

Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification) (Text with EEA relevance)

TITLE II

[<sup>F1</sup>CONVERSIONS, MERGERS AND DIVISIONS OF LIMITED LIABILITY COMPANIES]

[<sup>F1</sup>CHAPTER IV

*Cross-border divisions of limited liability companies*

[<sup>F1</sup>Article 160e

**Report of the administrative or management body for members and employees**

1 The administrative or management body of the company being divided shall draw up a report for members and employees, explaining and justifying the legal and economic aspects of the cross-border division, as well as explaining the implications of the cross-border division for employees.

It shall, in particular, explain the implications of the cross-border division for the future business of the companies.

2 The report shall also include a section for members and a section for employees.

The company may decide either to draw up one report containing those two sections or to draw up separate reports for members and employees, respectively, containing the relevant section.

3 The section of the report for members shall, in particular, explain the following:

- a the cash compensation and the method used to determine the cash compensation;
- b the share exchange ratio and the method or methods used to arrive at the share exchange ratio, where applicable;
- c the implications of the cross-border division for members;
- d the rights and remedies available to members in accordance with Article 160i.

4 The section of the report for members shall not be required where all the members of the company have agreed to waive that requirement. Member States may exclude single-member companies from the provisions of this Article.

5 The section of the report for employees shall, in particular, explain the following:

- a the implications of the cross-border division for employment relationships, as well as, where applicable, any measures for safeguarding those relationships;
- b any material changes to the applicable conditions of employment or to the location of the company's places of business;
- c how the factors set out in points (a) and (b) affect any subsidiaries of the company.

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6 The report or reports shall be made available in any case electronically, together with the draft terms of the cross-border division, if available, to the members and to the representatives of the employees of the company being divided or, where there are no such representatives, to the employees themselves, not less than six weeks before the date of the general meeting referred to in Article 160h.

7 Where the administrative or management body of the company being divided receives an opinion on the information referred to in paragraphs 1 and 5 in good time from the representatives of the employees or, where there are no such representatives, from the employees themselves, as provided for under national law, the members shall be informed thereof and that opinion shall be appended to the report.

8 The section of the report for employees shall not be required where a company being divided and its subsidiaries, if any, have no employees other than those who form part of the administrative or management body.

9 Where the section of the report for members referred to in paragraph 3 is waived in accordance with paragraph 4 and the section for employees referred to in paragraph 5 is not required under paragraph 8, the report shall not be required.

10 Paragraphs 1 to 9 of this Article shall be without prejudice to the applicable information and consultation rights and procedures provided for at national level following the transposition of Directives 2002/14/EC and 2009/38/EC.]

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#### **Textual Amendments**

- F1** Inserted by [Directive \(EU\) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive \(EU\) 2017/1132 as regards cross-border conversions, mergers and divisions \(Text with EEA relevance\).](#)