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Over the past few years prior to Romania's accession to the EU, the legal environment regarding employment experienced substantial changes. Efforts were made to finalize the transition from the legal framework inherited from the communist regime to a modern system matching the rules and principles applicable in EU member states, including employees' rights in the event of a transfer of undertaking.

**Legal Background**

Prior to and as part of the conditions for EU accession many relevant European enactments were implemented in Romania, including the Council Directive no. 2001/23/EC on the approximation of the laws of the member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses, or parts of undertakings or businesses ("Directive 2001/23/EC"). Directive 2001/23/EC was transposed into the Romanian legislation by Law no. 67/2006 on the protection of employees' rights in the event of a transfer of business, unit or parts thereof ("Law no. 67/2006"). Law no 67/2006 came into force on Romania's EU accession date, January 1, 2007. Several legal provisions addressing the protection of employees' rights in the event of transfers of undertakings existed even before Romania's accession to the EU. For example, Government Ordinance no. 48/1997, repealed by Law no. 67/2006, provided for certain social protection measures for employees when the ownership rights over the shares of the company were transferred. However, as discussed below, there is some doubt about the qualification of a transfer of shares as a transfer of undertaking.

The Labor Code also provides protection when a "transfer of a company, unit or parts thereof (...) to another employer, under the law" occurs. Currently, the Romanian legal framework regulating the protection of employees' rights in the event of a transfer of business, unit, or part thereof is comprised by the Labor Code and Law no. 67/2006, which transposes the provisions of Directive 2001/23/EC.

**To read the entire article, please download the .pdf attached and learn more about the concept of transfer of undertaking.**