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# **EMCC**

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## Latvia: Staff information and consultation on business transfers

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| S Latvia          | Phase:<br>Type: | Anticipation Staff information and consultation on business transfers |
|                   | туре.           | Stati illorination and consultation on business transfers             |

Native name: Darba likums
English name: Labour law

**tast** modified: 01 October, 2019

### Article

10, 11, 117, 120

### Description

The transfer of an undertaking within the meaning of the labour law means the transfer of an undertaking or its unaffiliated, identifiable part (economic unit) to another person on the basis of an agreement, administrative or normative act, judgement of a court or another basis between parties outside contractual commitments thereof, as well as a merger, division or reorganisation of commercial companies.

The law also defines that legislation is to be applied to the transfer of ownership of a sea vessel if it is a part of an enterprise, but not separately for the transfer of ownership of one or more sea vessels. The rule that the acquirer should be located in EU, or that the undertaking remains in EU, should be observed.

In the case of a transfer of an undertaking, both the transferor and the acquirer have to inform their employee representatives (or the employees if employee representatives do not exist) about the transfer date or the expected transfer date (before the transfer takes place), the reasons behind it and the consequences of the transfer, as well as the measures which will be taken with respect to employees. The transferor of an undertaking has to inform employees not later than one month before the transfer of the undertaking, while the acquirer of an undertaking not later than one month before the transfer of the undertaking starts to directly affect the working conditions and employment provisions of the employees.

If any organisational, technological or social measures will be implemented in relation to the employees, the transferor or acquirer shall start consultations with employee representatives not later than three weeks in advance in order to reach agreement on these measures.

Employee representatives have a general right to receive timely information and consult with the employer before adoption of decisions that may affect the interests of employees, in particular their salary, working conditions and employment with the company.

The transferor and/or acquirer of an undertaking or an employer carrying out collective redundancy have to consult with their employees, but the extent to which the employer may choose any measures is not set by law.

In any case, if the employer chooses dismissal rather than other measures, it has to explain the reasons behind it.

### Comments

In practice, consultation before public announcement rarely happens. In smaller enterprises sharing of information rather than proper consultation takes place.

Within the meaning of this law, informing refers to a process in which the employer transfers information to employee representatives, allowing them to become acquainted with the relevant issue and to investigate it, and consultation means the exchange of views and dialogue between employee representatives and the employer for the purpose of achieving agreement.

### Cost covered by

Not applicable

### Involved actors other than national government

Trade union Works council

### **Thresholds**

No, applicable in all circumstances

### Sources

- EMCC actors in restructuring
- Karnīte, R., 2011, Evaluation of the operation and effects of information and consultation directives in the EU/EEA countries, Fitness Check, National Report Latvia, European Commision, DG for Employment, Social Affairs and Inclusion
- Labour law

> Restructuring related legislation

🗐 Irēna Kalniņa. Darbinieku aizsardzība uzņēmuma pārejas gadījumā

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