What is a Societas Europaea? Why are “European Companies” being established?
Outline

- History
- Formation of SEs
- “Conversion”
- One-Tier vs. Two-Tier Management
- Negotiation Process / Translation Issues
Outline (2)

- Employee Representation
- European Trade Union Organizations
- SE Works Council
- SE Supervisory Board
- Resources
History (1)

- **1970s**: EU introduced the obligation to “inform and consult” employees or their representatives regarding “collective redundancies” and “transfers of undertakings”

History (2)

- European Company Directive 2001/86/EC adopted the „before and after“ principle of employee participation when establishing an SE.

- With this Directive, employee board-level participation was recognized for the first time in European legislation.
Article 14 of the Directive on Cross-Border Mergers (2005/56/EC) laid down the rules of corporate governance for legal entities resulting from mergers of companies established in more than one member state of the EU.
Finally, the European Company Statute stipulated that the registered office of an SE must be in the same member state where the head office (principal place of business) is located, but once it has been established, it may be transferred to another member state.
Why are SEs established?

- Simplify doing business within the European Union
- Ease tax complexities
- Ensure efficient management structures
- Facilitate cross-border mergers
Why (2)

- In Germany: It seems that one reason is to avoid having to expand employee participation rights;
- “Before and after” principle
How are SEs formed?

- Merger:
- Holding:
- Subsidiary:
- Conversion:
Conversions

- **Process:**
  - Management drafts/submits a report that
    - explains and justifies the legal and economic aspects, and
    - indicates the implications for the shareholders and employees
Conversions (2)

- Negotiations with employee representatives regarding employee involvement in the SE (6 months)
- Publication of the terms of conversion
- Agreement on employee involvement
- General meeting agrees to conversion*
- Registration as an SE
Issues in Germany

- Two-tier system of management
- Scope of agreement (EU, EEA, others)
- Co-determination
- Employee representatives want more than the “standard rules” (“gesetzliche Auffanglösung”)
Issues in Germany (2)

- Financial and material resources to represent employees effectively, particularly in countries w/o employee representation
- Translation/Interpreting
- Confidentiality
SE Works Council

- Composition, number of members
- Allocation of seats
- Geschäftsführender Ausschuss
- Frequency/venue of meetings
- Financial and material resources
SE Supervisory Board

- Key Issues:
- Size of the Supervisory Board
- Parity
- Employee Representation on Committees
- Translation/Interpreting
Resources (1)

- European Company Statute (SE)
- SE-Beteiligungsgesetz
Resources (2)

- www.seeurope-network.org
- European Trade Union Institute for Research, Education and Health and Safety (ETUI-REHS)
- www.etui-rehs.org
- ec.europa.eu/employment_social/labour_law//9445
Resources (3)

- [www.boeckler.de](http://www.boeckler.de) – for publication on “Mitbestimmung” Int. Ed. 2002
BDÜ Conference in Germany

- September 11-13, 2009 in Berlin at the Freie Universität Berlin
- Herausforderungen der Globalisierung für Dolmetscher u. Übersetzer
- ÜBERSETZEN in die ZUKUNFT

www.uebersetzen-in-die-zukunft.de
Thanks for listening!

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German SEs (Partial List)

- Allianz
- BASF
- Deutsche Telekom
- Fresenius
- MAN
- Strabag (Austria)
Backup: Mini-Glossary (1)

Aufsichtsrat
Arbeitnehmerbeteiligung
Auffanglösung (gesetzliche)
Besonderes Verhandlungsgremium
Betriebsverfassungsgesetz
Betriebsrat
Doppelte Mehrheit
Europäischer Gewerkschaftsbund (EGB)
Freistellung (BR-Mitglieder)
Backup: Mini-Glossary (2)

Geltungsbereich
Geschäftsführender Ausschuss
Initiativrechte *
Innere Ordnung
Massenentlassungen
Mitbestimmung
Vertraulichkeit
Vorstand
Zustimmungspflichtige Geschäfte