

Did you know?

In Germany, it is possible to create and register a limited liability company online and within twenty-four hours.³⁴ Founders only need to communicate with the notary, who manages their interests.

Managing the One-Stop-Shop

Transactions involve a variety of stakeholders: public registers and tax authorities need to be notified, public authorizations must be issued, holders of preemption rights are involved, banks on the side of the seller and the buyer have to consent.³⁵ In addition, time is of the essence: the bank consents to delete a mortgage and the seller to transfer the property, but only after receiving the money.³⁶

The participation of many stakeholders is necessary to safeguard private and public interests and to provide a system of administrative checks and balances. However, the bureaucratic communication with stakeholders is also time-consuming for both, public authorities and individuals. If left to the parties, it dramatically increases transaction costs. This is even more the case as individuals often see notaries in a psychological state of exception in which they do not want to be confronted with bureaucracy: they have lost a beloved one, are getting married or divorced, have to move, or are starting a business.

Notaries are managers of the contract and reduce these costs.³⁷ They avoid unsecured advance payments,³⁸ concentrate communication with stakeholders and are the binding element between the private and the public sphere. The parties only have to deal with one interlocutor they trust and know. Notaries thus offer a one-stop-shop.³⁹

Key takeaways: Notarial transactions involve many stakeholders. Notaries manage and streamline the communication among them and offer a one-stop-shop.