

Denmark

Employment protection in relation to business transfers

Phase	The Danish Act on Employees' Rights in the event of Transfers of Undertakings (Consolidation Act no. 710 of 22 August 2002)
Native name	Bekendtgørelse af lov om lønmodtageres retsstilling ved virksomhedsoverdragelse (LBK nr 710 af 20/08/2002)
Type	Employment protection in relation to business transfers
Added to database	22 March 2017
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Article

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Description

In case of business transfer the acquirer takes over directly the rights and duties that existed at the time of the business transfer regarding

- collective agreements,
- regulations about wage and working conditions, and
- individual agreements on wage and working conditions.

An acquirer must inform the relevant union(s) if the acquirer does not want to take over the agreement in force. The notification must take place within 5 weeks after he or she has been aware that the employees in the acquired enterprise are covered by a collective agreement; or 3 weeks after the transfer at the earliest. Otherwise, the acquirer is considered as having taken over the agreement.

If the acquirer does not take over the agreement in force, and if the acquirer is already covered by an agreement with another union concerning the work in question, the affected employees at the enterprise have a right, through their union, to

demand negotiations with the management of the enterprise about wage and working conditions. In case one of the parties applies for it after the negotiations have begun, the question can be taken to the Labour Court or the Industrial Arbitration Court to be resolved.

In 2021 (27/3) a minor addition was made, which states that if the transfer takes place during the reconstruction or bankruptcy period, the acquirer is only responsible for employees rights and obligations in the period after the initiation of reconstruction or bankruptcy decreed. (§2 stk. 4)

Commentary

N/A

Additional metadata

Cost covered by	None
Involved actors other than national government	Employer organisation Trade union Works council Other Court
Involvement (others)	Experts
Thresholds	Affected employees: No, applicable in all circumstances Company size: No, applicable in all circumstances Additional information: No, applicable in all circumstances

Sources

- DG Employment, Social Affairs and Equal Opportunities/Héra, (2011). Selected companies' legal obligations regarding restructuring~~~ Watson Wyatt (2006). Employment Terms & Conditions Report Europe, Volume I, Brussels, Belgium~~~ [Bekendtgørelse af lov om lønmodtageres retsstilling ved virksomhedsoverdragelse](#)~~~ [Lov om ændring af konkursloven, lov om Lønmodtagernes Garantifond og lov om lønmodtageres retsstilling ved virksomhedsoverdragelse](#)~~~

Citation



Restructuring legislation database

Eurofound (2017), Denmark: Employment protection in relation to business transfers,
Restructuring legislation database, Dublin