

German legislation changes raise workload for agencies

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Legislative changes in the German taxation and employment market should result in more transparent discussions between agencies and clients, according to 6CATS International.

An analysis by the global leader in compliant contractor management found that the introduction of new regulations that come into force on April 1st 2017 will likely create additional processes and administrative duties for all parties. As with all European countries overseas agencies must ensure that the talent they're placing is compliant with local labour legislation.

6CATS International Commercial Compliance Director, Jon Clarke, comments.

"The German market has always been strong due to the mature nature of the domestic contract recruitment market and the introduction of new legislation will place more responsibility on the plates of Clients and agencies alike. The legislation is a revision of existing AUG labour leasing legislation and the majority of the changes relate to leased workers operating under the "AUG Model". Essentially, the new laws will mean that agencies placing contractors in Germany will have to clearly define the engagement model at the point of placing a candidate that they intend to operate for the purpose of the placement."

"It's never been a particularly easy task ensuring that professionals are on the right side of the law when operating overseas, after all, rules and regulations vary from country to country. However, Germany has always been one the countries that most harshly punishes transgressors and any firms thinking they'll be able to slip under the radar and get away with it are sadly mistaken, it's simply not worth the risk. Now that countries around the world are sharing information as part of the Common Reporting Standard, breaking the law in one country could have a knock on effect on an organisation's operations in other fields."