LAW ON INFORMATION AND CONSULTATION OF EMPLOYEES AND EMPLOYEES IN MULTI-NATIONAL ENTERPRISES, GROUPS OF ENTERPRISES AND EUROPEAN COMPANIES

Effective 01.01.2007.


Chapter One.
GENERAL

Subject

Art. 1. This Act regulates the terms and conditions for setting up and operating a European Works Council or a procedure for informing and consulting employees in multinational enterprises and enterprise groups and for the involvement of employees in the activities of the European Trade Company and the European Cooperative Society.

Purpose

Art. 2. This Act seeks to ensure the right of employees of multinational enterprises, groups of undertakings, a European commercial company or a European cooperative society to participate in their management and to represent their interests through special bodies or under a specific procedure provided for by law.

Principles

Art. 3. The exercise of the rights and obligations under this Act shall be carried out in a spirit of cooperation, mutual concessions and respect for the interests of each of the parties.

Chapter Two.
INFORMATION AND CONSULTATION OF EMPLOYEES AND EMPLOYEES IN MULTI-NATIONAL ENTERPRISES OR GROUP OF ENTERPRISES

Provision of information and consultation

Art. 3a. (New - SG 26/11, in force from 05.06.2011) (1) Information and consultation of employees in a multinational enterprise or group of enterprises shall be carried out through a European Works Council or information and consultation procedure.

(2) Information and consultation of employees is carried out at the appropriate level of management and representation, depending on the issue under consideration, with the competence of the European Works Council and the information and consultation procedure for employees limited to transnational matters.
(3) In carrying out the information and consultation, the European Works Council and the trade union organizations and representatives of the employees under Art. 7, para. 2 of the Labor Code interact within their competence.

(4) The way of interaction and coordination of the information and consultation procedures through the European Works Council and through the trade union organizations and representatives of the employees under Art. 7, para. 2 of the Labor Code shall be settled by the agreement under Art. 8.

(5) In case it is envisaged to take decisions that may lead to significant changes in the organization of work or employment relations, and in the agreement under Art. 8, the methods of interaction and coordination, the procedures for information and consultation through the European Works Council and through the trade unions and representatives of the employees under Art. 7, para. 2 of the Labor Code are conducted simultaneously.

**Obligations of the central management body of the enterprise**

**Art. 4.** (1) (Repealed, SG No. 26/2011, effective 05.06.2011)

(2) The central governing body of a multinational enterprise having its registered office in the Republic of Bulgaria, and in the case of a group of undertakings, the central managing authority of the controlling undertaking with its registered office in the Republic of Bulgaria, shall provide the conditions and means for the establishment and functioning of a European Works Council or procedure, to inform and consult employees.

(3) The Central Management Authority, on its own initiative or at the written request of at least 100 workers or employees or their representatives from at least two undertakings or two branches in at least two Member States, is obliged to open negotiations for the conclusion of an establishment agreement a European Works Council or a procedure for informing and consulting employees.

(4) The bodies under para. 2 notify the management of the trade union organizations and the representatives of the employees under art. 7, para. 2 of the Labor Code of the enterprise active in the territory of the Republic of Bulgaria, as well as the governing bodies of the enterprises operating in another Member State, which are branches of the multinational enterprise or enterprise of a group of enterprises, for the opening of negotiations for the conclusion of the agreement under para. 3.

(5) Where the central management body of the multinational enterprise or of the controlling undertaking of a group of undertakings is located in a non-Member State, the obligations under para. 2 to 4 shall be implemented by the management body of the enterprise established in the Republic of Bulgaria, which is a branch of the multinational enterprise or is an enterprise of a group of enterprises, if it is designated as a representative of the multinational enterprise or of the controlling undertaking.

(6) In the cases of para. 5, if the central governing body of the multinational enterprise or of the controlling undertaking has not appointed a representative in any of the Member States, the governing body of the enterprise established in the Republic of Bulgaria shall fulfill the obligations of para. 2 - 4 if it has the highest number of employees compared to other branches or enterprises.

(7) (New, SG No. 26/2011, effective 05.06.2011) The Central Management Authority under para. 2 or the management body under para. 5 or 6 undertakes to collect and provide the members of the special negotiating body with the information necessary to open negotiations to enable employees to evaluate whether the enterprise is a multinational enterprise or a group of enterprises within the meaning of § 1, item. 2 and 3 of the supplementary provisions, including information on the number of employees.
Employee representatives in the special negotiating body and in the European Works Council

Art. 5. (1) The employees in a multinational enterprise or in a controlling enterprise with headquarters in the Republic of Bulgaria, as well as the employees in a branch of a multinational enterprise or in an enterprise of a group of enterprises with headquarters in the Republic of Bulgaria, shall convene at a general meeting convened by the order of art. 6a of the Labor Code, their representatives for participation in the special negotiating body under Art. 6.
(2) By the order of para. 1, representatives of the employees in the European Works Council under Art. 10, whether established in the Republic of Bulgaria or in another Member State.
(3) The General Assembly may provide the functions under para. 1 and 2 of the representatives of the trade union organizations in the enterprise or the representatives of the employees under art. 7, para. 2 of the Labor Code.
(4) Nominations for the election of employees' representatives may be submitted by an individual employee, groups of employees, and trade union organizations within the enterprise.
(5) The General Assembly shall adopt its decisions under para. 1 - 3 by a simple majority.

Special negotiating body

Art. 6. (1) In the negotiations under Art. 4, para. 3 the employees are represented by the special negotiating body.
(2) (Amended, SG No. 26/2011, effective 05.06.2011) The members of the special negotiating body shall be elected or appointed in proportion to the number of employees employed in each Member State by a multinational enterprise or group of undertakings, giving each member state a single share of the employees employed in the same Member State, representing 10 per cent or 10 per cent of the number of employees employed in all taken together.
(3) (Repealed, SG No. 26/2011, effective 05.06.2011)
(4) (Repealed, SG No. 26/2011, effective 05.06.2011)
(5) (Amended, SG No. 26/2011, effective 05.06.2011) The Special Negotiating Body shall notify the Central Management Body of the enterprise under Art. 4, para. 2 or the management body of the enterprise under Art. 4, para. 5 or 6, as well as the governing bodies of undertakings operating in another Member State, which are branches of a multinational undertaking or are undertakings in a group of undertakings. The same information shall be provided to workers 'and employers' organizations at European level.

Negotiations to conclude an agreement

Art. 7. (1) By a written agreement between the special negotiating body and the central management body under art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 shall specify the scope, composition, functions and mandate of the European Works Council or the conditions for implementing a procedure for informing and consulting employees.
(2) (Supplemented, SG No. 26/2011, effective 05.06.2011) The Central Managing Authority under Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 begins negotiations with the special negotiating body, within one month from the date of receipt of the notification under Art. 6, para. 5 shall convene a meeting, which shall also inform the managing authority of the branch of the multinational enterprise or enterprise of a group of enterprises. Before or after each meeting, the special negotiating body shall be entitled to convene without the presence of representatives of the relevant managing authority, using the necessary means of communication.
(3) (New, SG No. 93/2017) If a member of the special negotiating body or his deputy is a member of the crew of a seagoing ship flying the Bulgarian flag, he shall have the right to participate in a meeting of the special body for negotiations or at any other meeting in accordance with the procedures of art. 8, para. 4 and 5, when during the meeting it does not make a voyage and is not in a port of a state other than the state in which the shipowner is established.

(4) (New, SG No. 93/2017) Where possible, meetings shall be scheduled in such a way as to facilitate the participation of crew members on seagoing ships that are members of the special negotiating body or their alternates.

(5) (New, SG No. 93/2017) In cases where a member of the special negotiating body or his deputy is unable to attend a meeting, the opportunities of the new information and communication technologies may be used.

(6) (New, SG No. 26/2011, effective from 05.06.2011, previous para 3 - SG, No. 93 of 2017) The members of the special negotiating body shall be provided with training, funded by the employer, where necessary to fulfill their representative functions when participating in international events. The cost of training cannot be at the expense of their remuneration.

(7) (Renumbered from Paragraph (3), amend. - SG 26/11, in force from 05.06.2011, previous para 4 - SG 93 from 2017) It may be assisted by experts designated by it, including representatives of recognized organizations at European level by employees and employers. They may, at his request, attend the meetings as non-voting negotiating consultants.

(8) (Renumbered from Paragraph (4), SG No. 26/2011, effective 05.06.2011, prev. Para 5 - SG, No. 93 of 2017) The special negotiating body may decide by a two-thirds majority of its members not to start negotiations under para. 2 or suspend negotiations. This decision suspends the procedure for concluding the agreement. In this case, Art. 10 and 11.

(9) (Renumbered from Paragraph (5), amend. - SG 26/11, in force from 05.06.2011, previous para 6, amended - SG, issue 93 of 2017) A new request for the convening of the special negotiating body may be made no earlier than two years after the decision under para. 8, unless the negotiating parties set a shorter time.

(10) (Renumbered from Paragraph 6, SG No. 26/2011, effective 05.06.2011, prev. Para 7 - SG 93/17) The expenses for the negotiations under para. 1 and 2 shall be at the expense of the central management body under Art. 4, para. 2 or the managing authority under Art. 4, para. 5 or 6.

**Content of the agreement**

**Art. 8.** (1) (Amended, SG No. 26/2011, effective 05.06.2011) The Central Management Authority under Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 and the special negotiating body shall negotiate in a spirit of cooperation for the purpose of reaching an agreement. The agreement shall be concluded in writing.

(2) With the agreement under para. 1 shall be determined:

1. undertakings within a group of undertakings or branches of undertakings to which the Agreement applies;
2. (amend. - SG 26/11, in force from 05.06.2011) the composition of the European Works Council, the term of the term of office, the number of its members, the distribution of the places, ensuring, if possible, evenly representation of employees according to their activity, category and gender;
3. (amend. - SG 26/11, in force from 05.06.2011) the functions and the way of informing and consulting the European Works Council and the obligations of its members to inform the employees about the results of the held information and consultation;
3a. (new - SG 26/11, in force from 05.06.2011) the way of interaction and coordination of the procedures for information and consultation through the European Works Council and through the trade unions and representatives of the employees under Art. 7, para. 2 of the Labor Code, in compliance with the principles of Art. 3a, para. 2;

4. the venue, frequency and duration of the meetings of the European Works Council;

4a. (new - SG 26/11, in force from 05.06.2011) the composition, the way of determining the members, functions and procedural rules of the Standing Committee, if necessary, to be established within the framework of the European Works advice;

5. the financial and material resources made available to the European Works Council;

6. (suppl. - SG 26/11, in force from 05.06.2011) the cases in which the agreement may be amended or terminated, as well as the procedure for doing so; the agreement is amended where necessary due to structural changes in the enterprise or its branches after their establishment;

7. the date of entry into force of the agreement and its validity;

8. other matters of mutual interest to the Parties.

(3) With the agreement under para. 1, the Parties may decide, when setting up the European Works Council, to apply the standard rules of Art. 10 and 11.

(4) The parties to the negotiations under para. 1 may enter into a written agreement to establish one or more information and consultation procedures in place of the European Works Council.

(5) With the agreement under para. 4 sets out the terms and conditions under which employees' representatives are entitled to gather and discuss the information provided to them, which relates primarily to multinational issues related to the essential interests of employees.

(6) To conclude the agreements under para. 1 and 4, the special negotiating body shall take decisions by a simple majority of the votes of its members.

**Negotiations for structural changes**

**Art. 8a.** (New - SG 26/11, in force from 05.06.2011) (1) When structural changes occur in the multinational enterprise or group of enterprises after their creation (merger, merger, distribution of activity, change of ownership) and others) and in the absence of appropriate provisions in the agreements in force or incompatibility between the provisions of two or more applicable agreements, the central management shall enter into negotiations under Art. 4, para. 3 on its own initiative or at the written request of at least 100 workers or employees or their representatives from at least two undertakings or two branches in at least two Member States.

(2) In the cases of para. 1 in addition to the members selected and designated in accordance with Art. 6, at least three of the members of the European Works Council established, or of each of the European Works Councils created, are members of the Special Negotiating Group right.

(3) During the negotiations, the established European Works Council shall continue to perform its functions in accordance with the agreement referred to in Art. 8, where such provisions are provided.

**Application of standard rules**

**Art. 9.** When the central management body under Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 refuses to open negotiations within 6 months from the request under art. 4, para. 3 or the negotiations have commenced, but three years after the date of the request no agreement has been reached and the special negotiating body has not decided to terminate the negotiations started, the relevant management provides the necessary conditions
and means for the establishment of a European Works Council by applying the standard rules on Art. 10 and 11 to establish, inform and consult the European Works Council.

**Standard rules for the establishment of a European Works Council**

**Art. 10.** (1) The Central Managing Authority under Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 shall notify the representatives of art. 5, para. 1, and if no such representatives are selected, the management of the trade union organizations in the enterprise and the representatives of art. 7, para. 2 of the Labor Code, as well as the governing bodies of other enterprises, for the establishment of a European Works Council. The notice shall also specify the period within which the employees' representatives on this board must be elected.

(2) The European Works Council under para. 1 shall consist of representatives of employees of a multinational undertaking or group of undertakings selected or designated in accordance with national law and / or with the established national practice of the Member State where the election takes place.

(3) (Amended, SG No. 26/2011, effective 05.06.2011) The members of the European Works Council shall be elected or appointed in proportion to the number of employees employed in each Member State from a multinational an undertaking or group of undertakings, paying for each Member State one part of the employees employed in the same Member State, representing 10 per cent or 10 per cent of the number of employees employed in all States states combined. The Council shall adopt its rules of procedure.

(4) (New, SG No. 26/2011, effective 05.06.2011) The European Works Council may elect from its members a standing committee of up to five persons for its effective functioning. The Standing Committee shall be provided with the conditions necessary for the performance of its duties.

(5) (Renumbered from Paragraph (4), SG No. 26/2011, effective 05.06.2011) The Central Managing Authority under Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 determines the number of members of the European Works Council so that each Member State in which the multinational enterprise has one or more branches or the group of undertakings has a controlling undertaking or one or more controlled enterprises has at least one representative.

(6) (Renumbered from Paragraph 5, SG No. 26/2011, effective 05.06.2011) The Central Management Authority under Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 determine the number of additional members in the special negotiating body according to the ratio of the number of employees in the multinational enterprise and its branches or enterprises of a group of enterprises engaged in business in the territory of the Republic of Bulgaria to the number of employees in those enterprises and branches in all Member States, with 25% of the total allocated one seat.

(7) (Renumbered from Paragraph 6, SG No. 26/2011, effective 05.06.2011) The European Works Council shall inform the Central Managing Authority of Art. 4, para. 2 or the management body under Art. 4, para. 5 or 6 for its composition.

(8) (Renumbered from Paragraph 7, SG No. 26/2011, effective 05.06.2011) Within 4 years after its establishment, the European Works Council shall decide whether to enter into negotiations for the conclusion of an agreement under Art. 8, or continue to apply standard rules. In that case, it shall perform the functions of the special negotiating body.

(9) (Renumbered from Paragraph 8, SG No. 26/2011, effective 05.06.2011) A European Works Council shall not be established in a European company or in a European cooperative company established in the Republic of Bulgaria, where it is a multinational or controlling undertaking, unless the special negotiating body of the company concerned decides not to open negotiations or to terminate negotiations initiated and to establish such advice.
Standard rules for informing and consulting the European Works Council

Art. 11. (1) The European Works Council shall be provided with information and consulted on general matters relating to the multinational enterprise or group of undertakings or at least two branches or two undertakings of a group of undertakings in different Member States.

(2) In the cases of Art. 4, para. 5 or 6, the European Works Council shall be informed and consulted on matters relating to all branches of the multinational enterprise or enterprise of a group of undertakings in the Member States, or of at least two of their branches or two undertakings of the group of undertakings in different Member States.

(3) Informing and consulting the European Works Council under para. 2 shall be carried out at a joint meeting with the central management body under art. 4, para. 2 or with the managing authority under Art. 4, para. 5 or 6, held at least once a year. On the basis of a report from the managing authority on the status and prospects for development of the multinational enterprise or group of undertakings, the following shall be discussed:

1. the structure of the enterprises or branches;
2. the economic and financial situation of the enterprises or branches;
3. the expected development of the activity;
4. the status and possible trends in employment;
5. investments and significant changes in the organization;
6. the introduction of new working methods or production processes;
7. the transfer of production, the transformation of companies, the reduction of the volume of work or the closure of enterprises, branches or separate parts thereof;
8. the forthcoming mass layoffs;
9. other matters of mutual interest to the Parties.

(4) In exceptional circumstances substantially affecting the interests of employees - relocation to another country, the closure of branches or undertakings or mass redundancies, the Standing Committee or, if no such committee is elected, the European Works Council, may request the holding of a meeting with the central or other governing body of the multinational enterprise or group of undertakings to be informed and consulted on measures concerning employees.

(5) When the meeting under para. 4 is organized by the Standing Committee and members of the European Works Council, selected or designated by the branches and / or undertakings directly affected by the envisaged measures, are also eligible to participate.

(6) The meeting under para. 4 shall be conducted in a timely manner. It shall hear a report from the central or other governing body of the multinational enterprise or group of undertakings and shall express an opinion on the issues contained in the report.

(7) Prior to each meeting with the central governing body, the European Works Council or the Standing Committee, as well as the members of the European Works Council who participate in the meeting under para. 5, have the right to meet without the presence of representatives of this body.

(8) (Amended, SG No. 26/2011, effective 05.06.2011) The members of the European Works Council shall inform the trade unions and the representatives of the employees under Art. 7, para. 2 of the Labor Code for the content of the information provided and the results of the consultations conducted, and when there are no trade union organizations or no representatives of the employees under Art. 7, para. 2 of the Labor Code, directly inform the relevant employees.
(9) (New, SG No. 93/2017) If a member of the European Works Council or his deputy is a member of the crew of a seagoing ship flying the Bulgarian flag, he shall be entitled to attend a meeting of the European Works Council or in every other meeting in accordance with the procedures of art. 15, para. 3, item 6, when during the meeting he does not make a voyage and is not in a port in a state other than the country in which the shipowner is established.

(10) (New, SG No. 93/2017) Where possible, meetings shall be scheduled in such a way as to facilitate the participation of crew members on seagoing ships who are members of the European Works Council or their alternates.

(11) (New, SG No. 93/2017) In the cases where a member of the European Works Council or his deputy is not able to attend a meeting, the opportunities of the new information and communication technologies may be used.

(12) (new - SG 26/11, in force from 05.06.2011, previous para 9 - SG 93 2017) To the members of the European Works Council or of the Standing Committee employer-funded training shall be provided where necessary to fulfil their representative functions when participating in international events. The cost of training cannot be at the expense of their remuneration.

(13) (Renumbered from Paragraph 9, SG No. 26/2011, effective 05.06.2011, Formerly Paragraph 10, SG No. 93/2017) The European Works Council or the Standing Committee shall: assist the experts designated by them when necessary to carry out their tasks.

(14) (Renumbered from Paragraph 10, SG No. 26/2011, effective 05.06.2011, Previous Paragraph 11 - SG No. 93/2017) Expenditure on the activities of the European Works Council are at the expense of the central management body under Art. 4, para. 2 or the managing authority under Art. 4, para. 5 or 6 . It provides the members of the European Works Council with the financial and material resources necessary to fulfil their duties. It also covers the costs of organizing meetings and providing translation, accommodation and travel expenses for members of the European Works Council and its Standing Committee.

Chapter Three.
INFORMATION AND CONSULTATION OF WORKERS AND EMPLOYEES IN ESTABLISHING A EUROPEAN COMMERCIAL SOCIETY

Duty to inform

Art. 12. Where the managing authorities of the participating companies draw up a plan for the creation of a European company immediately after the announcement of the plan of merger or acquisition or the creation of a holding company, or after the approval of a plan for the establishment of a subsidiary or transformation into a European company company, the governing body of the company or companies operating in the territory of the Republic of Bulgaria and participating in the establishment of a European company leaves to the leaderships of the trade unions and the representatives of the employees under Art. 7, para. 2 of the Labor Code, information on participating companies, subsidiaries or branches and the number of employees in them for the purpose of establishing a special negotiating body.

Employee representatives in the special negotiating body and in the representative body when setting up a European company

Art. 13. (1) The employees of companies that carry on business on the territory of the Republic of Bulgaria and participate in the establishment of a European company shall be elected at a general meeting convened in accordance with Art. 6a of the Labor Code, their representatives for participation in the special negotiating body under Art. 14.
(2) The employees under para. 1 shall also elect their representatives in the representative body under Art. 17, whether that body is established in the Republic of Bulgaria or in another Member State.

(3) The General Assembly may provide the functions under para. 1 and 2 of the representatives of the trade union organizations in the enterprise or the representatives of the employees under art. 7, para. 2 of the Labor Code.

(4) Nominations for election of employees' representatives may be submitted by an individual employee, groups of employees, as well as by trade union organizations in the enterprise.

(5) The General Assembly shall adopt its decisions under para. 1 - 3 by a simple majority.

(6) The number of representatives under para. 1 and 2 shall be determined according to the ratio of the number of employees in the participating companies and in the respective subsidiaries or branches operating in the territory of the Republic of Bulgaria to the number of employees in the participating companies and in the respective subsidiaries or branches in all Member States, with 10% of the total allocated one seat.

(7) When the ratio under para. 6 changed, the number of employees' representatives is adjusted to the changes.

(8) Where a European company is created by merger or acquisition, additional members are elected so as to ensure that at least one representative of each of the merging or affiliated companies or branches for which a specialty is incorporated in the special negotiating body it provides for termination, provided that:
1. the number of additional members does not exceed 20 percent of the number of members, determined in accordance with para. 6, and
2. the composition of the special negotiating body does not lead to a double representation of the same employees.

(9) When the number of merging or merging companies exceeds the limit under para. 8, item 1, the additional places shall be allocated among the companies of the different Member States in descending order according to the number of employees employed therein.

(10) When selecting the employees' representatives under para. 1 the participating companies engaged in economic activity on the territory of the Republic of Bulgaria may agree without exceeding the total number of members of the special negotiating body, which corresponds to the ratio under para. 6 and the requirements of para. 8, each of them shall have a representative in that authority.

Rules of procedure of the special negotiating body

Art. 14. (1) The special negotiating body and the governing bodies of the participating companies shall determine by written agreement the conditions for the participation of employees in the European company.

(2) Prior to the conclusion of the agreement, the governing bodies of the participating companies shall inform the special negotiating body of the plan and process for the establishment of the European Business Company until its registration.

(3) Each member shall have one vote in the special negotiating body. The special negotiating body shall take its decisions by an absolute majority of its members, provided that they represent an absolute majority of the employees of the European company.

(4) If the result of the negotiations leads to a decrease in the participation rights, the required majority under para. 3 shall be two thirds of the members of the special negotiating body representing at least two thirds of the employees, including the votes of the members representing the employees employed in at least two Member States where:
1. a European company has been created by merger or acquisition, if the participation covers at least 25 per cent of the total number of employees in the participating companies, or
2. A European company is established by the creation of a holding company or a subsidiary if the participation covers at least 50 per cent of the total number of employees in the participating companies.

5) The Special Negotiating Body is assisted by experts designated by it and by representatives of representative trade union organizations in the European Union. At his invitation, experts may attend the negotiations in an advisory capacity.

6) The special negotiating body may decide not to open negotiations or suspend negotiations and decide to apply the rules on information and consultation of employees in force in the Member States where the European commercial company has employees. This decision shall suspend the procedure for concluding the agreement.

7) The decision under para. 6 shall be adopted by a majority of two-thirds of the members of the special negotiating body if they are representatives of at least two-thirds of the employees of a European company and are representatives of workers in at least two Member States.

8) Where a European company is created by transformation and has rules for the participation of employees in the company to be transformed, the provisions of para. 6 and 7 do not apply.

9) At the written request of at least 10 per cent of the employees of the European company, its subsidiaries or branches or their representatives, the special negotiating body may convene a meeting again at least two years after the adoption of the the decision under para. 6, unless the parties agree to resume negotiations earlier. If the special negotiating body decides to resume the negotiations but does not reach an agreement, the provisions of Art. 17-19 are not applicable.

10) The costs related to the activity of the special negotiating body are borne by the participating companies.

Content of the agreement

Art. 15. (1) The special negotiating body and the governing bodies of the participating companies shall negotiate in a spirit of cooperation for reaching an agreement on the conditions of participation of employees in the European company.
(2) The negotiations under Art. 14 shall start immediately after the establishment of the special negotiating body and may continue for up to 6 months. The Parties may agree to extend the negotiations beyond this period, but for no more than one year after the establishment of the special negotiating body.
(3) The Agreement provides:
1. the companies to which the agreement applies;
2. the composition, the number of members and the allocation of seats in the representative body;
3. the functions and the way of informing and consulting the representative body;
4. the periodicity of the meetings of the representative body;
5. the financial and material resources provided to the representative body;
6. the conditions for the implementation of one or more information and consultation procedures where the parties have decided to establish such procedures instead of setting up a representative body;
7. the nature of the conditions of participation of employees when the parties have decided to create such conditions, including the number of members in the management or supervisory body of a European company, which employees have the right to determine, indicate, recommend or oppose their choice, their procedures and their rights;
8. the cases in which the agreement may be amended and the procedure for doing so; the agreement is amended where necessary due to structural changes in the company or its subsidiaries or its branches after their establishment;
9. the date of entry into force of the agreement and its validity;
10. other matters of mutual interest to the Parties.

(4) With the agreement under para. 1, the parties may decide, when setting up the representative body, to apply the standard rules under Art. 17 - 19.
(5) In the cases of para. 3, item 7, the agreement must provide for at least the same level of all elements of employee involvement as existed in the company prior to its transformation into a European company.

**Application of standard rules**

**Art. 16.** (1) When the special negotiating body and the governing bodies of the participating companies have adopted a decision under Art. 15, para. 4, the standard rules for establishing, informing and consulting the representative body and for participation under Art. 17 - 19.
(2) The standard rules under Art. 17-19 shall also apply when the special negotiating body and the governing bodies of the participating companies have not reached an agreement within the time limits under Art. 15, para. 2 and the governing body of each of the participating companies has decided to apply the standard rules to the European company and to continue its registration, and the special negotiating body has not accepted the provisions of Art. 14, para. 6 a decision to apply the rules on information and consultation of employees in force in the Member States where the European Business Company has employees.
(3) The standard rules for participation under Art. 19 shall apply to a European company having its registered office in the Republic of Bulgaria in cases where:
1. rules for the participation of employees in the management or supervisory bodies of the company being transformed into a European company are applied, or
2. Forms of participation in one or more of the participating companies, covering at least 50 per cent of the total number of their employees, were applied before the registration of the European company incorporated through the creation of a holding company or subsidiary, or
3. prior to the registration of the European company incorporated through the creation of a holding company or subsidiary, forms of participation in one or more of the participating companies were applied, covering at least 50 per cent of the total number of employees and employees in them, and if the special negotiating body so decides, or
4. prior to the registration of a European company incorporated by way of merger or acquisition, forms of participation in one or more of the participating companies were applied, covering at least 25 per cent of the total number of employees and employees therein, or
5. prior to the registration of the European company incorporated by way of merger or acquisition, forms of participation in one or more of the participating companies, which covered at least 25 per cent of the total number of employees, were applied, and if the special negotiating body shall adopt such a decision.
(4) In the cases of para. 3, items 2 and 3, if more than one form of participation in the various participating companies was applied, the special negotiating body shall decide which of these forms should be applied in the European company, informing the company management bodies.

**Standard rules for setting up a representative body**

**Art. 17.** (1) Where a European company is domiciled in the Republic of Bulgaria, after its registration a representative body of the employees shall be created in order to ensure the conditions for their participation in its activity.
(2) The representative body shall include workers in the European Business Company and its subsidiaries and branches, which are selected or designated in accordance with the national law and / or national practice of the Member State where the election takes place.
(3) The representative body shall adopt its rules of procedure.
(4) Where the numerical composition of the representative body so permits, it shall elect from
its members a standing committee of no more than three members.
(5) The representative body shall inform the governing body of the European Trade Company
of its membership.
(6) Within 4 years after its establishment, the representative body shall consider whether to
open negotiations for the conclusion of an agreement under Art. 15 or continue to apply the
standard rules under Art. 18 and 19. In case the representative body decides to open
negotiations, it shall perform the functions of the special negotiating body under Art. 14.
(7) In the cases of para. 6, if by the deadline for the conclusion of the negotiations under Art. 15,
para. 2 no agreement was reached, the standard rules of art. 18 and 19.

Standard rules for informing and consulting the representative body

Art. 18. (1) The representative body shall be provided with information and consulted on
general matters relating to the European company and its subsidiaries or branches in another
Member State or which are outside the competence of the managing authorities of that Member
State.
(2) The information and consultation of the representative body shall be carried out at a joint
meeting with the governing body of the European Company, held at least once a year. The local
governing bodies of the company shall be notified of the meeting.
(3) On the basis of a report from the managing authority on the state and prospects for the
development of the European Business Company, the following shall be discussed at the
meeting:
1. the structure;
2. the economic and financial situation;
3. the expected development of the activity;
4. the status and possible trends in employment;
5. investments and significant changes in the organization;
6. the introduction of new working methods or production processes;
7. the transfer of production, the transformation of the company, the reduction of the volume of
work or the closure of subsidiaries, branches or separate parts thereof;
8. the forthcoming mass layoffs;
9. other matters of mutual interest to the Parties.
(4) The governing body of the European Business Company shall provide the representative
body with the agenda for its meetings or, where appropriate, for the meetings of the supervisory
body, as well as copies of all documents submitted to the general meeting of shareholders.
(5) In exceptional circumstances substantially affecting the interests of employees - transfer to
another country, transfer, closure of subsidiaries or branches, or mass redundancies, the
representative body or at its discretion - has the right to request
an appointment at a meeting with the governing body of a European company or with another
governing body to be informed and consulted on measures relating to employees.
(6) If in the cases of para. 5 the managing authority decides not to take action, the representative
body has the right to request a new meeting to reach an agreement.
(7) When the meeting under para. 5 is organized by the Standing Committee, and members of
the representative body who represent the employees directly affected by the respective
measures have the right to participate.
(8) The meetings held shall not affect the powers of the managing authority.
(9) Before the meeting with the governing body of the European Company, the representative body or the standing committee, as well as the members of the representative body under para. 7, have the right to meet without the presence of representatives of the managing authority.

(10) Subject to the provisions of Art. The members of the representative body shall inform the employees' representatives of the European Company and its subsidiaries and branches about the content of the information provided and the results of the consultations held.

(11) The representative body or the Standing Committee shall be assisted by experts designated by them.

(12) The expenditure on the activity of the representative body is borne by the European company. It shall provide the members of the Authority with the financial and material resources necessary for the performance of their duties. Unless otherwise agreed, it shall also bear the costs of organizing the meetings and providing translation, accommodation and travel expenses of the members of the representative body and of the Standing Committee.

Standard rules for participation

Art. 19. (1) When establishing a European company with a seat in the Republic of Bulgaria, employees and employees of the European company, its subsidiaries and branches, as well as their representative body, have the right to choose, appoint, recommend or oppose to a certain number of members of the management or supervisory body of the company, which corresponds to the level of participation in the management before its registration.

(2) Where a European company established in the Republic of Bulgaria is incorporated by way of transformation, the rules for the participation of employees in the representative and supervisory bodies that were applicable before the incorporation of the company shall continue to apply after its establishment.

(3) The provision of para. 1 shall not apply if, prior to the registration of the European Company in Bulgaria, none of the participating companies applied rules of participation.

(4) The representative body shall decide on the allocation of seats in the management or supervisory body between members representing employees of different Member States, or the manner in which employees may recommend or oppose the election of members of these bodies according to their proportional representation in each Member State.

(5) If the employees in one or more Member States are not covered by the proportional criterion under para. 4, the representative body designates a member from one of these Member States.

(6) Each Member State shall distribute the designated under para. 4 places according to their national legislation and / or established national practice.

(7) Each member of the management or supervisory body of a European company, elected, appointed or recommended by the representative body or by the employees, shall have the same rights and obligations as shareholder representatives, including voting rights.

(8) Where rules other than the standard rules for participation are laid down in Bulgarian law, they shall not apply.

Chapter Four.
INFORMATION AND CONSULTATION WITH EMPLOYEES AND EMPLOYEES IN THE ESTABLISHMENT OF A EUROPEAN COOPERATIVE SOCIETY

Duty to inform

Art. 20. When the managing bodies of the legal entities draw up a project for the creation of a European cooperative society, the management bodies of the legal entities active in the territory of the Republic of Bulgaria participating in the creation of a European cooperative society shall
take the necessary measures, as soon as they are drawn up, of the project shall be provided to the management of the trade union organizations in the enterprise and to the representatives of the employees under art. 7, para. 2 of the Labor Code information on the participating legal entities and subsidiaries and branches, as well as on the number of employees in them with the purpose of creating a special negotiating body.

Employee representatives in the special negotiating body and in the representative body when setting up a European cooperative society

Art. 21. (1) The employees of companies that carry out business activities on the territory of the Republic of Bulgaria and participate in the establishment of a European cooperative society shall elect a general meeting convened in accordance with Art. 6a of the Labor Code, their representatives for participation in the special negotiating body under Art. 22.
(2) The employees under para. 1 shall also elect their representatives in the representative body under Art. 25, whether that body is established in the Republic of Bulgaria or in another Member State.
(3) The General Assembly may provide the functions under para. 1 and 2 of the representatives of the trade union organizations in the enterprise or the representatives of the employees under art. 7, para. 2 of the Labor Code.
(4) Nominations for the election of employees' representatives may be submitted by an individual employee, groups of employees and trade unions in the enterprise.
(5) The General Assembly shall adopt the decisions under para. 1 - 3 by a simple majority.
(6) The number of representatives under para. 1 and 2 shall be determined according to the ratio of the number of employees in the participating legal entities and subsidiaries and branches operating in the territory of the Republic of Bulgaria to the number of employees in the participating legal entities and subsidiaries and branches in all Member States, with 10% of the total allocated one seat.
(7) When the ratio under para. 6 changes, the number of employees' representatives is adjusted to the changes made, and efforts are made to respect the principle of equality between men and women.
(8) Where a European cooperative company is set up by a merger, additional members are selected so as to ensure that at least one representative of each of the merging cooperatives, which is registered and hired, is included in the special negotiating body in the Republic of Bulgaria and which is intended to terminate, provided that:
1. the number of additional members does not exceed 20 percent of the number of members, determined in accordance with para. 6, and
2. the composition of the special negotiating body does not lead to a double representation of the same employees.
(9) When the number of merging cooperatives exceeds the limit under para. 8, item 1, the additional places shall be allocated among the cooperatives of the different Member States in descending order according to the number of employees employed therein.
(10) When selecting the employees' representatives under para. 1, the participating legal entities and subsidiaries and branches, which carry on business in the territory of the Republic of Bulgaria, may agree, without exceeding the total number of members of the special negotiating body, which corresponds to the ratio under para. 6 and the requirements of para. 8, each of them having its own representative in this body, endeavouring to respect the principle of equality between men and women.
Rules of procedure of the special negotiating body

Art. 22. (1) The special negotiating body and the managing bodies of the participating legal entities shall determine by written agreement the conditions for the participation of the employees in the European cooperative society.
(2) Prior to the conclusion of the agreement, the managing authorities of the participating legal entities shall inform the special negotiating body of the project and the process of establishing the European Cooperative Society until its registration.
(3) Each member shall have one vote in the special negotiating body. The special negotiating body shall take its decisions by an absolute majority of its members, provided that they represent an absolute majority of the employees of the European Cooperative Society.
(4) If the result of the negotiations leads to a decrease in the participation rights, the required majority under para. 3 shall be two thirds of the members of the special negotiating body representing at least two thirds of the employees, including the votes of the members representing the employees employed in at least two Member States where:
1. a European cooperative society has been formed by merger if the participation covers at least 25 per cent of the total number of employees in the participating legal entities, or
2. the European cooperative society has been set up in another way provided for in Council Regulation 1435/2003 / EU, if the participation covers at least 25 per cent of the total number of employees in the participating legal entities.
(5) The special negotiating body may be assisted by experts designated by it and by representatives of representative trade union organizations in the European Union. At his invitation, experts may attend the negotiations in an advisory capacity.
(6) The special negotiating body may decide not to open negotiations or suspend negotiations and decide to apply the rules on information and consultation of employees in force in the Member States where the European cooperative society has employees. This decision suspends the procedure for concluding the agreement.
(7) The decision under para. 6 shall be adopted by a majority of two-thirds of the members of the special negotiating body if they are representatives of at least two-thirds of the employees of the European Cooperative Society and are representatives of employees in at least two Member States.
(8) Where a European cooperative society is created by transformation and there are rules for the participation of employees in the cooperative to be transformed, the provisions of para. 6 and 7 do not apply.
(9) At the written request of at least 10 per cent of the employees of the European Cooperative Society, its subsidiaries and branches or their representatives, the special negotiating body may be convened again at least two years after the adoption of the decision under para. 6, unless the parties agree to resume negotiations earlier. If the special negotiating body decides to resume the negotiations but does not reach an agreement, the provisions of Art. 25-27 are not applicable.
(10) The costs related to the activity of the special negotiating body shall be borne by the participating legal entities.

Content of the agreement

Art. 23. (1) The special negotiating body and the managing bodies of the participating legal entities shall negotiate in a spirit of cooperation for reaching an agreement on the conditions of participation of employees in the European cooperative society.
(2) The negotiations under Art. 22 shall start immediately after the establishment of the special negotiating body and may continue for up to 6 months. The Parties may agree to extend the
negotiations beyond this period, but for no more than one year after the establishment of the special negotiating body.

(3) The Agreement provides:
1. the legal entities to which the Agreement applies;
2. the composition, the number of members and the allocation of seats in the representative body;
3. the functions and the way of informing and consulting the representative body;
4. the periodicity of the meetings of the representative body;
5. the financial and material resources provided to the representative body;
6. the conditions for the implementation of one or more information and consultation procedures where the parties have decided to establish such procedures instead of setting up a representative body;
7. the nature of the conditions of participation of employees when the parties have decided to create such conditions, including the number of members in the management or supervisory body of the European cooperative society, which the employees have the right to determine, indicate, recommend or oppose their choice, their procedures and their rights;
8. the cases in which the agreement may be amended and the procedure for doing so; the agreement is amended where necessary due to structural changes in the cooperative, its subsidiaries or its branches after their establishment;
9. the date of entry into force of the agreement and its validity;
10. other matters of mutual interest to the Parties.

(4) With the agreement under para. 1, the parties may decide, when setting up the representative body, to apply the standard rules of Art. 25 - 27.

(5) In the cases of para. 3, item 7, the agreement must provide for at least the same level of all elements of employee involvement as existed in the pre-transformation cooperative and in a European cooperative society.

Application of standard rules

Art. 24. (1) When the special negotiating body and the management bodies of the participating legal entities have adopted a decision under Art. 23, para. 4, the standard rules for establishing, informing and consulting the representative body and for participation under Art. 25 - 27.

(2) The standard rules under Art. 25 - 27 shall also apply when the special negotiating body and managing bodies of the participating legal entities have not reached an agreement within the time limits under Art. 23, para. 2 and the governing body of each of the participating legal entities has decided to apply the standard rules to the European cooperative company and to continue its registration, and the special negotiating body has not accepted the provisions of Art. 22, para. 6 decision to apply the rules on information and consultation of employees in force in the Member States where the European cooperative society has employees.

(3) The standard rules for participation under Art. 27 shall apply to a European cooperative company established in the Republic of Bulgaria in cases where:
1. rules for the participation of employees in the management or supervisory bodies and bodies have been applied in the cooperative which is being transformed into a European cooperative society, or
2. Forms of participation in one or more of the participating legal entities covering at least 50 per cent of the European Co-operative Society otherwise set up by Council Regulation 1435/2003 / EU were applied the total number of employees and employees, or
3. forms of participation in one or more of the participating legal entities covering at least 50 per cent of the European Co-operative Society otherwise set up by Council Regulation
1435/2003 / EU were applied the total number of employees, and if the special negotiating body so decides, or
4. prior to the registration of the European cooperative company created by the merger, forms of participation in one or more of the participating legal entities, which comprised at least 25 per cent of the total number of employees, were applied, or
5. prior to the registration of the European cooperative company created by the merger, forms of participation in one or more of the participating legal entities were applied, which covered at least 25 percent of the total number of employees and their employees, and if the special such decision shall be taken by the negotiating body.

(4) In the cases of para. 3, items 2 and 3, if more than one form of participation in the different participating legal entities was applied, the special negotiating body shall decide which of these forms should be applied in the European cooperative society, informing the managing authorities of the the legal entities involved.

Standard rules for setting up a representative body

Art. 25. (1) Where a European cooperative company is domiciled in the Republic of Bulgaria, after its registration a representative body of the employees shall be created in order to ensure conditions for their participation in its activity.
(2) The representative body shall include employees of the European cooperative society and its subsidiaries and branches, which shall be selected or designated in accordance with the national law and / or national practice of the Member State where the election takes place.
(3) The representative body shall adopt its rules of procedure.
(4) Where the numerical composition of the representative body so permits, it shall elect from its members a standing committee of no more than three members.
(5) The representative body shall inform the governing body of the European Cooperative Society of its membership.
(6) Within 4 years after its establishment, the representative body shall consider whether to open negotiations for the conclusion of an agreement under Art. 23, or continue to apply the standard rules under Art. 26 and 27. In case the representative body decides to open negotiations, it shall perform the functions of the special negotiating body under Art. 22.
(7) In the cases of para. 6, if by the deadline for the conclusion of the negotiations under Art. 23, para. 2 no agreement was reached, the standard rules of art. 26 and 27.

Standard rules for informing and consulting the representative body

Art. 26. (1) The representative body shall be provided with information and consulted on general matters relating to the European cooperative society and its subsidiaries or branches in another Member State, or which are outside the powers of the managing authorities of that Member State.
(2) The information and consultation of the representative body shall be carried out at a joint meeting with the governing body of the European Cooperative Society, held at least once a year. The local governing bodies of the company shall be notified of the meeting.
(3) On the basis of a report from the managing authority on the state and prospects for the development of the European Cooperative Society, the following shall be discussed at the meeting:
1. the structure;
2. the economic and financial situation;
3. the expected development of the activity;
4. measures related to social policy;
5. the status and possible trends in employment;
6. investments and significant changes in the organization;
7. the introduction of new working methods or production processes;
8. the transfer of production, transformation, reduction of the volume of work or closure of subsidiaries, branches or separate parts thereof;
9. the forthcoming mass layoffs;
10. other matters of mutual interest to the Parties.

(4) The governing body of the European Cooperative Society shall provide the representative body with the agenda for its meetings or, where appropriate, for the meetings of the supervisory body, as well as copies of all documents submitted to the general meeting of its members.

(5) In exceptional circumstances that substantially affect the interests of employees - transfer to another country, transfer, closure of subsidiaries or branches or mass layoffs, the representative body, or at its discretion, the elected standing committee, may request the appointment of a meeting with the governing body of the European Co-operative Society or with another governing body to be informed and consulted on the measures concerning the employees.

(6) If in the cases of para. 5 the managing authority decides not to take action, the representative body has the right to request a new meeting to reach an agreement.

(7) When the meeting under para. 5 is organized by the Standing Committee, and members of the representative body who represent the employees directly affected by the respective measures have the right to participate.

(8) The meetings held shall not affect the powers of the managing authority.

(9) Prior to the meeting with the governing body of the European Cooperative Society, the representative body or the standing committee, as well as the members of the representative body under para. 7, have the right to meet without the presence of representatives of the managing authority.

(10) Subject to the provisions of Art. The members of the representative body shall inform the employees' representatives of the European cooperative society and its subsidiaries and branches about the content of the information provided and the results of the consultations carried out.

(11) The representative body or the Standing Committee shall be assisted by experts designated by them.

(12) The expenses for the activity of the representative body shall be borne by the European cooperative society. It shall provide the members of the Authority with the financial and material resources necessary for the performance of their duties. Unless otherwise agreed, it shall also bear the costs of organizing the meetings and providing translation, accommodation and travel expenses of the members of the representative body and of the Standing Committee.

Standard rules for participation

Art. 27. (1) When establishing a European cooperative company established in the Republic of Bulgaria, employees and employees of the European cooperative society, its subsidiaries and branches, as well as their representative body, shall have the right to choose, determine, recommend or oppose to a certain number of members of the management or supervisory body of the company, which corresponds to the level of participation in the management before its registration.

(2) Where a European cooperative company domiciled in the Republic of Bulgaria is incorporated by way of transformation, the rules on the participation of employees in the representative and supervisory bodies that were applicable before the registration of the company shall apply after its establishment.
(3) The provision of para. 1 shall not apply if, prior to the registration of the European Cooperative Society in the Republic of Bulgaria, none of the participating companies applied rules of participation.

(4) The representative body shall decide on the allocation of seats in the management or supervisory body between members representing employees of different Member States, or the manner in which employees may recommend or oppose the election of members of these bodies according to their proportional representation in each Member State.

(5) If the employees in one or more Member States are not covered by the proportional criterion under para. 4, the representative body designates a member from one of these Member States.

(6) Each Member State shall distribute the designated under para. 4 places according to their national legislation and / or established national practice.

(7) Each member of the management or supervisory body of a European cooperative society, elected, appointed or recommended by the representative body or by the employees, shall have the same rights and obligations as the members of the cooperatives, including the right to vote.

(8) Where rules other than the standard rules for participation are laid down in Bulgarian law, they shall not apply.

Implementation of standard rules for information, consultation and participation in a European cooperative society created exclusively by natural persons or by a single legal entity and natural persons

Art. 28. (1) The provisions of Art. 25 - 27 shall also apply to a European cooperative company established in the Republic of Bulgaria, which is created exclusively by natural persons or by a single legal entity and natural persons who have employed at least 50 employees in at least two Member States.

(2) The provisions of Art. 25 to 27 shall also apply to a European cooperative company domiciled in the Republic of Bulgaria, established exclusively by natural persons or by a single legal entity and natural persons who have recruited fewer than 50 employees in at least two Member States, where the registration of the company by at least one third of the total number of employees in the European cooperative society with its subsidiaries and branches in at least two different Member States so request, or if the total number of employees reaches goes or exceeds 50 employees in at least two Member States.

(3) Outside the cases under para. 2, where the European cooperative company is domiciled in the Republic of Bulgaria and is created exclusively by natural persons or by one legal entity and natural persons who have employed in total less than 50 employees in at least two Member States, the provisions of The Labor Code for informing and consulting employees. The provisions of the Labor Code shall also apply when the subsidiaries and branches of the European cooperative society are located on the territory of the Republic of Bulgaria.

(4) Where the European cooperative society or its subsidiaries and branches, established exclusively by natural persons or by a single legal person and natural persons, employing in total less than 50 workers and employees in at least two Member States, move their head office from in another Member State in the Republic of Bulgaria, the existing rules on employee participation continue to apply if they are more favourable than those established by this law.
Chapter Five.
CONFIDENTIAL INFORMATION

Provision of confidential information

Art. 29. (1) Providing information to the European Works Council or the representative body in the European commercial or cooperative society, or to the experts designated by them, the dissemination of which may damage the legitimate interests of the enterprises under Art. 4, para. 2, 5 or 6 and the companies under art. 12 and 20 can be done with the requirement of confidentiality.

(2) The persons to whom confidential information under para. 1, may not be distributed to other employees and to third parties. They have this obligation even after their term of office expires and no matter what their job or the designated experts.

(3) Where the nature of the information under para. 1 may seriously disrupt the operation of the undertakings or companies or be detrimental to them, the management bodies may refuse to provide and on the basis of objective judgment.

(4) In case of refusal to provide information under para. 3 and a dispute arises as to its merits, the parties may seek assistance to settle the dispute through mediation and / or voluntary arbitration from the National Institute for Conciliation and Arbitration.

Responsibility for disseminating confidential information

Art. 30. Persons who have been provided with confidentiality information shall be liable for damages caused to the undertakings and companies concerned by failure to comply with the non-proliferation obligation.

Additional provisions

§ 1. For the purposes of this Act:

1. "Member States" means the Member States of the European Union or of any other State Party to the Agreement on the European Economic Area.

2. "Multinational enterprise" means any enterprise with at least 1000 employees in Member States and with at least 150 employees in each of at least two Member States. The number of employees is determined on the basis of the average number of employees over the previous 24 months, which includes all employees who have or have been in employment with the enterprise, irrespective of the duration of the contract and the length of their working hours. Information on the number of employees should be made available to the managing authority, which provides the conditions and resources for the establishment of a European Works Council or other procedure for informing and consulting employees on request.

3. "Group of enterprises" means a controlling undertaking and the undertakings it controls which have at least 1000 employees in the Member States, at least two enterprises of the group in different Member States and at least two enterprises of the group of at least 150 employees in two The number of employees is determined on the basis of the average number of employees over the previous 24 months, which includes all employees who have or have been employed by the enterprise, regardless of the average number of employees, the contract and the length of their working hours. Information on the number of employees should be made available to the managing authority, which provides the conditions and means for the establishment of a European Works Council or other procedure for informing and consulting employees on request.
4. "Central governing body" shall mean the governing body of a multinational enterprise or of a controlling undertaking in a group of undertakings.

5. (amend. - SG 26/11, in force from 05.06.2011) "Controlling enterprise " is an enterprise that can exercise dominant influence over the activity of another controlled enterprise through financial participation, property, management, or otherwise. When the controlled enterprise is a company within the meaning of Art. 3 (5) (a) or (c) of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings, a company participating in it is not considered as controlling enterprise.

The possibility of exercising a dominant influence shall be presumed to the contrary when the controlling undertaking, directly or indirectly:
(a) holds a majority of the subscribed capital of the controlled undertaking; or
(b) controls the majority of the votes attaching to the share capital issued by the controlled undertaking, or
(c) may appoint more than half of the members of the management or supervisory body of the controlled undertaking.

When two or more entities in the group meet one or more of the requirements of letters "a" to "c", a controlling entity shall be considered an entity that may designate more than half of the members of the management or supervisory body of the controlled entity up to the moment when another enterprise proves to have a dominant influence.

The rights of the controlling entity in respect of voting or designation shall include the rights of any other controlled entity as well as the rights of any person or body acting on its behalf or on its behalf, but at the expense of the controlling entity or any other controlled entity.

There is no dominant influence when the competent authority of the controlling undertaking, in the exercise of its powers, takes actions for liquidation, closure, bankruptcy or insolvency, conversion or other similar procedures.

In the cases under Art. 4, para. 5 and 6, the company established in the Republic of Bulgaria is considered as a controlling company.

6. "Branch " is an organizationally and economically distinct entity.


8. "Participating companies " are the legal entities directly involved in the creation of a European company.


10. "Participating legal entities " shall mean the legal entities directly involved in the creation of a European cooperative society.

11. "Subsidiary " is a controlled enterprise over which another company or participating legal entity exercises dominant influence over its activity within the meaning of item 5.

12. "Affiliated subsidiary or branch " means a subsidiary or branch of a participating company or of a participating legal entity that is proposed to become a subsidiary or branch of a European company or European cooperative society when it is set up.

13. "Special Negotiating Body " shall be the body established under Art. 6, 14 or 22 for the purpose of negotiating with the relevant managing authority.

14. "European Works Council " is the council established under the agreement under Art. 8 or in accordance with the provisions of the standard rules under Art. 9 and 10.

15. "Representative body " shall be the body representing employees, established in accordance with the agreement under Art. 15 or 23 or according to the provisions of the standard rules under Art. 17 or 25.

16. "Employee representatives" means employees' representatives selected or designated in accordance with national law and / or established national practice.
16a. (new - SG 26/11, in force from 05.06.2011) "Transnational issues" are issues affecting a multinational enterprise or group of enterprises or at least two enterprises or branches of a multinational enterprise or group of enterprises located in two different Member States.

17. (amend. - SG 26/11, in force from 05.06.2011) "Informing" is provision of data by the management bodies under art. 4, 12 and 20 of the employees' representatives in order to familiarize themselves with the matter under consideration and to examine it. Information shall be provided at an appropriate time so as not to delay the decision-making process, in an appropriate manner and with appropriate content, enabling employees' representatives to carry out a thorough assessment of the possible impact of the measures envisaged and, where appropriate, to prepare consultations with the competent authority of the multinational enterprise or group of undertakings.

18. (amend. - SG 26/11, in force from 05.06.2011) "Consulting" is establishment of a dialogue and exchange of views between the employees' representatives and / or their representative body and the respective management bodies under art. 4, 12 and 20 or any other appropriate level of management at the right time, in an appropriate manner and with appropriate content that allow employees' representatives, on the basis of the information provided, and without prejudice to management responsibilities, to express within a reasonable time, its opinion on the proposed consultative measures, which may be taken into account when making decisions within the multinational enterprise or group of undertakings.

19. "Employee involvement" is any form of information, consultation and participation through which employee representatives can influence the decisions adopted by the company.

20. "Participation" means the opportunity for the representative body and / or representatives of employees to participate in the activities of the company by exercising the right:
(a) elect or appoint a part of the members of the management or supervisory bodies of the company, or
(b) recommend and / or oppose a number of members of the management or supervisory bodies of the company.

21. "Reduction of the rights of participation" is present when the percentage ratio of the members of the bodies of the European company or European cooperative society under item 20 is lower than the highest existing ratio in the participating companies or legal entities.


Transitional and Final Provisions

§ 2a. (New, SG No. 82/2011) (1) The obligations for informing and consulting employees in multinational enterprises and groups of enterprises resulting from this Act shall not apply to agreements under Art. 8, which were concluded or amended between 5 June 2009 and 5 June 2011, without prejudice to the provisions on the negotiation of structural changes.
(2) In case when the agreements under par. 1, the parties do not jointly decide on their renewal or review, the provisions of this Act shall apply.
1. In Art. 157:
a) in para. 1, item 5a is created:
"5a. To attend meetings of a special negotiating body, a European Works Council or a representative body in a European commercial or cooperative society;"

b) in para. 3, item 2 the words "item 6" shall be replaced by "items 5a and 6".

2. In Art. 161, para. 3:
"(3) An employee who is a member of a representative body in a European commercial or cooperative society shall be entitled to the training leave necessary for the performance of his functions. The amount of leave and the remuneration due during his use, shall be negotiated in a collective agreement or by agreement between the parties to the employment relationship."

3. In Art. 333, para. 1 is created item 6:
"6. an employee who is a member of a special negotiating body, of a European Works Council or of a representative body in a European commercial or cooperative society, for the duration of his duties."

4. In Art. 404, para. 1, item 1 after the words "social services for employees" shall be added "to the obligations for informing and consulting employees under this Code and under the Act for informing and consulting employees in multinational enterprises, groups enterprises and European companies."

§ 4. The law shall enter into force on the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union.

The law was adopted by the 40th National Assembly on June 30, 2006 and was affixed with the official seal of the National Assembly.

ADDITIONAL PROVISIONS
TO THE AMENDING ACT TO THE INFORMATION AND CONSULTATION ACT OF EMPLOYEES AND EMPLOYEES IN MULTI-NATIONAL ENTERPRISES, GROUP OF ENTERPRISES AND ENTERPRISES

(Promulgated - SG 26/06, in force from 05.06.2011)

FINAL PROVISIONS
TO THE AMENDING ACT TO THE INFORMATION AND CONSULTATION ACT
OF EMPLOYEES AND EMPLOYEES IN MULTI-NATIONAL ENTERPRISES,
GROUP OF ENTERPRISES AND ENTERPRISES

(Promulgated - SG 26/06, in force from 05.06.2011)

§ 11. The law shall enter into force on June 5, 2011.