This book provides a concise overview of the relevant legal framework governing German business organizations. Thus, our book is neither meant to be fully comprehensive in scope, nor can it substitute the advice and guidance of qualified attorneys and tax advisors in individual cases. Rather, this book is intended to provide the reader with a basic introduction into some key aspects of German business law in general, and of German corporate law in particular. Our goal is to help business practitioners and international students to familiarize themselves with the general framework and the characteristic features of German corporate law.

The first chapter provides an introduction into the economic background and general aspects of conducting business in Germany. To this purpose we present some characteristic features of the German legal system, outline the legal framework, and give an overview of typical forms of business organizations. The next two chapters focus, in particular, on the German stock corporation (Aktiengesellschaft, AG) and the German limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) as the most popular and widespread German corporate forms. Using these corporate forms as an example, we then look at some persistent corporate law issues such as capitalization requirements, managerial duties, shareholders’ liability and employees’ participation rights. Furthermore, we illustrate the process of designing a GmbH’s articles of associations to the benefit of the shareholders and we provide a brief introduction into the regulations governing capital market transactions in Germany. After addressing some key aspects of corporate acquisitions in the fourth chapter, we discuss some typical problems faced by companies engaged in cross-border activities, including the relevant EU framework, in the fifth chapter. The supplementary materials include some recommendations for further reading, selected bilingual excerpts of important statutes, as well as examples of some important corporate documents.

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