT). The Turkish VAT system employs multiple rates and the Council of Ministers is authorized to change the VAT rates within certain limits.

- ❖ **VAT Taxpayers** VAT taxpayers are defined in the VAT Law as those engaged in taxable transactions, irrespective of their legal status or nature and their position with regard to other taxes. The following people or entities are liable to VAT:

- Those supplying goods and services, Usage Note: This document includes unofficial translation and explanatory notes regarding Turkish tax laws. This note shall not have legal bindingness. It shall not be used as an official document in any official and private corporations and institutions and national and international courts. It shall not be quoted for official documents. Our administration cannot be held responsible for any legal results that may occur

with the use of this note. The Turkish version of the laws are binding for official and private operations, quotes and legal processes.

- Those importing goods or services,
- Those required to complete customs formalities in case of transit of goods through Turkey,
 - General Directorates of Postal Services (PT and Telecom) and radio and television corporations,
- Organizers of any kind of chance and gambling,
- Organizers of shows, concerts and sporting events with the participation of professional artists and professional sportsmen,
- Lessors of goods and rights stated in Article 70 of the PIT Law,
- Applicants for optional tax liability. Goods and rights set out in Article 70 of the PIT Law including immovable property such as land, buildings, mines and rights which are in the nature of immovable property and other goods and rights such as all kinds of motor vehicles, machines and equipment, ships, literary, artistic and commercial copyrights, commercial or industrial know-how, patents, trademarks, licenses and similar intangible properties and rights.

❖ **VAT Responsibility and Reverse Charge VAT**

In the event that the taxpayer is not resident or does not have a place of business, a legal head office or place of management in Turkey, or in other cases deemed necessary, the Ministry of Finance is authorized to hold anyone involved in a taxable transaction responsible for the payment of tax. According to the VAT Law, there is a so-called reverse charge VAT mechanism, which requires the calculation of VAT by resident companies over payments to abroad. Under this mechanism, VAT is calculated and paid to the related tax office by the Turkish company or customers on behalf of the non-resident company (foreign company). On the other hand, the local company treats this VAT as input VAT and offsets it in the same month.

- Toll-manufacturing and ready-made materials (textiles) are subject to partial withholding: Only 50% of the calculated VAT is paid to the seller by the purchaser. Therefore, the purchaser will be responsible for paying 50% of calculated VAT to the tax office directly.
 - Junk metal, waste paper, junk plastic material deliveries are exempt from VAT: In the case of the renouncement of the above mentioned exemption, the purchaser pays 50% of the calculated VAT to the seller. Therefore, the purchaser will be responsible for paying 50% of the calculated VAT to the tax office directly.
- 1.3. Taxable Base The taxable base of a transaction is generally the total value of the consideration received, not including the VAT itself. The VAT Law deals with the taxable base under four headings, namely the taxable base on deliveries and services, on importation, on international transportation, and special types of taxable base. In case a consideration does not exist, is unknown or is in a form other than money, the taxable base is the market value. Market value is the average price payable in the market for similar goods and services and is determined with reference to the Tax Procedure Law.

❖ **Tax Rates**

Standard Rate

The standard rate of VAT on taxable transactions is set at 10% in the VAT Law, but this rate was increased to 18% as of 15 May 2001. 1.5.2.Special Rates

- For the deliveries and services mentioned in List No. I 1% (e.g. agricultural products such as raw cotton, dried hazelnuts),
- For the deliveries and services mentioned in List No. II 8% (e.g. basic food stuffs, books and similar publications).

The Credit Mechanism VAT is collected at every stage of the production and distribution process from the initial sale.

Unemployment Insurance Premium Payments

Employees, employers and the state are required to make a compulsory contribution to the Unemployment Insurance Plan at the rates of 1%, 2% and 1%, respectively, of the gross salary of the employee. Like the social security premium payments, unemployment insurance premiums are also to be paid on a monthly basis. Employers are able to deduct such contributions from their taxable income. On the other hand, an employee's contributions are deductible from the income tax base of the employee.

A foreign individual who remains covered under the compulsory social security system of his/her home country that has a social security agreement in effect with Turkey is not liable for insurance payments to the Turkish social security. The proof of foreign coverage is to be filed with the local social security office. If the employee is not subject to a foreign social security, full contributions will generally be imposed. Unemployment insurance premiums are declared and paid to the Social Security Institution together with social security premium contributions.

8.FINANCING A START UP COMPANY

ESTONIA

❖ Financing a start up company

As an effective means of financing their new business, start-up enterprises have the opportunity to receive a start-up grant from Enterprise Estonia, European Union structural assistance, or a start-up loan secured by KredEx.

Start-up grant from Enterprise Estonia

The start-up grant is a national grant for start-up entrepreneurs who need additional financial means for starting a sustainable business. Start-up grant can be used for acquisition of fixed assets and performing marketing activities. Read more about the start-up grant conditions at the Enterprise Estonia website.

European Union structural assistance

If you are seeking financing for your business plan, it would be wise to look into the aid measures offered by structural funds and local governments. For instance, start-up assistance for investments into non-current assets, aid for training personnel and a wide array of measures whose conditions should be reviewed and, if suitable, applied for.

The following areas are supported from structural funds: education, labour market, research and development, private enterprise, information society, administrative capacity, environmental conservation, energy sector, transport, regional and local development, health care and social welfare.

County development centres will help you find support for your projects, and the basic consultation service is free of charge. The development centres offer you information from the development centre on structural fund measures and, if necessary, about other potential sources of support as well as private sector consultants and the services they offer.

Start-up loan

Start-up enterprises and small and medium-size enterprises that have been operating for up to three years can apply for a start-up loan for going into business, which will be secured to up to a 75% extent by KredEx.

Compared to ordinary loans, the advantage of start-up loans is the fact that you, as an entrepreneur, do not have to take as high a risk with your personal assets. Above all, the start-up loan will be of assistance

GREECE

Finance companies provide loans to individual and commercial customers for a variety of reasons. Commercial customers can include retail stores, small businesses or large firms. Commercial loans can help established businesses construct a new office or retail space, or they can help new business get up and running. Personal loans for individual customers can include home equity loans, student loans and auto loans. Starting a finance company requires not only a thorough understanding of your target customer's needs and a comprehensive product line, but also a solid business plan that outlines how you will make your company successful. In addition, any new finance company must comply with strict state and federal regulations and meet initial funding requirements. Of course we have to follow some steps

- ❖ **First step: we have to select a finance company** specialty more specific: Finance companies tend to specialize in the types of loans they make as well as the customers they serve. The financial, marketing, and operational requirements vary from one specialty to another. Focusing on a single business model is critical to the successful creation and operation of a new company. Private finance companies range from the local mortgage broker who specializes in refinancing or making new loans to homeowners to the factoring companies (factors) that acquire or finance account receivables for small businesses. The decision to pursue a specific finance company specialty should be based upon your interest, your experiences, and the likelihood of success.

- ❖ **The second step of this is to confirm the business opportunity** More specific : A new finance company must be able to attract clients and produce a profit. As a consequence, it is important to research the expected market space where the business will compete. How big is the market? Who presently serves potential clients? Are prices stable? Is the market limited to a specific geographic area? How do existing companies attract and serve their customers? How do competitors differ in their approach to marketing and service features? The answers of this questions are:

- Identify your target market, or the specific customers you intend to serve. Explain their needs and how you intend to meet them. This will require you to identify key demographics that are currently underserved and how you plan to draw these customers away from your competitors. You should list who these customers are and how your financial products will appeal to them. Include any advantages you have over competitors.
- Describe your area of specialization. For example, if your market research indicates a growing number of small start-up companies needing loans, describe how the financial products and services you offer are strong enough to gain a significant share of that market.
- Consider the companies already in the competitive space. Are they similar in size or dominated by a single company? Similar market shares may indicate a slow-growing market or the companies' inability to distinguish themselves from their competitors.

❖ **The third step of this situation is to identify the business requirements**

More specific: What are the likely fixed costs to operate the business - office space, equipment, utilities, salaries and wages? What business processes are necessary for day-to-day operations - marketing, loan officers, underwriters, clerks and accountants? Will potential clients visit a physical office, communicate online, or both? Will you need a financial partner such as mortgage lender or a bank? Mortgage brokers act as intermediaries between borrowers and lenders, sometimes with discretion up to a dollar limit. Factors typically leverage their own capital by borrowing from larger financial institutions.

❖ **The last step of the finance of the starting company is to crunch the numbers**

More specific: How much capital is required to open the business? What is the expected revenue per client or transaction? What is break-even sales volume? Before risking your own and other people's capital, you need to ensure that profitability is possible and reasonable, if not likely. Develop financial projections (pro formas) for the first three years of operation to understand how the business is likely to fare in the real world. The projections should include month to month Income Statements for the first year, and quarterly statements thereafter, as well as projected Balance Sheets and Cash Flow Statements.

ITALY

A Guarantee Fund has been set up by the Ministry of Economic Development (MISE), whose access is free, direct and simplified, by respecting some basic requirements. Regarding innovative start-ups, the guarantee covers 80% of the credit allocated by the bank, up to a maximum of 2.5 million euro. The innovative start-up must have the following requirements to get funds:

- ❖ Be registered in the special section of the Business Register;
- ❖ Have residence and registered office in Italy and don't be listed on the Stock Exchange;

- ❖ Do not produce profits and do not carry out activities for more than two years. After the second year of activity, the production must not exceed 5 million euros. The start-up must not be born from splits, mergers or closedowns of current companies;
- ❖ The products / services must be high technological and innovative. In addition, the company organization must be "open innovation" and create wealth, progress and growth;
- ❖ The sponsor cannot acquire guarantees against the start-up;
- ❖ Must have a strong focus on innovation, 20% of the costs must be invested in research / development and half of the employees must be researchers.

SLOVENIA

❖ EQUITY INVESTMENT

Equity means ownership. With equity investment, an investor makes money available for use in exchange for an ownership share in the business. If you use equity investment, be sure to consider how much ownership you're willing to give up, and at what price. Once you sell 51 percent of your shares, you lose control of your company.

Equity investment includes any money from individuals, including yourself, or other companies in your business. This money may be from personal savings, inheritance, personal loans, friends or relatives, business partners, or stockholders. These funds are not secured on any of your business assets.

❖ PERSONAL SAVINGS

Aim to fund 25% to 50% of your business from your own pocket. This shows prospective lenders and investors that you are personally assuming some risk, and are committed to your business success. It's also a requirement for many small business loans, which are usually secured

❖ GOVERNMENT FUNDING

Typically, the most sought-after type of financing is government grants because it's free money that you don't have to pay back.

❖ COMMERCIAL LOANS

Commercial or personal loans from financial institutions account for the second most common form of financing at 44%.

Long-term loans. Use long-term loans for larger expenses or for fixed assets that you expect to use for more than one year, such as property, buildings, vehicles, machinery, and equipment

Short-term loans. Short-term loans are usually for a one-year term or less, and can include revolving lines of credit or credit cards. These are generally used to finance day-to-day expenses such as inventory, payroll, and unexpected or emergency items, and can be subject to a higher base interest rate.

The money available to a business for spending in the form of cash, liquid securities and credit lines. Before going into business, an entrepreneur needs to secure sufficient financial resources in order to be able to operate efficiently and sufficiently well to promote success.

TURKEY

General Financing Conditions

- ❖ Bank loans are the main financing tools whereas alternative financing tools remain limited
- ❖ Financings mostly in hard currency (USD or EUR) where TL denominated fixed and floating financing is also available
- ❖ Longest tenor reached to 18 years
- ❖ Debt to Equity ratio is varying between 60-40 to 80-20
- ❖ DSCR level is varying between 1,10-1,35x
- ❖ Recourse/limited-recourse structures are applied

9. DISSOLUTION OF A COMPANY.

ESTONIA

- ❖ Dissolution of a sole proprietor (FIE)

In general, the dissolution of a sole proprietor (FIE) consists of the following steps:

- Submission of application for dissolution;
- Payment of taxes and transfer of assets to personal use;
- Deletion of the FIE from the Commercial Register.
- Dissolution of a private limited company

- ❖ A private limited company is dissolved by resolution of the shareholders or judicial decision.

The basis of a voluntary dissolution is the shareholders' meeting, where the resolution must be approved by at least 2/3 of the shareholders participating at the meeting.

To dissolve the private limited company, the management board must submit to the Commercial Register a request (in writing or electronic form via the company registration portal), the shareholders' dissolution resolution and the minutes of the general meeting

- ❖ Dissolution of a public limited company

A public limited company is dissolved by resolution of the shareholders or by judicial decision.

In general, the dissolution of a public limited company consists of three key stages:

- Adopting a dissolution resolution and submission of the dissolution resolution;
- Liquidation;
- Deletion of the public limited company from the Commercial Register.

- ❖ Dissolution of a general partnership or limited partnership

A general partnership or limited partnership is dissolved by resolution of the partners, upon expiry of a term, upon attainment of the objective or by compulsory judicial decision.

In general the dissolution of a general partnership or limited partnership consists of three key stages:

- Adoption and submission of a dissolution resolution
- Liquidation
- Deletion of the company from the Commercial Register

GREECE

Initially, you should check the relevant parts of the WHO if there are any outstanding issues in your business and in what kind, such as whether you owe something to income tax or if you have some unpublished statements. You should also check what you have looked at from books and records and - obviously - from everything that appears in the WHO system that is supposed to have brought it to the service. Specifically, for professional books, they are not deleted, they are simply initialized. You will then have to go through the Audit Department of the relevant tax office where you check whether you have submitted all customer and vendor statements. Previously, these situations were called KEPYO, now called MYF. The IBA control department, in addition to KEPYO's statements, checks whether the sales or self-disclosure data of the company's inventory have been issued at the time of the discontinuation. The inspector may also carry out an autopsy at the premises of the professional establishment. If, in the end, it is a company, the submission of the company's termination contract should be preceded by the GEMI service. (General Commercial Registry). Then, within 10 calendar days, the interruption in the register will have to be completed.

Closing up a company isn't a simple thing. The boss of the company have to follow some steps or checking the economical situation of the company .First of all the boss has to have the agreement of his company's directors and shareholders to close a limited company.

First of all, the company has to be able to pay its bills (solvent)

He can either:

- apply to get the company struck off the Register of Companies
- start a members' voluntary liquidation

Striking off the company is usually the cheapest way to close it.

If the company cannot pay the bills (insolvent) the interests of the people your company owes money to (its creditors) legally come before those of the directors or shareholders.

The boss must use the creditors' voluntary liquidation process.

His company might be forced into compulsory liquidation if you don't pay creditors.

Also if the company doesn't have a director

The boss must appoint a new director if his company doesn't have one, for example if a sole director has died.

Companies House will eventually strike off a company that doesn't have a director but this can make it more difficult to manage any company assets.

Shareholders must agree to appoint a new director and may need to vote on it.

If a sole director has died and there aren't any shareholders the executor of the estate can appoint a new director, as long as the company's articles allow it.

The new director can close the company.

The company still needs to pay corporation tax and file a tax return even if there's no director.

ITALY

There are three cases:

1) Individual business

2) Company of people

3) Capital company

1) Individual business: to wind up an individual company there is no need to appoint a broker, It is enough to inform the Revenue Agency of the wind up through the AA9 form. By this deed the entrepreneur is deleted from the Business Register;

2) Company of people: regarding partnerships, shareholders can agree to wind up immediately the company through a shared distribution of the company's assets, without needing for a winding up stage. Otherwise, they can appoint a broker or they can ask the judge to appoint him. The broker will define the giving and receiving relationships. The shareholders are free to follow the winding up company methods, either in a preventive way or in a subsequent way. In any case a notary is required to modify the deed of incorporation;

3) Capital company: It is always necessary to appoint a broker who will replace the manager also in liabilities. This one must be a sector expert, especially an accountant, as he/she has to comply with the accounting rules provided by OIC 5. Before winding up, it is necessary the manager produces the following statement: a financial report summing up the balance sheet and the income tax return concerning the period from the beginning of the year when the winding up started to its ending.

SLOVENIA

If your business is no longer running a profit or you are just ready to move on to something else, it may be time to close your business.

Review the status of your business. Before deciding to close your business, it is important to evaluate your business' financial strengths and its debt obligations.

Get professional advice. Before you make any final decisions about closing your business, you should speak with your accountant, lawyer and potentially other trusted business advisors.

Set a closing date for your business. Setting a date to officially close your business from operations will help you to properly plan your business's closure.

Take care of your employees. If your business has employees, you must notify them and officially finalise their employment before your business closes.

Notify suppliers and costumers:

let them know that your business is closing,

tell them the date from which you'll no longer need their services,

pay them any outstanding amounts.

TURKEY

The act of **company liquidation in Turkey** is regulated by the **Commercial Code**. There are many reasons for which a company may request to **register for liquidation** and the decision can be taken by the general assembly of the company or by an appropriate **Turkish court**.

The reasons to **liquidate a company** can refer to the accomplishment of the specific goals stipulated in the articles of association, the expiration of the availability term posted in the articles, the decision of the members who consider the company no longer meets their requests, a claim made by creditors to a Court or the beginning of the **bankruptcy process**; our Turkish lawyers can provide you with further details on this matter.

The **liquidation process** can be:

- voluntary (as a result as the company's general assembly decision);
- compulsory (as a result of a Court request).



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THE END