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Country	In case of restructuration, is there threshold at which the mandatory procedure to be followed becomes more cumbersome?	In case of restructuration, is the procedure subject to the intervention of:		Does national law oblige companies to provide statutory and/or contractual compensation to employees affected by restructuring?
		Employee representatives (information, consultation, approval, etc.)	Labour inspector	
BELARUS	Dismissal of 20% of employees (but not less than 25 employees) during 1 month in companies employing no more than 1000 employees.	Yes, the consent of the employees on the continuation of the employment relationship is required.	No.	Yes, in case of impossibility of continuation of the employment relationship by the employer.
BRAZIL	Yes. Dismissal of employees that hold special conditions or considerable number of employees dismissed must be done with the acknowledge of Courts and labour union. There are special procedures on labour law that can support companies on it.	Yes, but regulation on what would be considered a restructuring is a grey zone. It is necessary to evaluate case by case.	No, but some special dismissals must be informed/accepted in courts.	Yes, must be evaluated case by case.
BULGARIA	During a 30-days period dismissal of: – at least 10 employees in companies employing 20-100 employees; – at least 10% of the employees in companies employing 100-300 employees; – at least 30 employees in companies employing more than 300 employees.	Yes.	Yes, Employment Agency.	Yes, in some cases of termination.
CYPRUS	During a 30-days period dismissal of: – at least 10 employees in companies employing 20-99 employees; – at least 10% of the total number of employees in companies employing 100-299; – at least 30 in companies employing at least 300 employees.	Yes, if employees are part of organised unions.	Yes, in terms of obligations arising under the Social Insurance law.	Yes.
CZECH REPUBLIC	During a 30-days period dismissal of: – 10 employees in case of companies employing 20-100 employees; – 10% of employees in companies employing 101-300 employees; – 30 employees in companies employing at least 300 employees.	Yes, if any are established.	Yes, Labour Office.	Yes.
DENMARK	Dismissal of 10 employees during 30 days in companies employing more than 20 employees (social plan).	Yes.	No.	No.
ESTONIA	Dismissal of no less than 5 employees during 30 days in a company employing up to 19 employees in average (information and consultation obligation).	Yes.	Yes, Unemployment Insurance Fund.	Yes.
FINLAND	Yes, cooperation negotiations with staff representatives where the company regularly employs 20 employees or more.	Yes, if the company regularly employs 20 employees or more.	No.	Yes.
FRANCE	Dismissal of 10 employees during 30 days in companies employing more than 50 employees (social plan).	Yes.	Yes.	Yes.

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GERMANY	Notification to the employment agency staggered according to the size of the company (companies from more than 20 employees) and dismissal within 30 days; Enforceable social plan if works council exists.	Yes.	No.	No, but possible.
HUNGARY	During a 30-days period dismissal of: – at least 10 employees in companies employing 20-99 employees; – at least 10% of employees in companies employing 100-299 employees; – at least 30 employees in companies employing more than 300 employees.	Yes, obligation for informing and consulting with the works council and concluding an agreement with it regarding the conditions of the collective redundancy. The agreement shall be sent to the employment agency.	No.	No.
INDIA	In India, who have employed more than 100 workers are covered under the ID Act, are required to undertake prior approval of the appropriate government (Social Plan).	Yes.	Yes.	Yes, in case of termination.
INDONESIA	No.	Yes, restructure must be notified to all employees.	No.	Yes, in case of termination.
ITALY	When an employer with an average of more than 15 workers (including executives and apprentices) in the previous 6 months intends to dismiss at least 5 employees in a 120-days-period. Law 234/2021 added a preliminary procedure for companies with an average of more than 250 workers, dismissing more than 50 employees.	Yes.	Only in cases stated by the law.	No.
KAZAKHSTAN	No.	Yes.	Yes.	Yes.
KENYA	No.	Yes, in the case of a trade union.	Yes, the Labour Office.	Yes.
KINGDOM OF SAUDI ARABIA	No.	No.	No.	No. In case of the termination of the employment, the general End of Service Gratuity will be due; however, this is not due to the restructuration process.
LATVIA	Yes. During a 30-days period dismissal of: – at least 5 employees in a company employing 20-49 employees; – at least 10 employees in a company employing 50-99 employees; – 10% of employees in a company employing 100-299 employees; – at least 30 employees in a company employing at least 300.	Yes, in case of collective redundancy.	No.	Yes, in case of redundancy.
LITHUANIA	No.	Yes.	No.	Yes, in case of termination.
MALAYSIA	No.	Yes, restructure must be notified to all employees.	No.	Yes, however there are thresholds to be met.

NORWAY	Dismissal of 10 employees during 30 days.	Yes.	No.	No.
POLAND	Yes, applies to employer who employs at least 20 employees; dismissal of 10, 10% or 30 employees (depending on how big a particular employer is) within 30 days.	Yes.	Yes.	Yes.
PORTUGAL	Dismissal of two or five employees, depending on whether the company has less than 50 employees or more than that, in a period of 3 months.	Yes.	Yes.	Yes.
ROMANIA	During a 30-days period dismissal of: – at least 10 employees in a company employing 20-99 employees; – at least 10% of employees in a company employing 100-299 employees; – at least 30 employees in a company employing at least 300 employees.	Yes. The collective redundancy process includes, notifying and consulting with the trade union or employee representatives on the redundancy measure(s) and informing the territorial labour authority, as well as the territorial workforce agency about the proposed redundancy measure(s) and the outcome of trade union/employee representative consultations.	Yes.	No. There is no statutory severance payment. However, the employee may be entitled to severance payments pursuant to his/her individual employment agreement or applicable collective bargaining agreement.
SERBIA	Dismissal of: – 10 employees in a company employing 20-99 employees engaged for an indefinite period; – 10% of employees in a company employing 100-299 employees engaged for an indefinite period; – 30 employees in a company employing at least 300 employees engaged for an indefinite period. The program shall also be developed by an employer who determines that there will be no more need for work of at least 20 employees within 90 days, regardless of the total number of employer's employees.	Yes, trade union, if exists and the republic's organization in charge of employment.	Employees can always report suspected illegality to the labour inspection, but it is not a mandatory part of the procedure.	Yes.
SLOVAKIA	During a 30-days period dismissal of: – 10 employees in a company employing 20–99 employees; – 10% of employees in a company employing 100–299 employees; – 30 employees in a company employing at least 300 employees.	Yes, if representatives are active/established by the employer.	Yes.	Yes.
SPAIN	– 6 employees or more in case of close down of a work centre; – 10 employees for companies which employ less than 100 employees; – 10% in companies which employ between 100 and 300 employees; – 30 employees in companies which employ more than 300 employees.	Yes.	Yes.	Yes.

THAILAND	There is no tangible threshold. Any reorganization of an undertaking, production line, sale or service due to the adoption or change of machinery or technology which causes a reduction of the number of employees has to follow a certain process	No, but it requires notifying the employees who will be dismissed.	Yes.	Yes.
TURKEY	Depends on the number of total employees, e.g., with 20 and 100 employees, dismissal of at least 10 employees within one month.	If given, yes.	Yes, at least thirty days in advance to the relevant regional directorate and the Turkish Employment Agency.	No, there is no separate compensation by law due to restructuring. Restructuring also does not cancel other claims of employees under labor law.
UKRAINE	Yes, in case of a massive lay-off, which is in place if the number of laid off personnel by an employer within one month is: – at least 10employees in a company employing 20-100 employees; – 10% of employees in a company employing 101-300 employees; – at least 30 employees in a company employing 301-1000 employees; – at least 3% of employees of a company employing at least 1000 employees.	Yes, involvement of a trade union is required if any is established and an employee concerned is a member of the trade union. Involvement of a trade union is also required, if any is established, in the event of a massive lay-off irrespective of membership of the employees concerned in the trade union.	Involvement of an employment center is required in the event of a massive lay-off.	Yes.
UNITED ARAB EMIRATES	No.	No.	No.	No. In case of the termination of the employment, the general End of Service Gratuity will be du; however, this is not due to the restructuration process it
UNITED KINGDOM	Dismissal of 20 or more employees within any 90-day period at a single establishment.	Yes.	No.	Yes.
UZBEKISTAN	No.	Yes, the employer shall notify labour union in number of employees subject to redundancy.	Yes, the employer shall in advance provide through online platform information about employees subject to redundancy.	Yes.
VIETNAM	Yes.	Yes.	No.	Yes.

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Additional questions/interviews for further clarification on important issues in the selected countries

Please find hereafter more details on selected countries:

Belarus

Is there an obligation for the employer to justify an economic reason? What can it be?

If the employer intends to downsize by dismissing employees, the resignation needs to be objectively justified. The employer therefore has an obligation to justify an economic reason for the restructuring process.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Dismissal of employees due to a restructuring of the company is not objectively justified if the employer has other suitable work to offer the employees. The employer is obliged to offer the employee(s) available positions in the company.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes. He must take into account the criteria set out in the Labour Code: family responsibilities (in particular those of single parents), seniority, the situation of employees with social characteristics that make it particularly difficult for them to return to work and professional qualities assessed by category. This legal list, which is not exhaustive, may be supplemented by other criteria provided for by a collective agreement.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The employee has the right to take the matter to court, both the legitimacy of the resignation and to seek economic compensation for wrongful resignation. After having received the resignation, the employee has a 1 month time bar to pursue his/her claim legally.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Yes. Belarusian law imposes a special procedure, which is characterized by the need for prior notification of the trade union to obtain administrative authorization to dismiss an employee. A collective agreement can contain the obligation of the employer to obtain the consent of the trade union to dismiss employees.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes. The employer, with the written consent of the employee, can reduce the number of working hours and, accordingly, reduce wages.

It is also possible to dismiss an employee by mutual consent at any time. In this case, prior notification of the trade union is not required.

Brazil

Is there an obligation for the employer to justify an economic reason? What can it be?

General rule, there is no need to prove any state of crisis of the company, since the dismissals may be linked to a free choice of the employer to reorganize its activity, the provision of services and regular operations.

However, if the dismissal is classified as a massive dismissal of a considerable number of employees, it will be necessary to engage the Labor Union.

Finally, there are special cases in our legislation that provide stability rights for specific employees and, to dismiss these employees, a special procedure must be done which can also demand the economic reasons that affect the decision, where the employer is required to prove the stated reasons for dismissals.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

The general rule applicable is that there is no need to reassign employees. However, if the employees are entitled to any stability right, it will be necessary to evaluate potential reassign to another job in the group where the transfer does not imply any loss or suppression of rights to the employee.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No. There is no law requiring branches or companies to follow a reindustrialization process before restructuring.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

No. The only concern is related to those who are entitled to any stability right, which guarantees that they cannot be dismissed without cause.

However, we strongly suggest an HR structuring evaluation to define the dismissals considering labor union due dates, technical, organizational and production needs of the company.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No, there is no obligation to implement a social plan for cases of dismissal for economic reasons, nor is a union agreement required for such dismissals.

However, even if it is not obligated, if there is a massive dismissal, it is important to bear in mind the social impact in the region where the Company is located, as well as the negotiations with the Unions to reach an agreement such as apply additional salary payment or incentives to leave. Note this does not prevent employees to enter with labor claims against the Company.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

According to the Federal Constitution in its article 7th and the Labor Law in article 11th, the deadline is 2 years after the end of the work contract (dismissal) and the employee can collect the last 5 previous years.

In terms of social security authority, the prescription period is five years, and for amounts paid by the Company related to FGTS (Guarantee fund for time of service) the supporting evidence of payments should be stored for 30 years.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

The protections provided for in the labor and social security laws ensure that the worker cannot be dismissed by the company in certain situations. But these are provisional and, therefore, last only for a certain period.

Furthermore, this guarantee is not absolute, and the law allows for the possibility of terminating the contract of an employee who, despite being stable, fails to fulfill the obligations of the employment contract.

The first situation is the possibility of dismissal for just cause. If the employee commits any of the faults foreseen in the labor legislation, such as, for example, the practice of acts of insubordination, negligence, or refusal to use individual protection equipment (IPE), among others, he/she may have his/her contract immediately terminated, without the right to receive the remaining period until the end of the stability or other rights of termination without just cause, such as the FGTS fine or prior notice.

Another situation that allows for dismissal is the extinction of the establishment of stable workers who are members of CIPA (internal committee for the prevention of accidents). As stability is linked to the workplace, when it ceases to exist job security also ends.

In some hypotheses, such as in the case of pregnant women, it is accepted that the remaining period of stability is compensated by an indemnity. In other words, the remaining period is paid and the contract is terminated without cause, with all rights paid as usual, including a 40 percent fine on the FGTS balance.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, the dismissal by labor agreement or consensual dismissal arise from the 2017 labor reform. It occurs when the company and the employee agree on the end of the employment contract. The dismissal by labor agreement needs to follow some criteria in order to be carried out legally and respecting the rules provided for a contract termination.

Additionally, when carrying out a massive dismissal, it is common to establish an agreement with Labor Union and employees to add additional indemnity amounts as a more humanize massive dismissal. This is named as "common" best practice however the labor law nor jurisprudence from courts establish what would be an acceptable amount. Note this kind of agreement does not prevent employees to start a labor claim against the company requesting additional rights.

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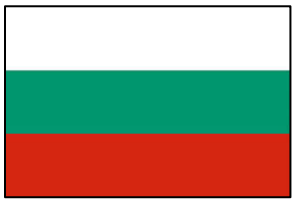
Bulgaria



Is there an obligation for the employer to justify an economic reason? What can it be?

Where an employer is planning mass dismissals, the said employer is obligated to begin consultations with the trade union organizations' representatives and the employees' representatives not later than 45 days before the dismissals are to take effect. The employer shall make efforts to reach an agreement with the representatives as to avoid mass dismissals or reduce the number of workers affected and to mitigate the consequences of the dismissals.

In case of mass dismissals, before the beginning of the consultations with the employees' representatives the employer is obligated to provide the trade union organizations' representatives and employees' representatives with information in writing on:

- the reasons for the planned dismissals;
- the number of employees to be dismissed, and the principal economic activities, groups positions to which they belong;
- the number of employees employed in the principal economic activities, groups of occupations and positions at the enterprise;
- the specific criteria for application of the procedure under Article 329 of the Labour Code for the selection of employees to be dismissed;
- the period over which the dismissals are to be effected;
- the compensations due in connection with the dismissals.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

No, there is no such obligation.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No, there is no such obligation.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

In case of dismissals where the ground for termination is one of the following:

- Closure of part of an enterprise;
- Downsizing of personnel;
- Reduction in the volume of work

the employer shall select the employees concerned by the redundancies according to the following criteria: higher qualification and better performance.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No, there is no such obligation.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

An employee may dispute the termination not later than two months from the date of termination.

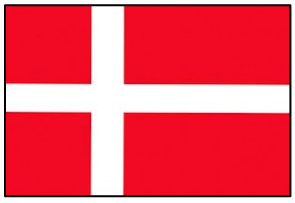
Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Depending on the ground for dismissal and the category of "protection", an employee may be dismissed only with a prior permission from the Labour inspectorate and/or prior consent by a trade union.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

It is possible that the termination of the employment relationship may be done unilaterally by the employee or by mutual agreement of the parties. There are no possibility for "amicable collective termination" arrangements or negotiation of a specific collective agreement.

Denmark



Is there an obligation for the employer to justify an economic reason? What can it be?

No. As a general rule, the employer does not need to provide a reason for the dismissal to be valid. However, if a termination/dismissal is considered "unjustified", the employee may claim a compensation. In order to prove that the dismissal is justified, the employer may have to justify an economic reason for the dismissal.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

There is no obligation to reassign employees to another job in the Group or in the company. However, the employer has 1) to inform employee representatives and the Regional Labour Market Counsel (det Regional Beskræftigelsesråd) about the intended redundancies and 2) to negotiate with the employees or their representatives to reach an agreement that can avoid or limit the need for redundancies and to mitigate the consequences by relocating or retraining employees if this is possible.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

No. There are no criteria set out by law. However, the employer must inform the employee representatives of the criteria that will be used for selecting the employees to be dismissed.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

There is no deadline for bringing an action about the dismissal to the court. Typically, the unions or professional employee organizations will try to settle the case out of case. Only if a settlement fails a case will be brought to court. This must be done in reasonable time. The statute of limitation for claims arising out of an employment relationship is 5 years.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

No. There is no specific procedure for dismissal of "protected employees" such as shop stewards or health and safety representatives. However, the employer must be able to proof that the dismissal is not related to the employees special role and this proof might be very difficult to provide.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Alternatives could be reductions in working time, reductions of salary without reduction of tasks or working time, voluntary departures. For employees covered by a CBA, such alternatives are often hard to find, as the unions in general often do not support deteriorated working conditions for the employees.

Estonia

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes, the employer shall justify an economic reason. The employer may cancel an employment contract for economic reasons, if the continuation of the employment relationship under the agreed conditions becomes impossible due to a decrease in the volume of work, reorganization of work, cessation of the activities of employer, declaration of bankruptcy or termination of bankruptcy proceedings, without declaring bankruptcy, by abatement, as well as in other cases of cessation of work due to economic circumstances.

Which specific case or circumstance causes the cancellation of the employment contract (i.e. lay-off) is open according to the law and requires a separate evaluation in each specific case.

Work reorganization is any change, as a result of which work organization changes. Such a change can be, for example, a change of business area, mechanization of the work process, merger of positions, outsourcing of services, etc.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. Before the cancellation of the employment relationship for economic reasons, the employer is obliged to offer the employee another job if possible. The purpose of the obligation to offer another job is to give the employee the opportunity to continue working for the same employer. This objective is met if the employee is offered a suitable job, i.e. work that the employee can handle. This means that the employer is not obliged to offer the employee a job in a situation where the employee is not suitable for a vacant job.

The employer must also offer the employee jobs for which further training should be organized, as well as adapt the workplace or change the working conditions, if this allows the employee to continue the employment relationship.

However, it shall be considered that the employer shall offer another job only, if it is reasonable considering all the circumstances, including the interests of both parties, and if it does not cause disproportionately large expenses for the employer. The employer does not have the obligation to offer another job in the event of cessation of the activities of employer or bankruptcy.

The employer must offer vacancies in all its companies, not only in the company where the employee works. The obligation to offer another job to the employee can be considered fulfilled only if it is done after notification of the layoff.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes, there are legal provisions stipulating who has the preferential right of keeping their job.

The employer shall take into account the principle of equal treatment when laying off employees. The employer can retain employees who do a better job and whom he deems necessary. At the same time, the employer may not give preference to employees based on their gender, age, nationality, sexual orientation or other circumstances that are not related to work.

Pursuant to § 93 (1) of the Employment Contracts Act (hereinafter "ECA"), an employer may not cancel an employment contract with a pregnant woman or a woman who has the right to maternity leave, or a person who is on paternity leave (or adoptive parent leave or parental leave) due to lay-off, except upon cessation of the activities of the employer or declaration of the employer's bankruptcy if the activities of the employer cease or upon termination of bankruptcy proceedings, without declaring bankruptcy, by abatement.

It should also be considered that pursuant to § 89 (5) ECA, upon cancellation of an employment contract due to lay-off, the employees' representative and an employee who is raising a child under three years of age have the preferential right of keeping their job, except upon cessation of the activities of the employer or declaration of the employer's bankruptcy if the activities of the employer cease or upon termination of bankruptcy proceedings, without declaring bankruptcy, by abatement.

It should be noted that an employer can lay off a working person raising a child under the age of three, but he cannot make redundant an employee on parental leave or adoptive parent leave. At the same time, an employee's representative or a parent with a child under three can also be made redundant in a situation where there are no other persons doing similar work who should be given priority.

When determining the scope of layoffs, the company's relevant unit, similar duties and/or category of employees should primarily be taken into account. These must be comparable employees.

It is recommended that the employer determine layoff rules, for example, in internal work organization rules or agree on them in a collective agreement. Having clear and predetermined layoff rules contributes to the transparent organization of layoffs and mitigates tensions arising among the staff and reduces possible disputes.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No. However, before an employer decides on collective cancellation they must consult in good time the employee's representative (or, in their absence, with the employees) with the goal of reaching an agreement on prevention of the planned cancellations or reduction of the number thereof and mitigation of the consequences of the cancellations, including contribution to the seeking of employment by or retraining of the employees to be laid off. The employer shall also notify the Unemployment Insurance Fund about the collective cancellation of employment contracts.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

Pursuant to § 105 (1) of ECA, an employee can rely on voidness of cancellation of the employment contract. An action with the court or an application with a labour dispute committee for establishment of voidness of cancellation must be filed within 30 calendar days as of the receipt of the declaration of cancellation (and not as of the cancellation of employment contract). If an action or application is not filed within the term or if the term for filing the action or application is not restored, the cancellation is valid from the start and the contract has expired on the date specified in the declaration of cancellation.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Yes. Pursuant to § 94 of the ECA, before cancellation of the employment contract with the employees' representative the employer must seek the opinion of the employees who elected the person to represent them or the trade union about the cancellation of the employment contract. The employees

who elected the person to represent them or the trade union must give their opinion within ten working days as of being asked for it. The employer must take the opinion of the employees into account to a reasonable extent. The opinion is not binding for the employer, but the employer must justify disregard for the opinion of the employees.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

No, under Estonian law, an amicable termination in the case of collective cancellation of employment contracts is not possible.

The parties may cancel an employment contract by mutual agreement only in the case of individual contracts at any time. In this case, the parties must, however, agree to the cancellation of the employment contract, including they must have reached an agreement on the conditions related to the cancellation, e.g. the date of cancellation of the contract, payment of possible benefits, etc.

Finland

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. According to Finnish Employment Contracts Act the termination of employment always has to be based on proper and weighty reasons. The employer has a ground to terminate the employment, if the work available has diminished substantially and permanently for financial or production-related reasons, or for reasons arising from reorganization of the employer's operations. Thus, economic distress of the employer is not categorically required for justifying the termination. Even profitable activities may be reorganized.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. The termination on economical, production related grounds, or on grounds related to reorganization of employer's operations may only be effectuated in case the employee may not be offered with another tasks within the employer's operations. This duty is not subject to any thresholds. The tasks offered do not have to be same or similar to those that employee performed previously, but have to be tasks that the employee would be able to preform base on his/her education and experience, with a reasonable on-the-job training. This duty extends only to company itself, or entities under company's control.

Further, in case the employer has terminated the employment on economical, production related grounds, or on grounds related to reorganization of employer's operations, the employer has to offer any new positions opening with the same or similar tasks to the terminated employee, before recruiting from outside. This so called "take back obligation" extends to 4 or 6 months after the end of the employment relationship, depending on the duration of the employment.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No, there is no such obligation currently under Finnish law.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

The Finnish Contracts Act does not contain any selection criteria for the redundancies, with the exception that the selection may not be based on discriminative or otherwise inappropriate grounds.

Many collective bargaining agreements contain recommendations for the selection (first in first out, being prevailing), but these recommendations are not compulsory. Thus, employer is rather free to select the employees made redundant, ensuring the best possible staff composition for the future.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

Companies employing 20 employees or more, and where the redundancies concern at least 10 employees, the company is obliged to draft an action plan with the purpose of mitigating the consequences of the redundancies, main focus on actions enhancing the possibilities of re-employment. The plan shall be discussed during the course of cooperation negotiations with the staff representatives, before final decisions on redundancies are taken.

In addition, employers employing 30 employees or more are liable to offer a reasonable training/education enhancing of re-employment of an employee whose employment has lasted 5 years or more.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

An employee is obliged to bring a claim to court within two years of the end of the employment (end of notice period). After that, claims will not be accepted, even if general statutory expiration periods would still be open.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

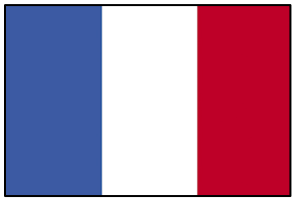
No specific procedure required, but the termination of employment of a staff representative, or an employee on parental leave on economical, production related grounds, or on grounds related to reorganization of employer's operations require that the operations of the employer are seized completely.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

The alternatives for unilateral redundancies are always based on agreement between the parties, for example:

1. The parties may collectively (through their representatives) agree in the cooperation negotiations concerning the redundancies on alternative measures (wider lay-offs, reduction of salaries/working hours, etc.);
2. The employer and the employee may always between themselves agree on alternatives for the redundancy, or on the conditions for employee's amicable exit.

France



Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. Any dismissal for economic reasons must be justified by a "real and serious reason". The French Labour Code defines an economic reason as a reason not inherent to the person of the employee, resulting from the suppression or transformation of a job or a modification, refused by the employee, of an essential element of the employment contract, consecutive in particular to economic difficulties, technological changes, the cessation of the company's activity or a reorganisation of the company necessary to safeguard its competitiveness.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. The economic dismissal of an employee can only take place if all the training and adaptation efforts have been made and if the employee cannot be redeployed to the jobs available in France, in the company or the group (within the French border) to which it belongs. Thus, unless otherwise provided for, the employer must seek to reclassify employees individually, regardless of their number and even if the company is subject to collective proceedings.

This reclassification must be sought from the moment the redundancy is envisaged until it is notified.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

Yes. French law imposes a territorial obligation on large companies whose restructuring affects the balance of the employment area(s) in which they are located.

In a reparative approach, they are required to contribute to the recreation of activity and the development of jobs in these territories, with the objective of contributing to the recreation of as many jobs as they have lost.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes. the employer who decides to make an individual or collective redundancy must set the criteria for establishing an order of employees to be dismissed. In the absence of a stipulation in the collective agreement in force in the company, the employer must set the criteria himself, at the time of each redundancy, after consulting the staff representatives if they exist. He must take into account the criteria set out in the Labour Code: family responsibilities (in particular those of single parents), seniority, the situation of employees with social characteristics that make it particularly difficult for them to return to work and professional qualities assessed by category. This legal list, which is not exhaustive, may be supplemented by other criteria. The employer may also give preference to certain criteria or weight them, provided that all the legal criteria are taken into consideration.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

In case of redundancies for economic reasons (more than 10 employees within 30 days and similar threshold within 3 months or 1 year), in companies with at least 50 employees, the employer must implement a social plan. This plan can be negotiated with the trade unions or unilaterally set by the employer after consulting the elected staff representatives. It aims to avoid redundancies or to limit their number. It is drawn up according to the number of employees whose redundancy is envisaged. It must be validated or approved by the French labour administration.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

An employee's individual action to dispute the termination of his employment contract for economic reasons is time-barred after 12 months. The limitation period runs from the notification of the dismissal. There are procedural specificities when a job protection plan (PSE), controlled by the administration and therefore no judicial authority, is challenged before the French courts.

There is a specific procedure for protected employees.

All litigation related to remuneration are time-barred after 3 years.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Yes. French law imposes a special procedure, which is characterized by the need to obtain administrative authorization to dismiss an employee.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, for example when the company is experiencing economic difficulties, for example due to a drop in its activity, it can:

1. conclude with the trade unions a collective agreement known as a "collective performance" agreement, allowing, for example: to adjust the duration of work, its organization and distribution, to adjust the remuneration in compliance with the conventional hierarchical minimums, to determine the conditions of geographical or professional mobility within the company. The new clauses resulting from the collective agreement automatically replace the incompatible clauses of the employment contracts of the employees concerned. Therefore, either the employee accepts and the employment contract continues to be executed under the new conditions, or the employee refuses and may be dismissed;
2. conclude with the trade unions a "collective termination agreement" (rupture conventionnelle collective – RCC), which must be validated by the French labour administration and must exclude any redundancies but may envisage job cuts on a voluntary basis;
3. implement the short-time working scheme, which can take different forms since the health crisis linked to Covid-19;
4. or to set up, unilaterally or through an agreement with the trade unions, a voluntary departure plan that will allow employees who agree to leave the company in exchange for compensation.

Germany

Is there an obligation for the employer to justify an economic reason? What can it be?

It is necessary to prove urgent operational requirements that justify dismissal in case of restructuration. The employer first has to meet an operational decision, prove it and argue the lack of possibility to continue the employment. In particular, in case of an internal reason, the employer needs to prove the effects of the business decision on the loss of workplaces. However, labor courts do not evaluate the reasonableness of the operational reason. In case of external reasons, the employer also needs to prove how the need for employment has been reduced. Operational requirements could be an organisational decision, closure of a business or a decline in turnover for example.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

In order to justify dismissal for operational reasons, the operational reasons must be urgent. This only occurs if there is no possibility of continued employment, i.e. no possibility of relocation. The employer is obliged to continue employing the employee at another workplace in the same business or in another business of the company if this is possible. However, the extent to which a relocation is possible depends on the possibility of relocating the individual employee by law, employment contract, collective agreement or works agreement. Otherwise, the employer must give notice of a change of employment. If a works council exists, the works council needs to agree to the relocation.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

Such requirements generally do not exist in German law.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes, the employer needs to undertake a so-called social selection and when selecting the employees to be dismissed sufficiently considered the length of service, age, maintenance obligations and severe disability of the employee. In this process, it is to be noted whether employees are comparable in the individual case. Social selection can only be carried out among horizontally comparable employees, i.e. those in the same hierarchical position.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

If a works council exists, a social plan needs to be negotiated in case of dismissals and restructuring that is disadvantageous for the employees. A social plan can even be enforced by the works council in court. Indemnities are typically part of such a social plan, but special measures or indemnities are not mandatory by law. Certain collective agreements, so-called “restructuring collective agreements”, may also provide for mandatory specific measures or indemnities.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

In principle, the employee must dispute to the labor court within 3 weeks after receipt of the notice of dismissal. There are specialties if the termination requires the approval of an authority. If the dismissal is not disputed by the employee in time, the dismissal is deemed effective by reason of legal fiction.

Is there a specific procedure for the dismissal of “protected employees” (i.e. employees with specific mandates, in particular those of staff representatives)?

Yes, employees with specific mandates are regularly subject to special protection against dismissal. For example, ordinary dismissal of works council members is not permitted. Dismissal requires good cause and the consent of the works council or the substitution of consent by the competent court. The special protection against dismissal exists for up to one year after the end of the term of mandate and also already for initiators of a works council election.

Are there alternatives to economic redundancy for the employer: “amicable collective termination” arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

It is possible to offer employees for example a voluntary programme, transfer companies or the conclusion of mutually agreed termination agreements as an alternative. In companies bound by collective agreements there is also the possibility of so-called restructuring collective agreements, which provide for a reduction in salaries instead of a reduction in employees. This is usually balanced by job security for a certain period of time as compensation.

Hungary

Is there an obligation for the employer to justify an economic reason? What can it be?

One of the most important requirements for termination by the employer is that it must be properly justified. The reason for the termination should be clear and unambiguous in the text of the notice. According to Hungarian Labour Code, the dismissal for economic reason falls into the category of dismissal for a reason related to the operation of the employer. Typical examples are reorganisation or abolishment of a position.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

The Hungarian Labour Code obligates the employer only in exceptional cases to offer the employee another job during the employment relationship or in connection with the termination of the employment relationship. In the event of reorganization or restructuring, the Hungarian Labour Code does not contain such an obligation for the employer to offer another job to the employee in the Group or in the company.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No. Hungarian law does not impose such an obligation for employers.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

In case of collective redundancies, the employer and the employee's representatives may negotiate or reach an agreement. This agreement may lay down the criteria to be taken into account by the employer in determining the group of employees to be affected by the termination. The agreement may specify the categories of employees not to be affected by the redundancy. This could include, for example, employees with a longer period of employment, large families or parents bringing up a child alone. The employer must respect these selection criteria when determining the workers to be affected by collective redundancies.

This institution bears some resemblance to the institutions of the social plan known in German and French labour law and the selection guidelines (Auswahlrichtlinien) used in German works constitution law.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

Under Hungarian law, the above mentioned agreement between the employer and the employee's representatives bears some resemblance to the institutions of the social plan known in German and French labour law, but there is no exact obligation for the implementation thereof.

If the employer breaches aspects of the agreement, the employee can claim that the termination is unlawful.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The general rule applies: An action shall be brought within thirty days of notification of the employer's act, in connection with wrongful termination of the employment relationship.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Under Hungarian law there is no specific procedure for the dismissal of employees with specific mandates, in particular those of staff representatives.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Alternatives could include reduced working hours, job-sharing or the withdrawal of certain personal benefits. However, this is only an option and not an obligation for the employer.

Rödl & Partner

India

Is there an obligation for the employer to justify an economic reason? What can it be?

The Indian labour laws do not expressly define the term economic reason. The employees in India can be primarily divided into two(2) categories, viz. (i) workmen as defined under the Industrial Disputes Act, 1947 (ID Act) (ii) non-workmen-employees who do not qualify as workmen under the ID Act. This categorization of employees into workmen and non-workmen often becomes crucial especially in terms of dismissal is because ordinarily the workmen category of employees is given a larger degree of protection and benefits under the Indian labour laws especially under ID Act.

In such cases it has been recognized through judicial precedents that while recognizing the right of employer to reorganize its business, such right has been exercised in a bona fide manner without any ulterior motive not resulting exploitation of these employees who are protected under the ID Act.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

The employer per se is not under an obligation to provide alternative employment to employees affected by restructuring. However, the employer is required to give adequate notice of such dismissal to enable the employee to make employment arrangements. Further, section 25FF of the ID Act states that where the ownership or management of an undertaking is transferred, whether by agreement or by operation of law, from one employer to another, every worker who has been in continuous service for at least one (1) year in that undertaking immediately before such transfer shall be entitled to notice and compensation in accordance with the provision of ID Act. However, such notice and requirement of compensation is not required only in case certain following conditions are satisfied:

- The service of the workman has not been interrupted by such transfer;
- The terms and conditions of service applicable to the workman after such transfer are not in any way less favourable to the workman than those applicable to him immediately before the transfer; and
- The new employer is, under the terms of such transfer or otherwise, legally liable to pay to the workman, in the event of his retrenchment (while working with new Employer), compensation on the basis that his service has been continuous and has not been interrupted by the transfer.

As per the recent Indian Supreme court ruling in the case of Sunil Kr. Ghosh vs. K. Ram Chandran 2011(13)SCALE23 it has been held that without consent, workmen cannot be forced to work under different management and in that event, those workmen are entitled to retirement/retrenchment compensation in terms of the ID Act.

Also, where the employer may decide to make new offers, in such event, the employer is statutorily required to provide an opportunity to its workers to offer themselves for re-employment and such workers may be given preference over others.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

The Indian law affords protection to employees that are covered under the “workmen” category under the IDA. Termination of employment of workmen arising out of redundancy falls under the term “retrenchment” under the IDA. The meaning of term retrenchment under the IDA means termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary actions. Under IDA, in case of retrenchment of workers it provides that the employer shall ordinarily the last in, first out process at the time. In other words, employer must first

terminate/dismiss/retrench the worker who was the last person to be employed in that category. The Indian law i.e. the Maternity Benefit Act, 1961 prohibits dismissal or discharge of women during their maternity leave. Termination of employment is unlawful if it is 85 for reasons related to trade union membership or activity.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

In respect of employees falling under the "workmen" category under the ID Act, there is an obligation to give a minimum notice period of one to three months or payment in lieu of notice for the termination of the employment subject to the number of employees in the establishment and state wise regulations.
In case of termination of a workmen of an establishment employing 100 or more workmen (in certain states of India the threshold has increased to 300 or more), there is a requirement to obtain prior permission of the appropriate government. Further, there is also a requirement to give the workers in continuous service for at least 240 days, severance pay equivalent to 15 days average pay for each completed year of continuous service or any part in excess of six months.

Further, under the Payment of Gratuity Act, 1972 (Gratuity Act) an employee irrespective of his salary or status, becomes entitled to monetary benefit usually given at the time of employee separation from organization or retirement. This benefit is mandatory to be provided, if such an employee has completed five years of continuous services. The quantum of gratuity is calculated at the rate of 15 days a wages based on rate of wages last drawn by the employee for every completed year of service or a part thereof exceeding six months.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

Employees may raise industrial disputes or bring forth a claim for wrongful termination or unfair labor practice before appropriate authorities if the necessary procedures in this regard are not followed by employers.

In the case of claims by employees relating to wrongful dismissal, discharge or termination, the limitation prescribed is three years commencing from the date of discharge, dismissal, retrenchment or any other type of employment termination. However, a delay in submitting an application within the prescribed time may be condoned if a reasonable justification has been provided in respect of the delay.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

The employees in India can be primarily divided into two categories, viz. (i) workmen as defined under the ID Act (ii) non-workmen-employees who do not qualify as workmen under the ID Act. This categorization of employees into workmen and non-workmen often becomes crucial especially in terms of dismissal is because ordinarily the workmen category of employees is given a larger degree of protection and benefits under the Indian labour laws especially under ID Act.

In terms of restructuring of workforce, employers both factories and commercial establishments employing more than 100 workmen (in certain states of India the threshold has increased to 300 or more) are required to justify employment downsizing and reduction by way of citing reasons along with the requirement of obtaining prior permission of the appropriate government. An application for permission has to be made by the employer in the prescribed manner stating clearly the reasons for the intended retrenchment and a copy of this application has to be served simultaneously to the workmen.

Section 25N of ID Act states that the appropriate Government or the specified Authority may grant or refuse permission after giving a reasonable opportunity of being heard to the employer, the workmen, and the persons interested in such retrenchment. This may imply that without the consent of the trade union it would be difficult to get the permission granted.

In the case of factories, an employer is prohibited from terminating workmen during the pendency of any conciliation proceedings or any other proceedings in respect of an industrial dispute.

In case of non-workmen/managerial, there are no specific requirements as such, the employers need to provide notice of termination or salary in lieu of notice to the employees in accordance with the employment contracts agreed with them.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

There are other alternative options available for carrying out terminations in a phased manner by implementing Voluntary Retirement Scheme (VRS) or separation by mutual agreement through offering of severance packages.

In some cases, a collective bargaining agreement can be entered into between the employer and the members of a trade union so as to settle the claims of workers. Under the provisions of the ID Act, the settlement arrived at by process of collective bargaining with the employer has been given a statutory recognition.

Italy

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. Economic reasons fall into the category of objective justified dismissals. The employer is obliged to prove that the reasons indicated for the dismissals (in the starting communication of the mass dismissal procedure and dismissal letter) really exist, in case of a dispute. On the other hand there is no need to prove any state of crisis of the company, since the dismissals can be linked to a free choice of the employer to reorganize his activity, the provision of services and the regular operations.

Reasons for starting a restructuring process could – for example – be the productive, or technological reconversion, a delocalization, the reduction of orders, losses in the budget and changes in the organization of work.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. Dismissals for objective justified reason are only possible if the concerned employees cannot be employed otherwise, therefore the employer must check whether it is possible to assign the employees to equivalent – or even inferior – tasks within the company and other companies within the same group. This is referred to as the *repechage*-duty.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No. There is no law requiring branches or companies to follow a reindustrialization process before restructuring.

This is in any case strongly recommended, in particular during the preliminary procedure set out under Law n.234/2021 for companies with an average of more than 250 employees that shut down a branch, local unit or department dismissing at least 50 employees.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes, the employer must respect specific criteria. In particular, the choice of the workers to be dismissed must be made on the basis of the criteria laid down in the collective agreements possibly reached during

the mass dismissal procedure. In absence of these, article 5 par.1 of Law n.233/1991 sets out the following criteria: technical, organizational and production needs of the company; seniority in the company and presence and number of dependent family members. The law does not provide for a hierarchy between these criteria, which can in any case be agreed upon in the possible collective agreements reached with the Unions during the mass dismissal procedure.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No, there is no obligation to implement a social plan for cases of dismissal for economic reasons, but during the mass dismissal procedure and the negotiations with the Unions it is highly probable that in order to reach an agreement the Unions will request the company to apply salary integration measures, if available in the particular case. Additionally, incentives to leave can be agreed upon in such agreements.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The term granted to employees to challenge their dismissal is 60 days from the communication of the dismissal. Thereafter, the employee has 180 days to file in court or notify the employer of the request for an attempt at conciliation or arbitration. Thereafter, the duration of the judicial proceeding will depend from various factors (workload of courts, type of claims, etc).

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

The employer has no special obligation regarding the dismissal of "protected employees", like union/workers' representatives. These employees can be dismissed, like all other employees, according to the standard rules on dismissals. The employer must only be able to prove that their dismissal was not discriminatory, but based on objective reasons, as the others affected by the reorganization.

Moreover, a special provision applies in case of mass dismissals, for the protection of women workers. In particular, art. 5, par. 2 of Law 223/1991 sets out that the percentage of women dismissed in the context of a collective dismissal cannot overstep the percentage of female workers employed in the company, for performing the tasks concerned by the dismissal.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, there are a variety of specific measures that should be analyzed in the single case, since the requirements for their application vary from time to time, in particular with reference to salary integration measures, so-called solidarity contracts, reindustrialization procedures, etc.

Moreover, as mentioned above, the company can negotiate with the Unions during the mass dismissal procedure an agreement, which can provide for the payment of incentives to leave to employees, who voluntarily decide to be dismissed. In this case, the conditions are set out for the generality of workers in the collective agreement reached with the Unions, but then each single position will also have to be settled with an individual agreement signed before a union representative.

Rödl & Partner

Latvia

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. The employer is obliged to sufficiently justify the redundancy by urgent economic, organizational, technological or similar measures. The employer is obliged to prove that the reasons indicated for the dismissals really exist, in case of a dispute. Such reasons can be reorganisation, decrease in turnover, discontinuation of certain products or services, closing of a business unit, etc.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. It is permitted to give a notice of termination of an employment contract due to the redundancy if the employer can not employ the employee with his or her consent in other work in the same or another undertaking.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes. Those with better performance and higher qualifications have an advantage in continuing their employment. But if the performance results and qualifications do not substantially differ, there are other criteria set by the Labour Law that must be respected, for example, advantages are for those employees who have worked for the employer for a longer period; who have suffered an accident at work or occupational disease with the employer; who have two or more dependents; whose family members do not have a regular income; who are bringing up a child under the age of 14 or a disabled child under the age of 18, etc.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No, there is no obligation to implement a social plan for cases of dismissal for economic reasons.

But it should be mentioned that the law obliges the employer, who intends to carry out a collective redundancy, to consult the employees' representatives in reasonable time to agree on the number of employees to be subject to collective redundancies, the procedure for collective redundancies and the social guarantees of the employees to be redundant.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

An employee may bring an action in court within one month from the day of receipt of the notice of termination.

If an employer as a result of justifiable reason has missed one month term for bringing an action, a court may renew such time period on the basis of an application by the employee.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

The employer has no special obligation regarding the dismissal of workers' representatives.

But the employer is prohibited from giving a notice of termination of an employment contract to a pregnant woman, as well as to a woman during the period following childbirth up to one year, but if a woman is breastfeeding – during the whole period of breastfeeding, but no longer than until two years

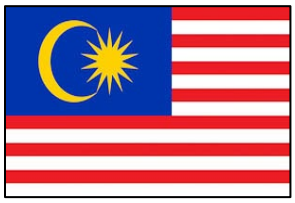
of age, an employee who has suffered a work-related injury or contracted an occupational disease. It is also forbidden to terminate the employment contract of a trade union member without the permission of the trade union.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, the employment relationship may be terminated by a mutual agreement between the employee and the employer, or the employee can submit a resignation letter.

Employment relationship cannot be terminated by a collective termination arrangement.

Malaysia



Is there an obligation for the employer to justify an economic reason? What can it be?

Yes, any form of dismissal must be justified by just cause or excuse. An employer is entitled to organize his business in the way he deems fit which includes downsizing or restructuring his company. Court will not interfere with the exercise of the company's power unless it is discovered that the exercise of power was capricious, mala fide or actuated by victimization or unfair labour practice.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

This is a social obligation rather than a legal obligation. There is no law laying down procedures. However, there is a Code of Conduct for Industrial Harmony which suggest good practice to be implemented prior to any redundancy measure. One of the methods is retraining redundant employees and transferring them into vacancies, whether in a different job in the organization or even in a subsidiary or sister company.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes, there are two principles to apply i.e. "foreigners out first" and "last in, first out". The principle of "foreigners out first" overrides "last in, first out". This principle is found in the Employment Act 1955. The last in, first out principle is held to be fair by the Industrial Court and it has been very difficult for an employer to persuade the court to accept any other criteria.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No, such assistance is not mandatory. However, outplacement services can be offered in house or external consultant. Such assistance include psychological counselling, financial counselling, providing information on re-training opportunities and job search activity.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The Industrial Relations Act 1967, provides all unfair dismissal claim must be brought to the Industrial Relations Department within 60 days from their last day of employment.

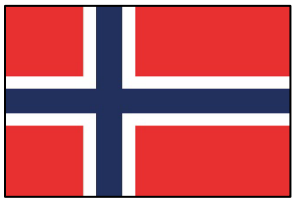
Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

No. However, consultation with the employees or trade union representative is encourage. If the employees are members of a trade union, discussions should take place with the leader of the union as soon as possible. Collective agreements may have specific clauses to providing the requirement of the employer to give advance warning to the union.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes. Employers may introduce schemes for voluntary retrenchment, voluntary redundancy, mutual separation scheme and voluntary severance. The likelihood of facing a claim for unfair dismissal without just cause or excuse is greatly reduced when a voluntary separation scheme is introduced. Employers may with consent of the employee reduce wages and working hours.

Norway



Is there an obligation for the employer to justify an economic reason? What can it be?

If the employer intends to downsize by dismissing employees, the resignation needs to be objectively justified. The employer therefore has an obligation to justify an economic reason for the restructuring process.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Dismissal of employees due to a restructuring of the company is not objectively justified if the employer has other suitable work to offer the employees. The employer is obliged to offer the employee(s) available positions in the company. The employer does not have the obligation to create new positions solely for this purpose.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

The employer must respect the usual rules and regulations regarding resignation of employees, according to which the needs of the company and the consequences for the individual employee must be taken into consideration. Any restructuring process should also involve the employees' representatives.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

Both the economic and social situation of the employee should be amongst the criteria when selecting employees for dismissal. The employees representatives should be involved in setting the selected group for downsizing and the criteria for whom to choose.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The employee has the right to take the matter to court, both the legitimacy of the resignation and to seek economic compensation for wrongful resignation. After having received the resignation, the employee has a 8 week time bar to pursue his/her claim legally.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Some groups of employees have special protection in case of redundancies, and employee representatives are amongst these.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

There are several alternatives to forced dismissals, and the recommendation is to discuss these with the employee representatives as early as possible in a restructuring process.

Romania

Is there an obligation for the employer to justify an economic reason? What can it be?

This termination way must be grounded on a serious and real reason, not related to the person of the employee, his capabilities or disciplinary flaws, but strictly caused by objective reasons, which leave no other choice to the employer than to decide the abolishment of the respective position. Thus, the justification of the objective necessity of such measure for the employer is of utmost importance, in order to be able to present arguments in support of the fact that the dismissal is not linked to the person of the employee, but it represents a direct effect of the reorganization process of the employee. There could be many reasons, loss of a client, closing of a business unit, restructuring of a business (e.g. it is more cost-efficient to have an external lawyer than an internal legal advisor) etc.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

No.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

The professional criteria prevail, in case there must be a selection between identical position, the selection must be made based on professional criteria. The personal criteria (if any, in the collective labor agreement) are of secondary importance.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

So social plan, there is no legal obligation or practice to produce a social plan, but information and consultation obligations.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

30 days.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

No. There are specific provisions only regarding the crews working on sea-going vessels.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, there are always alternatives to the unilateral measure of the redundancy, but they are individual, not collective: amicable termination of the labor contract, resignation etc. The collective redundancy is the dismissal for reasons not related to the employee: redundancy following workforce restructuring, based on e.g. economic, financial or organisational grounds (by way of either individual or collective procedures). It is not always economic, it can be simply organizational.

Serbia

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. Any dismissal, not only for economic reasons must be explained. The reasons must be real, and of course serious enough to justify the decision of the employer.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. The economic dismissal of an employee can only take place if all the training and adaptation efforts have been made and if the employee cannot be redeployed to the jobs available in the company or at any other employer.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

The criteria are determined by the employer, mainly based on the needs of the job (e.d. quality of work performed, independence in work, innovation, work efficiency, and attitude towards work, etc). The law determines only limitations, i.e. what cannot serve as a criterion (temporary incapacity for work, pregnancy, maternity leave, child care, special child care, also personal features, membership in a political organization, trade union, the activity of a representative of employees and alike).

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

The National Employment Service, after receiving the Solution-finding program of employee redundancy made by the Employer, audits it and proposes additional measures to solve the surplus of employees, but the Employer is not obliged to follow it, only to consider it and inform them about its decision. The same goes for the trade union's suggestions.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The employee can initiate a dispute before the competent court within 60 days from the date of delivery of the Decision on termination of the employment contract.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

The procedure remains the same for all employees.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

There is no possibility of concluding a collective agreement with the employees. Employees can resign or conclude individual termination agreements, but in practice, this does not happen because in that case, they do not have the right to severance pay and compensation before the National Employment Service. If the employer decides to still pay severance pay in the case of voluntary termination of employment, it will be taxable as salary (taxes and contributions are to be paid, while no taxes and contributions are paid for severance pay that is given following the law).

Spain

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. Restructuration must be based on Economic, technical, production or organizational reasons:

- **Economic reasons** are deemed to exist when the company's results show a negative economic situation, in cases such as the existence of current or expected losses, or a persistent decline in the level of ordinary income or sales.
- In any case, the decline shall be considered to be persistent if, for three consecutive quarters, the level of ordinary income or sales of the enterprise has been falling for three consecutive quarters (This means that quarterly revenues or sales in each quarter are lower than in the same quarter of the previous year);
- **Technical reasons** are deemed to exist when there are changes, among others, in of the means or instruments of production;
- **Organisational reasons** are deemed to exist when there are changes, among others, in the area of the systems and methods of work of the personnel or in the way of organising the personnel or in the way production is organised;
- **Production reasons** when there are changes, inter alia, in the changes, inter alia, in the demand for the products or services that the company intends to place on the market.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

No, but this matter could arise as subject of the negotiations during the consultation period.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No, but this matter could arise as subject of the negotiations during the consultation period.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes, the employer is free to select the affected employees but:

- the redundancies must be linked to the alleged restructuring reasons
- dismissal must not result in any kind of direct or indirect discrimination
- Employees' representatives are not to be included amongst the redundancies as far as the employer's aim is to keep employees with the same duties as the Employees' representatives ("Last Person Principle")

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

Yes. All employers which make redundant employees on economic, productive, technical or organizational reasons must pay a minimum dismissal compensation equivalent to 20 days of salary per year of seniority (This compensation is capped to 12 months of salary).

Additionally, employees who dismiss more than 50 employees must offer an external relocation plan. That plan must fulfill the following conditions: (i) minimum duration of 6 months; (ii) it must include training, professional advice and job search services;

Moreover, if employees older than 54 years are made redundant, the employer has the obligation to continue contributing to the social security for that employee until his 61 or 63 birthday (depending on the dismissal reasons alleged).

Furthermore, the company must make a special contribution to the National Treasure approximately equivalent to the unemployment public costs related to the redundancies of employees aged 50 or more, if the following conditions are met by the restructuration: (i) employer employs more than 100 employees; (ii) employees older than 49 are made redundant; (iii) The proportion of dismissed employees aged 50 or over out of the total number of dismissed employees is higher than the percentage of workers aged 50 or over out of the total number of employees in the company; (iv) the employer or its group of companies made profits in the last 2 fiscal years or in 2 consecutive fiscal years within the period between the fiscal year preceding the date of the commencement of the collective redundancy procedure and the four financial years following that date. This is a subject regulated by an extensive and complex legislation and that must be assessed case by case.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

The employees' representatives can challenge the collective dismissal in the next 20 days after the an agreement is met during the consultation period or 20 days after the company has informed the representatives about its unilateral decision of implementing the dismissal (this is in case of no agreement during the consultation period).

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Yes, Employees' representatives are not to be included amongst the redundancies as far as the employer's aim is to keep employees with the same duties as the Employees' representatives ("Last Person Principle").

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, individual dismissals based on economic, technical, productive and organizational reasons can be implemented as far as they do not exceed the aforementioned threshold in a period of time of 90 days. This period is subject anti-fraud complex regulations and case-law, therefore the legal risks of individual dismissals have to be assessed in a case-by-case basis.

Voluntary departments or preretirement measures are likely to avoid a collective dismissal proceeding as far as they are not carried out as individual dismissal but as terminations by mutual agreement.

Reindustrialization measures are also common in Spain although not mandatory.

Special Information:

New Spanish regulation concerning Collective Dismissals: The Labour Inspection arises as a new player in collective dismissals.

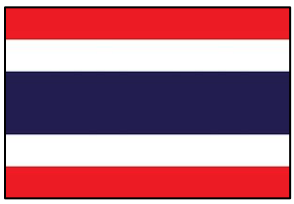
On 16 February 2023, the Spanish Parliament passed a new Employment Act. Amongst many other measures, this new act includes a specific amend concerning the collective dismissal proceeding. This modification leads to an extension of the Labour & Social Security Inspection's control powers during collective dismissals. With the new regulation, the opinion of the Inspection could indirectly condition the success or failure of the collective dismissal.

The past regulation limited the control powers of the Labour & Social Security Inspection (Inspection) to a formal check of the collective dismissal application filed with the Labour Authorities and a monitoring of the consultation period developments (good faith during negotiations). Now, the Inspection must evaluate and check the existence of the collective dismissal reasons alleged by the employer.

In case of legal conflict, the law states that the Courts of Justice should declare a collective dismissal as null and void due to bad faith in the negotiation or unfair when the dismissal reasons are not serious enough to justify the dismissals. At this point, the report of the Inspection will be a key factor in the Courts of Justice's decision.

With this new regulation, the Inspection arises as a new decisive factor to be considered in any collective dismissal proceeding. The Employment Act needs to be published in the Official State Journal before entering into force.

Thailand



Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. The employer shall justify the economic reason in line with the legal requirements, i.e. the dismissal of employees is a result of the reorganization of an undertaking, production line, sale or service due to the adoption or change of machinery or technology; in this case an employer shall be exempted from some normally required payments of legal compensation. Meanwhile if the termination does not conform with the aforesaid legal reasons or is based on other grounds, such as the result of a business loss, economic difficulties, etc., the employer shall pay any dismissed employee all legal compensation, including the cost of unfair termination.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

No.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Yes. The Court requires employers to announce certain criteria of selecting the employees for redundancy which must be fair and non-discriminatory; otherwise, the redundancy is deemed an unfair termination.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

Generally, the prescription is 10 years, depending on what the type of legal compensation is claimed by the employee (e.g. severance, notice, wage, etc.).

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

Yes. The employer is prohibited to dismiss or terminate the employment of (i) an employee who is a member of the Employee's Committee unless the prior permission from the Labour Court is obtained, and (ii) an employee who is a Data Protection Officer, by the reason that he performs the duties under the Personal Data Protection Act.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes. The employer and employee may negotiate and enter into a mutual agreement for amicable termination of employment contract and to settle the claims that might be arisen out of or in connection with the employment contract including for the unfair termination. The agreement shall include the payment of all compensation amounts which the employee is entitled to according to the law.

Turkey

Is there an obligation for the employer to justify an economic reason? What can it be?

Insofar as dismissal protection regulations intervene, yes. Dismissal for economic reasons must be justified by the employer. This termination method is the termination of the employment contract due to the labour surplus arising as a result of the elimination of the work that the employee is working in the workplace in question due to economic, competitive and productivity requirements and technological changes.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Insofar as dismissal protection regulations intervene, yes. For the valid termination of employment contracts due to economic reasons the court examines, whether it has a concrete and serious impact on the enterprise and whether a lighter measure has been taken for the purpose of protection from the crisis instead of the termination of the contract in accordance with the principle of the ultima ratio, and if it finds deficiencies in these matters, it considers the terminations made as a reason for re-employment.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

Insofar as dismissal protection regulations intervene, yes. Firstly, the situation that prevents or shrinks employment must be specified and then, depending on the shrinkage of employment, arrangements should be made to resort to measures such as not working overtime, using annual paid leave, part-time work, unpaid leave, short-time work and similar measures. Pursuant to the principle of ultima ratio, the employer must first resort to other economically justifiable savings measures. Another way that the employer may resort to before termination based on economic reasons is to evaluate the employees to work in other departments. If the dismissal is unavoidable, then the decision on who to dismiss must be made by considering criteria such as family responsibilities, seniority, disabilities etc.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No, there is no obligation to implement a social plan for cases of dismissal for economic reasons, nor is a union agreement required for such dismissals, as far as there is no union agreement. However, the criteria must be fulfilled and must also be proven in the event of a dispute. In addition, certain notifications are required in the case of collective redundancies in which the dismissals are also justified.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

Unjustified dismissal must be brought to the respective court (beforehand mediator) within one month from the last day of employment. The court will first examine whether the rules on protection against dismissal apply.

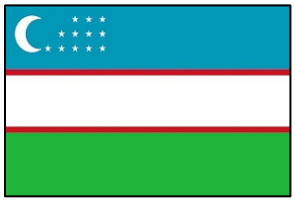
Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

There are no separate protection regulations as known from some European countries. However, the selection procedure outlined above applies.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

If there are alternatives, the employer is even obliged to bring these into play first (see above explanations on not working overtime, using annual paid leave, part-time work, unpaid leave, short-time work etc.), as the termination is the ultima ratio alternative. Termination agreements can also be alternatives, provided that they meet the legal requirements and the requirements of the established case law. Caution is advised here since legal recourse is also open in this type of termination of employment if such contracts are not signed before a mediator.

Uzbekistan



Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. If the employer intends to downsize by dismissing employees, the resignation needs to be objectively justified. Any dismissal for economic reasons must be justified. According to the Labour Code of Uzbekistan, economic reason can be defined as a reason arising from a reduction or change in work or a change that the employee has refused, an essential element of the employment contract, following, among others, economic difficulties, technological changes, termination of company activities.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

No.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

By law, in the case of redundancies due to changes in technology, the organisation of production and work, or a reduction in the volume of work (products, services), employees with higher qualifications and productivity are given priority for retention. Where qualifications are equal, preference is given to workers with special needs (disabled, workers with two or more dependants, etc.).

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

No.

How long can a dismissed employee dispute his economic dismissal before court/authorities?

An individual employee's claim to challenge the termination and reinstatement of his or her employment has a limitation period of three months. The limitation period is calculated from the date of the notice of termination.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

No, but some groups of employees have special protection in case of redundancies, and employee representatives are amongst these.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes, there are always alternatives to the unilateral measure of the redundancy, but they are individual, not collective: amicable termination of the labor contract, resignation etc.

Vietnam

Is there an obligation for the employer to justify an economic reason? What can it be?

Yes. When it comes to a situation that is deemed to be an economic reason and results in employee retrenchment, the burden of proof is on the employer to prove that the company is in one of the following circumstances: an economic downturn or the rescission or implementation of state policies or laws.

Is there an obligation to reassign employees to another job in the Group or in the company prior to any redundancy measure for restructuring?

Yes. In case of restructuring, the employer shall have obligation to prioritize retraining of the existing employees for continued employment if new vacancies.

Is there an obligation to check for reindustrialization of the branch/company before the restructuring?

No. Restructuring can be understood as a change in organizational structure or employee/staffing structure or the merger, dissolution of some parts in the enterprise leading to the change in the direction of reducing and more effective in management and labor costs. Therefore, there is no need to reindustrialize the branch/company before the restructuring.

Are there criteria that the employer must respect in selecting the employees concerned by the redundancies?

No. In case of termination of employment relationship due to the restructuring reason, no specific criteria prescribed by labor law in relation to selection of employees for redundancies, as long as the employer always prioritize to retrain the existing employees for new vacancies.

Is there is an obligation to implement a social plan? If yes, does the law/CBA provides for specific measures/indemnities?

Yes. In cases the restructuration or other financial causes affected a lot of employees, the employer must formulate and implement a labour usage plan, which must be consulted with the organization representing employees at the grassroots level and published for the knowledge of the employees.

In case of termination of employment relationship due to the restructuring reasons, job loss allowance must be paid to the employees who have worked for the employer for at least 12 consecutive months (but in all case not less than 2 months salary).

How long can a dismissed employee dispute his economic dismissal before court/authorities?

An employee's individual action to dispute the termination of his employment relationship for restructuring reason is time-barred at:

1. The employee must asking for the labor mediator to settle the dispute within 6 months.

In case the mediation is unsuccessful the disputing parties may:

2. Request the Labor Arbitration Council to settle the dispute provided that the status of limitation is 9 months.
3. Request the Court to settle the dispute provided that the status of limitation is 12 months.

Is there a specific procedure for the dismissal of "protected employees" (i.e. employees with specific mandates, in particular those of staff representatives)?

No. In case of termination of employment relationship due to the restructuring reason, no specific procedure applied.

Are there alternatives to economic redundancy for the employer: "amicable collective termination" arrangements, negotiation of a specific collective agreement, voluntary departures, etc.?

Yes. In cases of restructuring due to economic reasons which leads to retrench employees, the employer must formulate and implement a labour usage plan. Then, the employer must discuss with the organization representing employees at the grassroots level of which the employees are members, provide 30 days' advance notice to the authority and then must pay job loss allowance. Alternatively, parties can come into mutual agreement with the employees to terminate labour contracts.