

## **Summary of advisory report on the Competition Clause**

The advisory report on the Competition Clause Reform Bill [*Wetsvoorstel herziening concurrentiebeding*] (06/02) is a response to a request for advice submitted by the Upper Chamber of the Dutch Parliament. At the time the request was submitted, the bill was being debated by the Upper Chamber.

A competition clause is a provision agreed between an employer and an employee whereby the employee's right to perform specific types of work after the termination of his or her employment contract is restricted; the clause is described in more detail in Article 7:653 of the Dutch Civil Code [*Burgerlijk Wetboek, BW*].

In this advisory report, the Council concludes, among other things, that the bill is confusing on a number of points, particularly in the legal sense, and that this could be detrimental to the legal certainty of both the employer and the employee. That is all the more so given that one of the policy objectives of the bill is to increase their legal certainty.