
STATUTORY INSTRUMENTS

2006 No. 2059

**The European Cooperative Society
(Involvement of Employees) Regulations 2006**

PART 5

STANDARD RULES ON EMPLOYEE INVOLVEMENT

Standard rules on employee involvement

21.—(1) Without prejudice to paragraphs (3) and (5), where this regulation applies, the competent organ of the SCE and its subsidiaries and establishments shall make arrangements for the involvement of employees of the SCE and its subsidiaries and establishments in accordance with the standard rules on employee involvement.

(2) This regulation, save for paragraph 5, applies in the following circumstances:

- (a) where it is agreed that the standard rules on employee involvement shall apply; or
- (b) where the period specified in regulation 16(3)(a) or, where applicable, (b) has expired without an employee involvement agreement having been reached and—
 - (i) each participating individual and the competent organs of each of the participating legal entities agree that the standard rules on employee involvement shall apply and so continue with the registration of the SCE; and
 - (ii) the special negotiating body has not taken any decision under regulation 19(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 2 to these Regulations (standard rules on participation) only apply in the following circumstances—

- (a) in the case of an SCE to be formed by merger if, before registration of the SCE, one or more forms of participation existed in at least one of the participating legal entities and either—
 - (i) that participation applied to at least 25% of the total number of employees of the participating legal entities employed in the EEA States, or
 - (ii) (i) that participation applied to less than 25% of the total number of employees of the participating legal entities 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 SCE; or
- (b) in the case of an SCE to be formed in any other way if, before registration of the SCE, one or more forms of employee participation existed in at least one of the participating legal entities and either:
 - (i) that participation applied to at least 50% of the total number of employees of the participating individuals and participating legal entities employed in the EEA States; or
 - (ii) that participation applied to less than 50% of the total number of employees of the participating individuals and participating legal entities 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 SCE.

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

(5) The standard rule set out in paragraph 7(4) of Schedule 2 to these Regulations shall apply only in the following circumstances—

- (a) the SCE is established by means other than conversion;
- (b) there is a participating cooperative which is governed by a system whereby employees or employee representatives may participate in general meetings or section or sectorial meetings, and that participating cooperative has the highest proportion of participation, within the meaning of regulation 3, in force in the participating cooperatives concerned before registration of the SCE;
- (c) the period specified in regulation 16(3)(a) or, where applicable, (b) has expired without an employee involvement agreement having been reached;
- (d) each participating individual and the competent organs of each of the participating legal entities agree that the standard rules on employee involvement shall apply and so continue with the registration of the SCE; and
- (e) the special negotiating body has not taken any decision under regulation 19(1) either not to open or to terminate the negotiations referred to in that regulation.