

The German Labour Leasing License

Immigration and employment in Germany



Labour leasing has become a management trend in the labour market in the U.S. and many European countries giving firms an advantage of economies of scale in lowering cost of employee acquisition.

The first, so called, “Temporary Workers Agency” was established in the United States of America. In Germany the management of temporary workers for remuneration was started in 1922.

Especially, when looking at the traditional labour regulations in Germany the German Labour Leasing License (AÜG) can add significant value to companies operating in Germany. The AÜG allows its holding companies to react according to their changing requirements of their businesses.

The AÜG allows a company to meet the short-term demand in human resources, i.e. covering production bottle-necks. This demand occurs due to various reasons, e.g. lack of specialized professionals. As soon as this demand is met, the added human resources can be easily downsized again without following any dismissal-juridical regulations.

Another major benefit of the AÜG is that it drives low cost of employing additional human resources, since the company is not bound to the obligation to enter a long-term employment relationship with the added interim staff.

Allowing temporary work provides companies with greater flexibility with regards to personnel reserves for spontaneous and project-related application. The AÜG adds value in times of high demanding markets at a short notice.

Holding the AÜG license, companies can temporary leverage on the new skill set of interim staff, nearly without obligations that are usually related to the traditional way of employing staff.

- The German labour leasing license allows to leverage the economy of scale

- The license provides low cost of employing greater flexibility

- The license is adding value to the business of companies and allows a transparent cost accounting

Advantages of the German labour leasing license:

- High adaptation to changes in business and markets
- Quick access to specialist knowledge & skill set
- Short and comprehensive job training
- No cost of illness and vacation of employees for the hiring company
- Transparent cost-accounting
- Minimization of risk with regard to employing foreign workers in Germany

About Counselhouse

Whether you are incorporating a new business, looking into a possible new acquisition, or simply want to protect your intellectual property. Counselhouse is committed to supporting international clients to add a legal perspective to the business operations in Germany. Our clients engage our legal advisory to successfully keep their operations in legal balance when doing business within and across the European borders.

Customized legal solutions for corporations:

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| ■ Business incorporation | ■ Employing law |
| ■ Business liquidation | ■ IP & patent law |
| ■ European Blue Card | ■ Commercial law |
| ■ Labour Leasing License | ■ Trade law |

Counselhouse is committed to supporting companies that are temporary employing workers in Germany.