

## All countries

Employment: Is there any requirement to consult with employees and/or employee representatives / representative bodies such as works councils prior to closing the Proposed Transaction?

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### Asia

China	Generally not in the case of a share deal. But an employee settlement plan is currently required in case equity in a Chinese company is acquired by a foreign company.
Hong Kong	In the case of a share transfer, no (subject to any change of control provisions in the employment contracts).
Singapore	No.
United Arab Emirates	<p>There are no information and consultation requirements under UAE law, and therefore, there is no statutory requirement to inform or consult employees and/or employee representatives, although from a practical perspective, employees will need to actively co-operate in respect to certain changes e.g. to terms and conditions of employment, and accordingly, best practice would be to notify and discuss proposed changes and/or arrangements with employees to help secure co-operation.</p> <p>There are no trade unions in the UAE and employee representatives are not common.</p>

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### Europe

Austria	Yes.
Czech Republic	<p>There is a general information duty of the employer, ie the Czech target company, towards its employees with regard to the “economic and financial situation of the employer and its probable development” or the “legal status of the employer” stipulated in the Czech Labour Code. However, this does not result in a duty to inform the employees in the case of a transfer of the legal entity, the Czech target company itself.</p> <p>In case of an asset transfer in the form of a transfer of the enterprise, however, the employers are obliged to consult the employees on the transfer of rights and obligations under employment law relationships. The employers shall inform and consult the employees directly if there is no trade union, work council or representative for occupational health and safety protection active at the employer.</p>
England & Wales	No (provided it is a share sale).

France	<p>Prior information and consultation of the Social and Economic Committee can be requested.</p> <p>Companies must also inform their employees on the contemplated sale of securities representing more than 50% of the company's share capital. A specific procedure (Hamon law process) should be complied with. Hamon law process is applicable to companies with less than 250 employees and whose annual turnover does not exceed EUR 50,000,000 or whose balance sheet total does not exceed EUR 43,000,000. Violation of such rule could result in a fine of up to 2% of the total purchase price. Same procedure also applies in case the transaction is structure as an asset acquisition/ transfer of business.</p>
Germany	<p>Share Deal: If an economic committee (Wirtschaftsausschuss) is established, it must be informed about the purchaser, its intentions with the acquired business and the consequences for employees. If no economic committee is established, the same information must be provided to the works council. If neither is established, there is no obligation to inform employees.</p> <p>Asset Deal: Generally no legal requirement to inform works council, but customary and usually recommendable. If the asset deal results in a transfer of undertakings (see below), employees must be thoroughly informed about the transfer, its reasons and consequences. Both: If legally defined changes to the operation, such as a split up of operations, result from the deal, a reconciliation of interests (Interessenausgleich) and potentially social plan (Sozialplan) must be negotiated with the works council.</p>
Hungary	<p>Employees and/or employee representatives/representative bodies shall not be consulted in case of acquisition. Employees and/or employee representatives/representative bodies shall be consulted in case of transformation, merger and division of legal entities.</p>
Ireland	<p>No (provided it is a share sale) in the absence of a specific collective agreement or contractual obligation.</p>
Italy	<p>Pursuant to Italian law (Article 47, Law No. 428/1990) the parties must comply with a procedure of consultation with trade unions in case of transfer of business in which are employed more than 15 employees, even if less than 15 employees are transferred.</p>
Netherlands	<p>Yes, in general, the Dutch Works Council Act (article 25 paragraph 1 sub a) requires that the management board of the Company must consult the Works Council before they decide upon the proposed transfer of the shares.</p>
Poland	<p>Share deal: generally no. Any post signing change in the business triggering consequences for employees should however be consulted in due course with works councils (if established).</p> <p>Asset deal: If the asset deal results in a transfer of undertakings (TUPE), trade unions (if any), works councils (if established) and employees must be thoroughly informed about the transfer, its reasons and consequences.</p>
Portugal	<p>In this case, it is considered that the mere change in the ownership of the company's shares does not imply the consultation of the workers, since there is no transfer of the employer.</p>

Slovakia	Yes, consultation with employee representatives (or directly with employees, if no employee representatives are present) one month prior to the closing of a transaction, which is considered as transfer of undertaking under EU Transfers of Undertakings Directive, is necessary.
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Spain	No, unless restructuring measures are envisaged because of the transaction.
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## **South America**

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