

## Croatia

# Employment protection in relation to business transfers

<b>Phase</b>	Labour Act 93/14, 127/17, 151/22, 64/23
<b>Native name</b>	Zakon o radu 93/14, 127/17, 151/22, 64/23
<b>Type</b>	Employment protection in relation to business transfers
<b>Added to database</b>	16 December 2016
<b>Access online</b>	<a href="#">Click here to access online</a>

## Article

Article 4, 137 (1, 2, 3, 12)

## Description

In the event of a business transfer, all employment contracts affected by the transfer as well as the employer's obligations resulting from those employment contracts are transferred to the new employer. The transfer shall not have a negative impact on the rights employees have obtained up to the point of the transfer. In this way, the employment contract cannot be terminated on the basis of the business transfer itself (article 137 (2)).

According to the law, an employee whose employment contract has been transferred retains all the rights arising from the employment relationship and acquired until the transfer date. The new employer assumes all the rights and obligations arising from the transferred employment contracts in unaltered form and scope, as of the transfer date. The previous employer is obliged to inform the new employer in writing, fully and accurately, about the rights of employees whose employment contracts are being transferred. Failure of the previous employer to comply shall not impact the entitlements of the employees whose employment contracts are being transferred to the new employer. The previous employer shall be obliged to notify in writing, in good time and prior to the date of transfer, the works council and all affected employees about the transfer to a new employer.

In order to transfer employment contracts to a new employer, the conditions prescribed by the law must be fulfilled and in that case the business transfer is not a justified reason for termination of employment contracts and the admissibility of the dismissal can be challenged before the court.

## Commentary

The purpose of this provision is to preserve the continuity of employment so that employees retain all acquired rights. An employment contract of an employee who does not work in the economic activity affected by the business transfer cannot be transferred to a new employer. The law does not provide a definition of business transfer and it does not differentiate between fixed-term and permanent employees. No issues with the implementation of the above provisions have been reported.

## Additional metadata

<b>Cost covered by</b>	None
<b>Involved actors other than national government</b>	Works council
<b>Involvement (others)</b>	None
<b>Thresholds</b>	Affected employees: No, applicable in all circumstances Company size: No, applicable in all circumstances Additional information: No, applicable in all circumstances

## Sources

- [Zakon o radu \(Labor Act\)](#) ~~~ [Labour Act 93/14, 127/17](#) ~~~

## Citation

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