

My advice in short: have your contracts bilingual with the German version as the binding one.

### **While Germans love English...**

Contracts may be written in any language as long as both Parties understand them; otherwise they are prone to being contested (*Anfechtung*, § 119 BGB - German Civil Code). That said, English would be a pretty good choice in a country where people insist on speaking English to a foreigner - no matter how fluent that foreigner's German nor how strong their own German accent.

### **...the German administration doesn't.**

Then again, there is the rule of law: and German is the only official language used in court according to § 184 GVG - German Judicature Act. So whenever you go to court with your English contract, the court will have it translated - at your costs - by a certified translator. And that will end up much more expensive than having the contract drafted in German in the first place. Therefore, you should define the German version as the binding one - otherwise a translation of the English one will be required anyways.

And even if you do not estimate yourself and your contractual partners to be of the litigious kind (a good start for a business relations), you may need German documents anyways: for tax audits. It is the same spiel here as with the courts, even though you may get away with a binding English version as long as it is translated into German.

### **So why bilingual?**

So why not keep it in German only and save the trees and money?

First of all, dear reader, you may only understand English and understanding the terms greatly enhances your negotiation power.

Secondly, even if you and your contract partner are fluent in German, you may still deal with English speaking investors or employees in the future. An English investor may request to have the bilingual articles of association changed or amended, but he will definitely replace

them if they are only written in German. Regarding employees: if you keep your employment contract templates in both languages, you only pay them once and can reuse them in any future incident. Of course, this applies to any templates you store, just in case or when ,your business skyrockets into international spheres.

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