

## All countries

Employment: If the transaction is structured as an asset acquisition, do employees generally transfer automatically on an asset acquisition (as opposed to share acquisition) by operation of law?

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### Asia

China	No. Transfer of employees will require a separate contractual arrangement.
Hong Kong	No, all existing contracts of employment will need to be terminated and re-entered into if employees are to be retained in the business.
Singapore	Yes. Under the Employment Act (Chapter 91), employees are automatically transferred to a buyer on a business sale. The Employment Act provides that if an undertaking (which includes any trade or business) or part of an undertaking is transferred from one person to another, the contract of service of employees of the transferor/seller will have effect after the transfer as if originally made between the employees and the transferee/buyer. The transfer will not break the continuity of the period of employment of these employees.
United Arab Emirates	There is no statutory transfer of employment regulations in the UAE. Accordingly, on any asset transfer, the employment with the "first" employer is treated as having been terminated (with a corresponding cancellation of the employee's UAE residence visa) and the individual will need to enter into a new employment contract with the "second" employer (which will require a new UAE residence sponsorship by the second employer).

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### Europe

Austria	Yes.
Czech Republic	<p>Yes, all relevant contractual obligations, including the rights and obligations under employment law relationships, are transferred to the full extent to the buyer as the new employer in case of an asset deal structured as a business enterprise transfer. Employees are granted a statutory protection and entitled to at least the same working standards as under the previous owner.</p> <p>Additionally, employees are granted a right to terminate their contract before/after the transfer. The employment relationship terminates either on the day preceding the day when the transfer takes effect or on the expiry of a notice period of 15 days within two months upon the transfer, depending on the fact, whether or not the employee was informed of such transfer by the employer in advance (no later than 30 days before the effective date of such transfer).</p>

England & Wales	Yes, buyers should be aware of the requirements under the TUPE (Transfer of Undertakings Protection of Employment) Regulations 2006. Broadly this means that employees must be transferred on their current terms of employment, and consultations are required.
France	The transaction structured as an asset acquisition can imply the subsequent transfer of the employment contracts of the employees working in France.
Germany	Yes, if the assets transferred are essential and characterising for the entirety of the operation or an identifiable part thereof and the transferred unit is continued by the purchaser in a comparable way, the employees working in this operation or the identifiable part are transferred to the purchaser by operation of law.
Hungary	This depends on the circumstances case by case. The requirements under the directive 2001/23/EC (Transfers of Undertakings) and the criteria defined by the European Court of Justice in numerous decisions apply without additional national aspects.
Ireland	Yes. The TUPE (European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 provide that, broadly speaking, employees must be transferred on their current terms of employment, and consultations are required.
Italy	Yes, according to Article 2112 of the Italian Civil Code, after the transfer of business the employment relationships continue automatically with the transferee, and the employees retain all rights they had prior the transfer of business.
Netherlands	Yes, in general and in accordance with EU TUPE Regulations (Transfer of Undertakings Protection of Employment) and under Dutch law, in the event of a transfer of assets, the employee generally transfers automatically by operation of law.  This means that employees will be transferred based upon their current terms and conditions of the employment.
Poland	Yes, the requirements under the EU TUPE (Transfer of Undertakings Protection of Employment) Regulations 2006 apply accordingly as well appropriate provisions of the Polish Labour Code which provide the transferred employees with certain rights.
Portugal	Yes, the employees must be transferred on their current terms of employment and consultations are required.
Slovakia	Yes, employees are transferred automatically and as a general rule, employees must be transferred on their current terms of employment. If the employee's working conditions are to be fundamentally changed and the employee does not agree to the change, the employment relationship shall be deemed to have been terminated by agreement due to organisational changes on the part of the employer. Prior consultations are also required.
Spain	Yes, in principle, in case of asset acquisitions employees transfer to the acquiror by operation of law.

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## South America

Brazil	No, the mere purchase of assets does not operate the transfer, but it is possible that this occurs if the buyer gives uninterrupted continuity to the activity in which the said asset was involved.
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