



Collecting debts in Germany

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GRP Rainer Lawyers Tax Advisors, Cologne, Berlin, Bonn, Dusseldorf, Hamburg, Munich, Stuttgart, Frankfurt www.grprainer.com elaborate: Effective debt collection starts with the invoice. One example: if there is no binding period specified for payment, your customer does not enter into default in the event of non-payment. This wastes time in terms of debt collection.

Even for busy companies, bad payment behavior by customers may soon turn into a major problem. Insolvency statistics reveal that default customers are often a factor behind company insolvency. Only effective debt management can help protect against this.

Specify the terms of payment on the customer invoice. Anyone who does not observe the time limit for payment will be in default. The advantage: You can make it immediately clear to defaulting customers that it is a serious matter. In most cases, the first reminder on headed paper from a law firm will bring defaulting customers to their senses. Anyone who still does not grasp the seriousness of the situation, must reckon with the next level: a legal order to pay.

A law firm can take care of all the necessary steps for your company. They will naturally keep an eye on deadlines. At the same time, the lawyers will identify the debtor's attachable net assets and accounts. The court payment order is used as a simplified method to enforce outstanding debts. This includes using the order for payment to apply for a default summons. The debtor then has two options: either he pays or lodges an objection. If, however, he does not respond, your lawyer can apply for an enforcement order.

Legal proceedings: the litigation collection proceedings do not always achieve their effect without the debtor making an objection to the order for payment. Debtors have two weeks to appeal against an enforcement order. After this period, the enforcement order becomes valid. What this actually means is that a lawyer can initiate an enforcement claim against the debtor on your behalf. If this happens, the orders for payment proceedings are terminated. Now you need to decide whether you wish to proceed to the next step. A lawyer can provide reliable advice on the best case strategy and your chances of success.

Debt collection costs money. Apart from the loss of interest, the costs of collection mount up. In addition to overdue notices/reminders, these also include, for example, charges relating to the order for payment. A lawyer can charge the costs of the collection to the defaulting customers, who incurred them.

<http://www.grprainer.com/en/Debt-Collection.html>

Pressekontakt

GRP Rainer LLP Lawyers Tax Advisors

Herr Michael Rainer
Hohenzollernring 21-23
50672 Cologne

grprainer.com/en
press@grprainer.com

Firmenkontakt

GRP Rainer LLP Lawyers Tax Advisors

Herr Michael Rainer
Hohenzollernring 21-23
50672 Cologne

grprainer.com/en
press@grprainer.com

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Anlage: Bild

