



## VELFERÐARRÁÐUNEYTIÐ

*Ministry of Welfare*

### **Act on European Works Councils in Undertakings, No. 61/1999, as amended by Act No. 104/2014.**

#### **SECTION I**

##### **Aim and Scope.**

###### Article 1

###### *Aim of the present Act.*

The aim of the present Act is to improve the right of employees to information and consultation in undertakings or groups of undertakings that operate in at least two states in the European Economic Area (EEA).

For this purpose, a European works council (hereinafter named “works council”) or a procedure, shall be established in each undertaking and each group of undertakings for the purpose of information and consultation, as specified further in this Act.

[Provision of information to, and consultation with, employees or their representatives shall take place at the appropriate level of management with the competent representatives in accordance with the matter to be discussed in each instance.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 1.

###### Article 2

###### *Scope.*

This Act shall apply to all undertakings and groups of undertakings (*cf.* Articles 3 and 4).

When the central management (*cf.* Article 7) of the undertaking is in Iceland, this Act shall moreover apply to its overseas subsidiaries and branches, with the exception of Article 8, the third and fourth paragraphs of Article 11, the second and third paragraphs of Article 21 and Articles 34-35.

[The scope of powers and competence of a works council and the provision of information to, and consultation with, employees under this Act shall be restricted to transnational matters (*cf.* Article 8 a).

This Act does not apply to the provision of information and consultation covered by the Information and Consultation in Undertakings Act, No. 151/2006. Furthermore, this Act does not apply to the rules on the provision of information and consultation under Article 6 of the Act on the Legal Position of Employees in the Event of Transfer of Undertakings, No. 72/2002 and under Chapter II of the Collective Redundancies Act, No. 63/2000.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 2.

#### **SECTION II**

##### **Definitions.**

###### Article 3

###### *Undertakings.*

For the purposes of this Act, the term “undertaking” refers to an undertaking that:

1. has at least 1,000 employees in states within the European Economic Area, and
2. has branches in at least two EEA states, with at least 150 employees in each state.

#### Article 4

##### *Group of undertakings.*

For the purposes of this Act, the term “group of undertakings” refers to a group of undertakings that:

1. has at least 1,000 employees in states within the European Economic Area,
2. has branches in at least two EEA states and
3. consists of at least two undertakings, each in a different EEA state, each of which undertakings has 150 or more employees.

#### Article 5

##### *Controlling undertaking.*

“Controlling undertaking” refers to an undertaking that is in a controlling position with regard to another undertaking, e.g. on the basis of the right of ownership, financial participation or the rules according to which it functions (*cf.*, however, the first paragraph of Article 6).

Unless it is possible to demonstrate the contrary, an undertaking shall be considered to be in a controlling position with regard to another undertaking if, directly or indirectly,

1. it has the right to nominate more than half the representatives to that undertaking’s administrative, management or supervisory body, or
2. it controls a majority of the votes in that undertaking, or
3. it owns a shareholding of more than 50% in that undertaking.

If two or more undertakings within the group of undertakings satisfy one or more of the criteria of the second paragraph, then the one that satisfies the criterion of point 1 of the second paragraph shall be considered to be the controlling undertaking. If none of the undertakings satisfies the criterion of item 1 of the second paragraph, then the undertaking that satisfies the criterion of item 2 of the second paragraph shall be considered to be the controlling undertaking.

An undertaking in relation to which a controlling undertaking stands in any of the relations listed in the first and second paragraphs shall be regarded as a controlled undertaking. In combination, a controlling undertaking and its controlled undertakings constitute a group of undertakings.

When determining the significance for the purposes of this Article of the voting rights and the right to nominate representatives to an undertaking’s administrative, management or supervisory body, the rights of the controlling undertaking and those of its controlled undertakings shall be taken into account.

#### Article 6

##### *Exceptions.*

Undertakings shall not be considered to be controlling undertakings in the sense of the first, second and third paragraphs of Article 5 in the following cases:

1. Credit institutions, other financial institutions or insurance companies in which securities brokering or the purchase and sale for own or others’ account fall under the normal activities of the undertakings in question, which hold shares in other undertakings on a temporary basis and intend to sell them again. The criterion shall be that they do not exercise the right to vote accompanying their holdings in the undertaking in order to determine the competitive measures taken by the same undertaking, or that they exercise this right to vote exclusively in order to prepare the sale of the undertaking in question, as a whole or in part, or of its assets or shares, and that this sale takes place within one year of the acquisition of the shares.
2. Holding companies which gain control, directly or indirectly, of another undertaking by purchasing a share in it, or through some other means, on condition that the voting rights conferred by the control is exercised, particularly as regards appointment to the management or administrative bodies of undertakings in which they own shares, solely in order to maintain the full value of these investments and not to determine, directly or indirectly, the competitive measures taken by these undertakings. The term “holding companies” is here used to refer to undertakings the main purpose of which is to invest in other undertakings and derive profit and benefit from such interests without involving themselves, directly or indirectly, in the management and administration of such

undertakings.

The administrator of an insolvency estate under the Receivership Act, or other person who has been appointed according to law to carry out effect dissolution of a company, a moratorium on the payment of debts, compositions or other comparable measures, shall not be regarded as being in a controlling position in the sense of Article 5.

#### Article 7

##### *Central management.*

The board of an undertaking shall be regarded as its central management.

The board of a controlling undertaking (*cf.* Article 5) shall be regarded as the central management of a group of undertakings. If two or more undertakings within the same group of undertakings are controlling undertakings, the board of the undertaking which is in a controlling position with regard to the others shall be regarded as the central management (*cf.*, however, the first paragraph of Article 6).

If the central management of an undertaking or group of undertakings is not in an EEA member state, then the representative appointed by the central management shall be regarded as the central management. Where no such representative has been appointed, then the central management of the undertaking or branch which has the largest number of employees in any one EEA member state shall be regarded as the central management.

#### Article 8

##### *Numbers of employees.*

Numbers of employees (*cf.* Articles 3 and 4) refer to the average numbers of employees during the two years prior to the submission of an application under Article 10. When numbers of employees are determined, no distinction shall be drawn between part-time and full-time employees, see, however, the second paragraph.

The central management shall furnish the representatives of the employees with information on the total number of employees in undertakings and branches in individual states. Moreover, the central management shall furnish them with information on the corporate structure of the undertaking or group of undertakings.

#### [Article 8 a

##### *Transnational matters.*

For the purposes of this Act, “transnational matters” refers to matters which concern:

1. an undertaking (*cf.* Article 3), as an entity,
2. a group of undertakings (*cf.* Article 4), as an entity, or
3. at least two undertakings in a group of undertakings or two branches of an undertaking or group of undertakings in two EEA Member States.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 3.

#### [Article 8 b

##### *Employees’ representatives.*

For the purposes of this Act, “employees’ representatives” refers to trade-union shop stewards and/or common representatives of those employees of the undertaking in question who do not have a shop steward, unless other arrangements are made in collective agreements or agreement is made on another arrangement within the undertaking.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 3.

#### [Article 8 c

##### *Provision of information.*

For the purposes of this Act, “provision of information” refers to the provision by the employer to the employees’ representatives of information which enables them to acquaint themselves with the substance of a matter. Information shall be of such a nature, and be provided at such time and in such manner that the

employees' representative is able to make a detailed assessment of the possible effects thereof and, as appropriate, to prepare consultation with competent parties in the undertaking or group of undertakings in question.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 3.

[Article 8 d

*Consultation.*

For the purposes of this Act, "consultation" refers to the establishment of dialogue and an exchange of views between employees' representatives and central management or any more appropriate level of management. Consultation take place at such time, in such fashion and with such content as enables employees' representatives to express an opinion on the basis of the information provided about the proposed measures to which the consultation is related.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 3.

### **SECTION III**

#### **Establishment of a works council or approval of procedures regarding information and consultation.**

Article 9

*Responsibility.*

The central management shall be responsible for creating the conditions necessary for the setting up of a works council or the approval of a procedure regarding information and consultation.

Article 10

*Initiation of negotiations.*

The central management shall initiate negotiations for the establishment of a works council or an information and consultation procedure on its own initiative or at the written request of at least 100 employees or their representatives in at least two undertakings or branches in at least two different EEA member states.

A request in accordance with the first paragraph shall be submitted to the central management or other management body of the undertaking, which shall then send it on to the central management.

The period under Article 19 shall begin when the employees' request (*cf.* the first paragraph) has been submitted to the central management or management body of another undertaking involved which is part of the group of undertakings or the undertaking.

Article 11

*Appointment of a special negotiating body.*

When the criteria of Article 10 have been met, the central management shall take the initiative on the appointment of a special negotiating body with the role of working towards the establishment of a consultative council or the establishment of an information and consultation procedure.

[Employees' representatives shall elect representatives from among their number to sit on the special negotiating body under the first paragraph. If this is not possible, then all the employees shall elect them.]<sup>1)</sup>

Representatives to the negotiating body who are elected in Iceland shall be elected from among the employees by the shop stewards within the undertaking. If there are no shop stewards within the undertaking, then all the employees of the undertaking or branch shall have the right to participate in the election of representatives to the negotiating body.

Employees who in terms of their position have no shop steward shall have the right to elect a representative who shall participate in the election of representatives to the negotiating body.

[The number of employees' representatives to be appointed to the special negotiating body from each EEA Member state in which the undertaking or group of undertakings has a branch or an undertaking shall depend on the number of employees in that state as a proportion of the total number of employees of the undertaking or group of undertakings. A minimum of one employees' representative from each EEA

Member State shall have a seat on the special negotiating body under the first sentence where the number of employees is less than 10% of the total number of employees of the undertaking or group of undertakings.

When the special negotiating body has been appointed, the central management, local management units and the competent European-scale employers' and workers' federations shall be informed of its appointment and of the initiation of attempts to negotiate agreements.<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 4.

## Article 12

### *Tasks of the special negotiating body. Expenses.*

The negotiating body and the central management shall work in a spirit of collaboration on the preparation of a written agreement on the establishment of a works council or an information and consultation procedure.

[The special negotiating body may call for assistance by experts of its own choice, such as representatives of the competent recognized trade unions or European-scale workers' federations. Such experts, and trade-union representatives, may be present at meetings where attempts are made to negotiate agreements in order to give advice to the special negotiating body.]<sup>1)</sup>

The central management shall bear the costs of the negotiations so as to enable the negotiating body to carry out its tasks properly; these costs shall include expenses incurred for travelling and accommodation. Furthermore, the central management shall provide the negotiating body with accommodation, interpreters and secretaries where necessary.

<sup>1)</sup> Act No. 104/2014, Article 5.

## Article 13

### *Calling of meetings.*

When the negotiating body has been appointed (*cf.* Article 11) the central management shall call it to a meeting with the purpose of opening negotiations on the making of an agreement according to Articles 14 and 15. The managements of other undertakings shall be informed of the calling of the meeting.

[Before and after each meeting with the central management, the special negotiating body may meet without representatives of the central management being present, using any means of communication necessary for this purpose.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 6.

## Article 14

### *Content of the agreement on a works council.*

The agreement on the establishment of a works council (*cf.* the first paragraph of Article 12) shall contain the following minimum provisions:

1. The names of the undertakings and/or branches (*cf.* Articles 3 and 4) covered by the agreement.
2. [The composition of the European Works Council, the number of members, allocation of seats and term of office. When seats are allocated, attempts shall be made to achieve balanced representation to the extent possible in terms of representatives' gender, activities and category of employment.]<sup>1)</sup>
3. [The functions and procedure for the provision of information and consultation by the European Works Council, and also how the provision of information and consultation by the council are to be coordinated with the provision of information and consultation by national employee representation bodies; in this, the provisions of the third paragraph of Article 1 and the third paragraph of Article 2 shall be taken into account.]<sup>1)</sup>
4. The venue, frequency and duration of the council's meetings.
5. The financial and material resources to be allocated to the council.
6. [The date of commencement of the agreement and its term of validity, how it can be amended or terminated and under what circumstances the agreement is to be renewed and how this is to be done, these circumstances to cover, where necessary, amendments in the structure of an undertaking or group of undertakings.]<sup>1)</sup>

[7. The composition, appointment procedure, functions and procedural rules of the select committee established within the European Works Council, where appropriate.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 7.

#### Article 15

##### *Content on the agreement on information and consultation.*

If the central management and the negotiating body decide to enter into an agreement containing rules on an information and consultation procedure (*cf.* the first paragraph of Article 12) then the agreement shall, in particular, contain provisions on matters which concern more than one EEA member state and are of substantial significance for the interests of the employees. The agreement shall contain the following minimum provisions:

1. The names of the undertakings and/or branches (*cf.* Articles 3 and 4) covered by the agreement.
2. The method of disseminating information to, and effecting consultation with, the employees or their representatives.
3. The right of the employees or their representatives to hold meetings in order to exchange views on the information they are given under sentence 1 of this paragraph.

#### Article 16

##### *Termination of negotiations.*

The negotiating body may decide, with a majority of at least two thirds of the vote, not to begin negotiations on an agreement as provided for under Articles 14 or 15, or to terminate negotiations that have been begun.

If the negotiating body reaches a decision under the first paragraph, then negotiations on an agreement shall be terminated. When such a decision has been taken, the provisions of Section IV shall not apply.

The negotiating body may be convened anew not less than two years after a decision of the type described above has been taken, unless the parties agree on a shorter period.

#### Article 17

##### *Voting.*

The votes of the majority of representatives to the negotiating body shall be decisive (*cf.*, however, Article 16). If the vote is evenly divided, the representatives from the state in which there are the most employees shall receive one additional vote.

#### Article 18

##### *Notification to the Minister.*

The central management shall notify the Minister of agreements made under Articles 14 or 15 of this Act.

### **SECTION IV**

#### **Contingent provisions.**

#### Article 19

##### *Obligation to establish a works council.*

A works council shall be established according to the provisions of this Section:

1. if the central management and the special negotiating body so decide;
2. if the central management has not opened negotiations within six months of the receipt of a request to this effect from the employees under Article 10;
3. if the parties have not concluded an agreement as provided for in Article 14 or 15 within three years of the original receipt of a request to this effect (*cf.* Article 10) and the special negotiating body has not previously taken a decision under Article 16.

## Article 20

### *[Provision of information and consultation.*

The provision of information in the European Works Council shall relate, in particular, to the structure, economic and financial situation of the undertaking and its probable development, production and sales.

The provision of information and consultation within the European Works Council shall relate in particular to the situation and outlook regarding employment, investments, and substantial changes in the organisation of the undertaking or group of undertakings, the introduction of new working methods or production processes, the transfer of production, mergers between undertakings, cut-backs or closures of undertakings, establishments or important parts thereof, and collective redundancies.

Consultation shall be conducted in such a way that the employees' representatives are able to meet the central management and obtain its response, and the reasons for that response, to their opinions.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 8.

## Article 21

### *Election of representatives to the works council.*

A works council shall consist of a minimum of three and a maximum of thirty representatives. Employees' representatives shall elect representatives to the council from among their number. Where this can not be effected, they shall be elected by all the employees.

Representatives to the works council who are elected in Iceland shall be elected from among the employees by shop stewards within the undertaking. If there are no shop stewards within the undertaking, then all the employees of the undertaking or branch shall have the right to participate in the election of representatives to the works council.

Employees who in terms of their position have no shop stewards shall have the right to elect a representative who shall participate in the election of representatives to the works council.

[The number of employees' representatives to be appointed to the European Works Council from each EEA Member state in which the undertaking or group of undertakings has a branch or an undertaking shall depend on the number of employees in that state as a proportion of the total number of employees of the undertaking or group of undertakings. A minimum of one employees' representative from each EEA Member State shall have a seat on the European Works Council under the first sentence where the number of employees is less than 10% of the total number of employees of the undertaking or group of undertakings.]<sup>1)</sup>

...<sup>1)</sup>

The central management, or another appropriate level of management within the undertaking or group of undertakings, shall be informed of the composition of the works council.

[To ensure that it can coordinate its activities, the European Works Council shall elect a select committee from among its members, comprising at most five members. The select committee shall be enabled to meet on a regular basis so that it can attend to its duties, and shall adopt its own rules of procedure.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 9.

## Article 22

### *Review.*

Every second year following the establishment of the works council, the central management shall calculate the number of representatives for each state and inform the council of its findings. If the findings call for a change in the number of representatives that have been appointed under the fourth and fifth paragraphs of Article 21, then the number of representatives on the council shall be increased or reduced accordingly.

Four years following the establishment of the works council in accordance with the provisions of this Section, the council shall discuss whether there is a need to begin negotiations in order to make an agreement under Article 14 or 15 or whether the work of the works council should continue on the same basis as before.

If the parties decide to make an agreement under Article 14 or 15, the works council shall discharge the

functions that would otherwise be entrusted to the special negotiating body.

#### Article 23

##### *Regular meetings.*

The works council shall have the right to hold a meeting with the central management once a year for the purpose of information and consultation. Before the meeting, the central management shall prepare a report on the operations and operational prospects of the undertaking, which shall be presented to the meeting as a basis for discussion.

...<sup>1)</sup>  
<sup>1)</sup> Act No. 104/2014, Article 10.

#### Article 24

##### *Extraordinary meetings.*

[Where there are exceptional circumstances or decisions affecting the employees' interests to a considerable extent, particularly in the event of relocations, the closure of establishments or undertakings or collective redundancies, the select committee or, where no such committee exists, the European Works Council shall have the right to be informed.]<sup>1)</sup>

The executive committee or, where no such committee has been established, the works council, shall, at its request, have the right to meet the central management, or any other appropriate level of management within the undertaking or group of undertakings so as to be informed and consulted on measures significantly affecting employees' interests.

[Those members of the European Works Council who have been elected in the undertakings or branches thereof which will be substantially affected by the circumstances or decisions referred to in the first paragraph shall have the right to participate in meetings of the select committee that are planned in accordance with the second paragraph.]<sup>1)</sup>

The meeting according to the second paragraph shall be held as soon as possible on the basis of a report drawn up by the central management or any other appropriate level of management. The executive committee, or the works council, may submit its opinion on the report at the end of the meeting or within a reasonable time.

This meeting shall not affect the prerogatives of the central management.

If the annual meeting according provided for in Article 23 is scheduled to take place shortly, then discussion of matters that would otherwise be discussed at an extraordinary meeting may be postponed if it is considered clear that such postponement will not affect the consultative process.

[The provisions of the first to sixth paragraphs regarding the provision of information shall be applied, taking into consideration the second paragraph of Article 1 and Article 29.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 11.

#### Article 25

##### *Preparatory meeting.*

Before a meeting is held with the central management, the works council or the executive committee, with the enlargement provided for in the third paragraph of Article 24, shall be entitled to meet without the management concerned being present.

#### Article 26

##### *Information.*

The members of the works council shall inform the representatives of the employees of the undertaking, or, in the absence of such representatives, all the employees of the undertaking, of the substance and results of the information and consultation procedure carried out in accordance with this Section (*cf.*, however, Article 29).

#### Article 27

##### *Experts.*

The works council or the select committee may call in experts of its choice if this is necessary for it to carry out its tasks. Expenses borne by the central management shall, however, be limited to those connected with the work of a single expert (*cf.* Article 28).

#### Article 28

##### *Expenses.*

The operating expenses of the works council shall be borne by the central management.

The central management shall provide the members of the works council with the financial and material resources necessary to enable them to perform their duties. The central management shall ensure that the members of the works council do not suffer loss of pay due to their participation in the work of the council.

In particular, the central management shall pay the cost of organising meetings and providing interpreters, and accommodation and travelling costs for the members of the works council and its executive committee, unless other arrangements are agreed.

### **SECTION V**

#### **Joint provisions.**

#### Article 29

##### *Confidentiality.*

The central management shall be able to impose on the members of the special negotiating body, the works council, the executive committee, the employees' representatives under Article 15 and the experts who are called in to assist them, an obligation not to divulge confidential information. The central management shall specify clearly the information to which this obligation refers.

The obligation regarding confidentiality shall continue even after the responsibilities delegated to those in accordance with the first paragraph cease to apply.

#### Article 30

##### *Exemption from obligation to provide information.*

The central management may decline to provide the members of the special negotiating body, the works council and the executive committee, or the representatives of the employees under Article 15, with information if, according to objective criteria, it is of such a nature that it could harm the functioning of the undertakings concerned or be prejudicial to them.

#### [Article 30 a

##### *Linking of provision of information and consultation with that of national employee representation bodies.*

Provision of information and consultation by the European Works Council shall be linked to those of the national employee representation bodies, with due regard to the competences and areas of action of each (*cf.* the third paragraph of Article 1 and the third paragraph of Article 2).

The arrangements for the links between the information and consultation of the European Works Council and national employee representation bodies in accordance with the first paragraph shall be established by the agreement on the establishment of the European Works Council (*cf.* Article 14). Where arrangements for linking in accordance with the first paragraph have not been defined in an agreement (*cf.* point 3 of Article 14) and it is planned to take decisions that are likely to lead to substantial changes in work organisation or contractual relations between employees and employers, the processes of informing and consulting shall be conducted in the European Works Council and among trade union shop stewards and/or joint representatives of those employees who do not have employee representatives.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 12.

[Article 30 b

*Amendment of an agreement establishing a European Works Council due to significant changes in an undertaking or group of undertakings.*

Negotiations on the establishment of a European Works Council shall be initiated anew in the event of significant changes in the structure of an undertaking or group of undertakings where no provisions have been established in agreements in force or in the event of conflicts between the relevant provisions of two or more applicable agreements on this point. Such negotiations shall be initiated at the initiative of the central management or at a written request from at least 100 employees, or their representatives in at least two EEA Member States in which the undertaking pursues its activities.

The special negotiating body shall consist of at least three representatives of each existing European Works Council in addition to the elected representatives.

During the negotiations, the existing European Works Council(s) shall continue to operate in accordance with any arrangements agreed by the members of the European Works Council(s) and the central management.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 12.

Article 31

*[Role and legal position of employees' representatives.*

Without prejudice to the competence of other bodies or organisations, the members of the European Works Council shall have the means required to exercise their rights under this Act and to defend the interests of the employees of the undertaking or group of undertakings.

Without prejudice to Article 29, the members of the European Works Council shall inform the representatives of the employees of the undertaking or of the group of undertakings of a Community-scale group of undertakings or, of the content and outcome of the information and consultation procedure carried out. In the absence of such representatives, the workforce as a whole, the members of the European Works Council shall provide all the employees with this information.

Members of the special negotiating body and the European Works Council and employees' representatives shall neither be dismissed nor suffer abridgement of their wages and terms because of their work. Employees' representatives (*cf.* Article 8 b) shall enjoy the same sort of legal protection as shop stewards under the Trade Unions and Industrial Disputes Act, No. 80/1938.

Employees' representatives shall be ensured, under an agreement with the employer, the right to take time off work so as to be able to attend to their duties relating to the negotiation and application of agreements under this Act in normal way.

Members of the special negotiating body and the European Works Council shall be given the training necessary to enable them to discharge their duties under this Act without consequent loss of wages.]<sup>1)</sup>

<sup>1)</sup> Act No. 104/2014, Article 13.

Article 32

*Disputes.*

Any disputes that may arise in connection with the negotiation or application of an agreement made on the basis of this Act shall be referred to the ordinary courts.

Article 33

*Regulations.*

The Minister may issue regulations containing further provisions on the election of Icelandic representatives to the special negotiating body or the works council.

## **SECTION VI**

### **Penalties.**

#### Article 34

##### *Information given to a third party.*

Those who, despite the obligation not to divulge confidential information under Article 29, provide a third party with information that has been made known to them, shall be sentenced to pay a fine unless more severe penalties are prescribed in other statutes.

#### Article 35

##### *Penalties.*

Infringements of Article 9, the first paragraph of Article 10, the first paragraph of Article 11, Article 19, Article 23 and the first and second paragraphs of Article 24 shall be punishable by fines.

## **SECTION VII**

### **Miscellaneous provisions.**

#### Article 36

##### *Article 13: agreements already in force.*

This Act shall not apply to undertakings and groups of undertakings which are parties to an agreement on information and consultation on the basis of Article 13 of the Directive No. 94/45/EC. The condition for this shall be that the agreement between the parties shall have entered into force not later than 21 September 1996, and that it shall cover all employees of the undertaking or group of undertakings concerned, and shall concern information and consultation on matters concerning undertakings in two or more states.

When the agreement referred to in the first paragraph expires, the parties may renew it. Where this is not the case, the provisions of this Act shall apply.

#### [Article 36 a

##### *Incorporation of Council Directive.*

This Act is passed to give effect to Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, to which reference is made in item 27 of Annex XVIII to the EEA Agreement as amended by Decision No. 54/2010 of the EEA Joint Committee.]<sup>1)</sup>

<sup>1)</sup> Act. 104/2014, Article 14.

#### Article 37

##### *Commencement.*

This Act shall take effect immediately.

*[This translation is published for information only.*

*The original Icelandic text is published in the Law Gazette.*

*In case of a possible discrepancy, the original Icelandic text applies.]*