

Permission according to § 34c of the trade regulations (GewO)

You need a permit according to § 34c GewO if you want to be commercially active in real estate brokerage, loan brokerage, as a developer/builder, construction management or residential property management.

Competent Department

• <u>5.02 Gewerbeangelegenheiten - Die Senatorin für Wirtschaft, Häfen und</u> Transformation

Basic information

The permit can be applied for a natural person or for a legal entity (e.g. GmbH). In the case of partnerships (GbR OHG, KG), a permit must be applied for

for each partner authorized to manage the company.

Whoever commercially

- Real estate brokerage: brokering the conclusion of contracts for real estate, rights equivalent to real estate, commercial premises or residential premises, or providing evidence of the opportunity to conclude such contracts.
- Loan brokering: brokering the conclusion of loan agreements, with the exception of agreements within the meaning of Section 34i (1) sentence 1, or providing evidence of the opportunity to conclude such agreements
- Building owner: preparing or carrying out building projects as a building owner in one's own name for one's own account or for the account of a third party and using assets of purchasers, tenants, lessees or other beneficiaries or of applicants for acquisition or usage rights for this purpose
- Construction management: preparing or carrying out construction projects as a construction manager in the name of a third party for the account of a third party.
- Residential property management: managing the common property of condominium owners within the meaning of Section 1 (2), (3), (5) and (6) of the German Condominium Act (Wohnungseigentumsgesetz) or managing tenancies of residential premises for third parties within the meaning of Section 549 of the German Civil Code (Bürgerliches Gesetzbuch).

requires the permission of the competent authority.

Please also refer to the section entitled "Further notes".

Requirements

A permit shall be granted only if there are no facts justifying the assumption that the applicant or one of the persons entrusted with the management of the business or a branch does not possess the reliability required for the business operation.

As a rule, the applicant does not possess the required reliability

- anyone who has been convicted of a crime or of theft, embezzlement, extortion, fraud, embezzlement, money laundering, forgery of documents, receiving stolen goods, usury or an insolvency offense in the five years preceding the filing of the application,
- the applicant lives in disorderly financial circumstances,
- the applicant who wishes to carry on a business pursuant to paragraph 1 sentence 1 number 4 (residential property management) is unable to provide proof of professional liability insurance.

What documents do I need?

- completed application form
- Valid identity card/passport
- Certificate of good conduct in document type OG (for submission to an authority)

(to be applied for at the local registration office responsible for your residence)

Information from the central trade register in document type 9

This can be applied for via the trade registration office. The Senator for Economics, Ports and Transformation -Commercial Affairs-, Katharinenklosterhof 3, 28195 Bremen should be specified as the recipient when applying.

If a legal entity is planned as the operator, information for this legal entity and the entire management is required.

Certificate in tax matters of the tax office
 (to be applied for at the tax office of the place of residence)

Extract from the list of debtors of the enforcement court

The debtors' register can only be inspected online at www.vollstreckungsportal.de. Registration is necessary here. You will then receive a PIN by post, which you can use to start your search. The result of your query must be printed out and enclosed with your application.

- Information from the insolvency court as to whether proceedings have been opened
 (to be applied for at the district court of the place of residence)
- Professional liability insurance confirmation

For the activity in residential property management, a professional liability insurance confirmation is additionally required. Further information on the scope of insurance can be found in § 15 MaBV.

Extract from the commercial register
 if the applicant is a legal person

Procedure

After you have submitted a written application for a permit pursuant to Section 34c of the German Trade Regulation Act (GewO), your reliability under trade law will be verified on the basis of the information you have provided, the documents you have submitted and other official inquiries.

The above-mentioned activities requiring a permit may not be commenced before the permit has been granted. Operating without the required permit is an administrative offense that can be punished with a fine of up to € 5,000.00!

Legal bases

- Kostenverordnung der Wirtschaftsverwaltung (WKostV)
- § 34c der Gewerbeordnung
- · Makler- und Bauträgerverordnung

More information

Tradesmen who wish to carry out property development or construction management activities on a commercial basis are also obliged under Section 16 of the German Real Estate Agents and Property Developers Ordinance (MaBV) to have compliance with the obligations arising from Sections 2-14 of the MaBV audited annually by a suitable auditor at their own expense and to submit the audit report to the competent authority by 31.12. of the following year at the latest. Audit reports must be submitted for the entire period of commercial activity! If no activities subject to inspection in the above sense have been carried out, a so-called "negative declaration" must be submitted to the competent authority.

Furthermore, according to § 34c para. 2a GewO in conjunction with § 15b MaBV, a further training obligation applies to the activities of real estate brokerage and residential property management.

Tradesmen are obliged to undergo 20 hours of further training within a period of three calendar years; the same applies accordingly to persons employed directly in the activity requiring a license.

Important notice:

In the case of legal entities, the documents listed under Nos. 4 - 7 must be submitted both for the legal entity (e.g. GmbH, AG) and for the persons authorized to represent it by law, the articles of association or the partnership agreement (e.g. managing director, board of directors). In addition, an extract from the Commercial Register must be submitted in the case of legal entities and commercial partnerships. Legal entities must be the policyholder of the professional liability insurance under No. 8. The name of the legal entity in the permit procedure must be the same as the name of the policyholder of the professional liability insurance.

What are the costs?

The permit fee is € 294.00 - € 1,001.00