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STATUTORY INSTRUMENTS

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**2004 No. 2326**

The European Public Limited-  
Liability Company Regulations 2004

PART 3

EMPLOYEE INVOLVEMENT

CHAPTER 5

STANDARD RULES ON EMPLOYEE INVOLVEMENT

**Standard rules on employee involvement**

**32.**—(1) Without prejudice to paragraph (3), where this regulation applies, the competent organ of the SE and its subsidiaries and establishments shall make arrangements for the involvement of employees of the SE and its subsidiaries and establishments in accordance with the standard rules on employee involvement.

(2) This regulation applies in the following circumstances:

- (a) where the parties agree that the standard rules on employee involvement shall apply; or
- (b) where the period specified in regulation 27(3)(a) or, where applicable, (b) has expired without the parties reaching an employee involvement agreement and—
  - (i) the competent organs of each of the participating companies agree that the standard rules on employee involvement shall apply and so continue with the registration of the SE; and
  - (ii) the special negotiating body has not taken any decision under regulation 30(1) either not to open or to terminate the negotiations referred to in that regulation.

(3) The standard rules set out in Part 3 of Schedule 3 to these Regulations (standard rules on participation) only apply in the following circumstances—

- (a) in the case of an SE established by merger if, before registration of the SE, one or more forms of participation existed in at least one of the participating companies and either—
  - (i) that participation applied to at least 25% of the total number of employees of the participating companies employed in the EEA states, or
  - (ii) that participation applied to less than 25% of the total number of employees of the participating companies employed in the EEA states but the special negotiating body has decided that the standard rules of participation will apply to the employees of the SE; or
- (b) in the case of an SE established by formation of a holding company or subsidiary company if, before registration of the SE, one or more forms of employee participation existed in at least one of the participating companies and either:

- (i) that participation applied to at least 50% of the total number of employees of the participating companies employed in the EEA states; or
- (ii) that participation applied to less than 50% of the total number of employees of the participating companies employed in the EEA states but the special negotiating body has decided that the standard rules of participation will apply to the employees of the SE.

(4) Where the standard rules on participation apply and more than one form of employee participation exist in the participating companies, the special negotiating body shall decide which of the existing forms of participation shall exist in the SE and shall inform the competent organs of the participating companies accordingly.