



On your radar

Key employment issues to be aware of internationally

Welcome to the latest edition of CMS On your radar



If you want to get in touch to find out more about a development in a particular country, please do speak to your usual contact within CMS or alternatively email employment@cmslegal.com. The information set out is correct at the time of writing in March 2026.

The CMS Employment team



Index of countries in this edition

↓ Please click on the country below to take you to that section

[Belgium](#)

[Hong Kong](#)

[Norway](#)

[Sweden](#)

[Brazil](#)

[India](#)

[Poland](#)

[Switzerland](#)

[Bulgaria](#)

[Italy](#)

[Singapore](#)

[Turkiye](#)

[China](#)

[Luxembourg](#)

[Slovakia](#)

[Ukraine](#)

[Colombia](#)

[Mexico](#)

[Slovenia](#)

[United Kingdom](#)

[Czech Republic](#)

[Monaco](#)

[South Africa](#)

[France](#)

[The Netherlands](#)

[Spain](#)

Development and date	Description	Impact and risk	Future actions
Cap on notice periods – expected in June 2026	<p>Under the current framework introduced by the Unified Status Act in 2014, employer notice periods are expressed in weeks and increase with seniority, with no statutory maximum. A legislative proposal from 3 February 2026 seeks to cap the employer's notice period at 52 weeks (corresponding to 17 years of seniority), applicable only to new employment contracts concluded on or after 1 June 2026. The Government aims to strike a better balance between social protection and an attractive investment climate.</p>	<p>For employers, the cap may reduce long-term employment costs and increase workforce flexibility, particularly for highly paid senior employees who currently accrue notice periods well beyond 52 weeks.</p>	<p>Once the final text is adopted, employment contract templates and HR policies should be reviewed and updated to reflect the new notice period cap.</p>
Reintroduction of probationary periods – expected from June 2026	<p>The Belgian Unified Status Act abolished the probationary period for employment contracts of indefinite duration in 2014, on the basis that the short notice periods during the first year of employment rendered a separate probationary regime unnecessary. A legislative proposal of 23 February 2026 now reintroduces a probationary period by allowing both parties to terminate the employment contract with a notice period of just one week during the first six months, without the need for a separate probationary clause.</p>	<p>The Government hopes this measure will stimulate recruitment and encourage investment in human capital. The new probationary period will only apply to new employment contracts commencing on or after the date of entry into force of the act, which is set for the first day of the second month following publication in the Belgian Official Gazette. The latest estimates suggest that the new probationary period will likely enter into force from 1 June 2026.</p>	<p>Once the final text is adopted, employment contract templates and HR policies should be reviewed and updated to reflect the reintroduction of the probationary period.</p>



Development and date	Description	Impact and risk	Future actions
<p>Reduction in the working week</p> <p>There has been legislative discussions in 2025 and 2026 regarding a constitutional amendment proposal to reduce the standard workweek and eliminate the 6 x1 schedule. The Speaker of the Chamber, Hugo Motta, has indicated that the proposal may be submitted to a plenary vote in May 2026.</p>	<p>Members of the Brazilian Chamber of Deputies have initiated discussions on a constitutional amendment proposal aimed at reducing the statutory weekly working hours and eliminating the traditional 6x1 work schedule (six consecutive working days followed by one day of rest) which is still widely used in sectors such as retail, hospitality and services. The proposal includes the possibility of reducing the weekly working limit from the current 44 hours to 36 hours. The initiative forms part of a broader national debate on working time reduction and work-life balance.</p>	<p>If approved, the proposal could significantly affect workforce organisation and labour costs, particularly in sectors that rely on six-day work schedules such as retail, hospitality and certain service industries. Employers may need to redesign shift structures, increase staffing levels or renegotiate collective bargaining arrangements in order to maintain operational capacity.</p>	<p>The proposal remains under discussion in Congress. Employers should monitor the progress of the constitutional amendment proposal in the legislative process and assess potential operational and cost implications should a reduction in statutory working hours be approved.</p>
<p>New regulatory framework for multimedia professionals</p> <p>Law No. 15.325/2026, enacted on 6 January 2026.</p>	<p>Law No. 15.325/2026 formally recognises the profession of multimedia professionals in Brazil and establishes a legal framework for workers engaged in the creation, production, editing and distribution of digital and audiovisual content. The law reflects the multifunctional nature of these roles and covers activities such as audiovisual production, content editing, social media management, website development and other digital media-related tasks.</p>	<p>The law aims to modernise the regulation of digital media-related professions and may provide greater legal certainty for companies operating in audiovisual production and digital content sectors. However, professional associations representing journalists and broadcasters have raised concerns that the recognition of multifunctional roles could overlap with traditionally regulated professions.</p>	<p>Companies operating in media, audiovisual and digital content sectors should review job descriptions and contractual arrangements to assess whether adjustments may be necessary to align with the new regulatory framework.</p>



Bulgaria

Development and date	Description	Impact and risk	Future actions
<p>Expected amendments to the Labour Migration and Labour Mobility Act</p> <p>The Ministry of Labour and Social Policy has completed public consultations on a draft law to amend and supplement the Labour Migration and Labour Mobility Act, transposing the requirements of EU Directive 2023/2017 into local legislation. The draft law aims to increase quotas for third-country nationals, as well as introduce new guarantees for both employers and workers in relation to working relations.</p>	<p>The draft aims to increase the number of third-party nationals employed by expanding quotas for both large enterprises and SMEs (Small or Medium-sized Enterprises) by 5% each. It introduces new workplace notification requirements, expands the grounds for refusal and revocation of work permits and introduces regulated intermediaries in hiring third-country nationals. Moreover, it establishes a clear prohibition on employing third-country nationals who are illegally residing in Bulgaria, alongside setting strict fines for violations. Additional exceptions to quota limits are created for workers with specialised knowledge and skills, notably for those employed in projects of “national importance”.</p>	<p>Transposing the EU Directive increases flexibility and aims to address persistent labour shortages across the Bulgarian economy, enabling businesses to pursue growth opportunities previously constrained by staffing limitations. The introduction of regulated intermediary services, stricter documentation requirements, and new worker protections will bring greater transparency and legal certainty to the recruitment process.</p>	<p>Employers anticipating workforce expansion should evaluate whether their recruitment needs qualify for exemptions, particularly if they are involved in projects that could be designated as being of “national importance”. Employers who provide housing to seasonal workers must review their current arrangements to ensure compliance with the new requirements, including preparing written rental contracts with rent proportionate to wages and housing quality.</p>



Development and date	Description	Impact and risk	Future actions
<p>Future amendment to the Regulation on Employees' Paid Annual Leave</p> <p>On 27 January 2026, the PRC Ministry of Human Resources and Social Security held a press conference and announced that it would seek to amend the Regulation on Employees' Paid Annual Leave requiring employers to fully implement paid annual leave policies.</p>	<p>The Regulation on Employees' Paid Annual Leave has been in effect since 1 January 2008 and has not been changed for around 18 years. According to the Regulation on Employees' Paid Annual Leave, an employee will be entitled to 5, 10 or 15 days of paid annual leave per year based on their accrued working years with their employers; if an employee is unable to enjoy the paid annual leave due to a reason which is attributable to the employer, additional compensation shall be paid to the employee for the unused annual leave at the rate of 200% of the employee's average daily salary in the past 12 months.</p> <p>During the annual meetings of the National People's Congress and Chinese People's Political Consultative Conference (China's top legislature and political advisory body) in March 2026, there was also a proposal submitted by deputies to raise the statutory minimum paid annual leave from 5 days to 10 days, which has attracted wide attention and discussion in Chinese society.</p>	<p>The management of paid annual leave of employees is important in companies. As employers, companies in China must strictly comply with the latest regulation in relation to employees' paid annual leave. If any company fails to follow the statutory regulations, it may be exposed to the risk of inspection by the competent labour authorities and/or punitive compensation to the employees concerned.</p>	<p>Employers in China are advised to pay close attention to the legislative momentum regarding the amendment to the current Regulations on Employees' Paid Annual Leave. If any amendment is announced, it is advisable for employers to promptly amend and update their internal rules and regulations (e.g., the Employee Handbook) on paid annual leave policies and to ensure the same are compliant with the latest regulation.</p>



Development and date	Description	Impact and risk	Future actions
<p>Unified multi-level collective bargaining</p> <p>On 6 March 2026 the Ministry of Labour issued a Decree, implementing a unified model of collective bargaining at levels above the employer, applicable to private sector employees and, within the public sector, to public workers (<i>trabajadores oficiales</i>).</p>	<p>The Decree provides that collective bargaining is not limited to the level, but may also take place at higher levels, such as the sector, branch of activity, group of companies, or any other level agreed upon by the parties in accordance with their representativeness – for example, employers’ organisations or trade associations.</p> <p>In this regard, the regulation aims to establish specific rules for the organisation and conduct of these multi-level bargaining processes.</p>	<p>Multi-level bargaining entails the participation of multiple workers’ organisations and employers, for which the Decree establishes coordination rules. However, it also means that employers must adapt to new conditions and comply with the more favourable terms for employees agreed upon in higher-level collective agreements.</p> <p>In this context, a key challenge will be to demonstrate the required representativeness in order to effectively participate in the bargaining process and avoid being bound by conditions that do not align with their economic reality.</p> <p>Although the regulation provides for different provisions for micro, small, and medium-sized enterprises, its practical implementation presents significant challenges.</p>	<p>Employers should monitor requests for multi-level bargaining, check whether the representation is effective and track legal challenges to the Decree.</p>
<p>Change relating to pre-retirement protection</p> <p>The Labour Chamber of the Supreme Court of Justice issued a judgment, through which it redefined the scope of enhanced employment stability for individuals with pre-retirement status in Colombia.</p>	<p>The Court’s decision revises its earlier precedent and broadens pre-retirement protection. Going forward, such protection no longer depends exclusively on a shortfall in required contribution weeks; rather, it incorporates also age criteria. It applies to individuals who are within three years or less of reaching retirement age, even if they have not yet met the required weeks or capital, as well as to those who have already satisfied such requirements but have not yet attained retirement age. In all cases, the protection is limited to individuals who are within that three-year (or less) period prior to reaching retirement age.</p>	<p>The change in precedent limits employers’ authority to unilaterally terminate employment contracts without cause; as result they must respect the pre-retirement protection.</p> <p>A conflict of perspectives has emerged because the Labour Chamber of the Supreme Court of Justice now holds views that differ from those traditionally maintained by the Constitutional Court. This divergence can be seen in areas like job protection related to health and whether the right to increased employment stability can be waived.</p> <p>Notably, this case presents a particular feature: it is the Supreme Court of Justice that advances a broader scope of protection than that initially established by the Constitutional Court.</p>	<p>Employers should note this precedent change when managing employees in the three years prior to retirement.</p>



Czech Republic

Development and date	Description	Impact and risk	Future actions
<p>Supreme Court ruling on comparable terms for temporarily assigned workers</p> <p>On 14 January 2026, the Czech Supreme Court confirmed that the equal working conditions rules under the Labour Code fully applies to employees temporarily assigned to another employer, and that it covers other monetary payments and benefits of monetary value regardless of their legal basis, including contributions to supplementary pension schemes.</p>	<p>The Court clarified that a temporarily assigned employee must not be treated less favourably in their working and pay conditions than a comparable employee of the host employer to whom the worker is assigned.</p> <p>This includes not only statutory entitlements, but also non-statutory benefits, such as pension contributions, bonuses, allowances, insurance contributions or non-cash benefits.</p> <p>According to the Supreme Court, working and pay conditions cannot be interpreted solely as entitlements narrowly defined in labour law regulations, but as all monetary payments and benefits that employers have undertaken to provide, for example, in their internal regulations.</p> <p>In practice, if the host employer provides comparable staff with contributions to supplementary pension or life insurance schemes, those contributions form part of the “working and pay conditions” that must be matched for the assigned worker, and the assigning employer bears the duty to secure that parity during the assignment.</p>	<p>This overturns long-standing practice and contradicts the methodology of the Labour Inspectorate, which treated voluntary benefits as outside the equal-treatment regime for temporarily assigned workers. The ruling sets a new, robust standard for equal treatment and is expected to influence future audits and labour inspection practice.</p> <p>The litigation risk is heightened: employees may pursue equalisation claims where such benefits are not matched, and the Supreme Court’s legal view in this judgment will guide lower courts’ approach going forward.</p> <p>Although the case brought before the Court concerned temporary assignment of an employee from one employer to another, the Court noted the analogous equal treatment provision for agency workers; while it did not explicitly resolve the scope for agency work, the parallel suggests that organisations using agency workers should anticipate that similar reasoning could apply to them as well.</p>	<p>Both assigning employers and host employers should audit parity between assigned workers and comparable host-employer employees, covering not only wages but also other monetary payments and benefits of monetary value. Any gaps should be addressed and eliminated.</p> <p>Internal policies, temporary assignment templates, and payroll processes should be updated to reflect the full scope of the equal treatment obligation, and to ensure the assigning employer can obtain the information needed from the host employer to determine the conditions of comparable employees and implement equalisation accurately.</p> <p>Given the analogous statutory wording and the court’s express observation that legal rules for agency workers are materially the same, organisations engaging agency workers should monitor developments closely.</p>



Development and date	Description	Impact and risk	Future actions
<p>Employment law aspects of the 2026 Budget</p>	<p>The law extends the tax exemptions for tips for three years until 31 December 2028. This applies to employment starting from 1 January 2026. It grants social security and tax exemptions for tips paid by customers to employees who interact with customers, whether those tips are given directly or distributed by their employer.</p>	<p>Other significant measures include:</p> <ul style="list-style-type: none"> the one-year extension, until 31 December 2026, of social security and tax exemptions for employer reimbursement of transport costs above the mandatory 50% requirement; the application of the apprenticeship tax to nonprofit organisations; and changes to how employee profit-sharing reserve is calculated by requiring additional categories of tax-exempt profit to be added back into taxable income for the calculation. 	<p>A legal aid fee of EUR 50 will be due for any civil or labour dispute brought before a court of general jurisdiction or a labour court. This fee must be paid by the plaintiff at the time the case is filed electronically in the form of a digital stamp duty. The procedures for implementing this measure will be specified by decree and will apply to proceedings filed on a date defined by that same decree and no later than 1 March 2026.</p>
<p>Unemployment insurance</p> <p>On 25 February 2026, the social partners signed an amendment to the memorandum of understanding of 10 November 2023, regarding unemployment insurance. The primary purpose of this amendment is to modify the rules governing unemployment benefits for job seekers who have entered into a mutual termination agreement.</p>	<p>The amendment reduces the maximum duration of benefits for job seekers who have entered into an individual voluntary termination agreement. For beneficiaries under the age of 55, the maximum duration is set at 15 months, down from the current 18 months, subject to certain conditions. For all beneficiaries aged 55 and older, the maximum duration is set at 20.5 months.</p>	<p>In exchange for the reduction in the duration of unemployment benefits, the amendment establishes personalised and intensive support for job seekers following an individual mutual termination agreement, with the aim of promoting a rapid and sustainable return to employment. Employers must take particular care to inform employees who may enter into a mutual termination agreement about the new compensation rules (this should take place during the meetings held prior to the conclusion of a mutual termination agreement).</p>	<p>A bill was introduced in the Senate on 25 March to allow for ministerial approval of the provisions of this amendment, which reduces the maximum duration of unemployment benefits for job seekers who have entered into a mutual termination agreement.</p>



Development and date	Description	Impact and risk	Future actions
<p>Transposition of the EU Pay Transparency Directive</p> <p>On 19 March 2026, the Ministry of Labour organised a final consultation meeting with the social partners regarding the first draft of the bill transposing the EU Directive on Pay Transparency, during which it outlined the procedures adopted for its transposition into domestic law.</p>	<p>A new article of the Labour Code has been created, establishing the right of employees to obtain from their employer information on their pay levels and on the average pay levels, broken down by sex, of employees in the same category.</p> <p>The current Equality Index would be replaced by the reporting of indicators relating to the gender pay gap. The Directive provides for seven indicators. Among these indicators, the employer would report an indicator on the gender pay gap by category grouping employees performing work of equal value or of equal worth.</p>	<p>The new Labour Code article exempts disclosure if the employee's category has fewer members than a threshold set by decree.</p> <p>The Ministry has indicated it intends to raise this threshold to ten employees – in which case the employer would be required only to inform the employee that it is unable to provide this information.</p>	<p>The Ministry of Labour announced that the draft bill would be finalised by the end of March, that the mandatory consultations and referral to the Council of State would take place in April or May, and that the bill is expected to be submitted to Parliament by the end of May 2026.</p>



Development and date	Description	Impact and risk	Future actions
<p>Increase in statutory minimum wage rate – effective 1 May 2026</p> <p>The Statutory Minimum Wage or ‘SMW’ refers to Hong Kong’s legally enforced minimum hourly pay rate under the Minimum Wage Ordinance (Cap. 608), overseen by the Labour Department. The ‘monetary cap’ is a threshold under the Employment Ordinance (Cap. 57) above which employers are not required to record total hours worked by employees, simplifying administration for higher earners.</p> <p>On 10 February 2026, the Chief Executive in Council endorsed the Minimum Wage Commission’s recommendation to raise the SMW rate from HKD 42.1 to HKD 43.1 per hour (a HKD 1 or 2.38% increase). This is the first adjustment under the annual review formula adopted in 2024, which uses a structured calculation balancing low-wage prevention, job protection, and economic competitiveness.</p>	<p>The SMW applies to most employees, excluding live-in domestic workers, student interns, and work-experience students (for a continuous period of up to 59 days), and requires that total wages for a period meet the minimum hourly rate for all hours worked. While "hours worked" typically excludes unpaid rest days and meal breaks, any time spent in attendance at a place of employment at the employer’s direction (including during a meal break) must be counted.</p> <p>Concurrently, and with effect from the same date (1 May 2026), under the Employment Ordinance (Amendment of Ninth Schedule) Notice 2026, the monthly monetary cap exempting employers from keeping records of employees’ total working hours will rise from HKD 17,200 to HKD 17,600.</p>	<p>This adjustment will increase labour costs for employers with low-wage staff, particularly in the retail, catering, security, and cleaning sectors. The Minimum Wage Commission estimates that between 18,800 and 39,400 employees will receive a direct pay increase. Risks include non-compliance penalties (fines of up to HKD 350,000 and up to three years’ imprisonment for wilful violations), disputes over wage calculations or applicability, and potential knock-on effects in pay structures.</p> <p>The higher monetary cap will ease record-keeping for a broader range of mid-level employees but requires verifying earnings thresholds to avoid inadvertent breaches.</p> <p>The increase supports worker livelihoods amid mild inflation. However, in a competitive global market, businesses in cost-sensitive sectors may face margin pressure unless offset by productivity gains.</p>	<p>Employers should audit payrolls and contracts for SMW-eligible employees and implement rate adjustments and system updates by late April 2026 to ensure seamless compliance from 1 May. They should also revise time-recording procedures for employees below the new HKD 17,600 cap and review existing records for accuracy and completeness. In addition, HR and management should be trained on the changes, including eligibility checks and dispute prevention, to mitigate Labour Tribunal claims, while updates should be communicated to affected staff via emails, meetings or policy handbooks to manage expectations and foster transparency.</p> <p>Employers should monitor broader trends, such as the cumulative effects from 2026 statutory holiday additions (e.g., Easter Monday on 6 April 2026) and anticipated platform worker legislation, while budgeting for potential further SMW reviews in 2027. It is also advisable to consult the Labour Department or legal advisors for tailored guidance on complex arrangements such as piece-rate or commission-based pay.</p>



Development and date	Description	Impact and risk	Future actions
<p>Right to Maternity Leave for Adoptive Mothers</p> <p>On 17 March 2026, the Supreme Court of India (SC) ruled that adoptive mothers have the same right as biological mothers in terms of claiming maternity leave.</p>	<p>The SC struck down the age-based restriction under the Code on Social Security, 2020 (COSS), which grants 12 weeks of maternity leave only to adoptive mothers who adopt a child below 3 months of age. The SC found this 3-month limit to be constitutionally untenable and a violation of the right to equality and dignity, as it places a limit on a woman's constitutional right to earn a livelihood based on the child's age. This also amounted to discrimination amongst adopted children based on the age of the adopted child.</p>	<p>This SC's decision expands the scope of maternity benefits beyond childbirth to encompass motherhood, underscoring the importance of gender equality in the workplace.</p> <p>Employers must provide 12 weeks of maternity leave for female employees who are adopting children, regardless of the age of the adopted child.</p>	<p>Employers can expect continued reforms and judicial developments on themes relating to gender equity, parental support, caregiving responsibilities, and inclusive workplace practices. This development pushes employers to take a more serious, structured, and holistic approach to their diversity, equity, and inclusion policies and to ensure effective on the ground implementation.</p>
<p>The SC to examine the validity of provident fund contributions by international workers</p> <p>The SC has agreed to examine the constitutional validity of Provident Fund (PF) contributions by International Workers working in India (IW), relating to the petition filed on 13 February 2026. The petition has been listed for further hearing on 21 April 2026. The petition challenges the judgement of the Delhi High Court, which upheld the constitutionality of Para 83 of the Employees' Provident Funds Scheme, 1952 (PF Scheme).</p>	<p>Under Para 83 of the PF Scheme, mandatory PF coverage is extended to IWs. Employers are required to make PF contributions at 12% of pay, comprising basic wages, dearness allowance and retaining allowance (if any). Unlike Indian employees, whose mandatory PF contributions are subject to a statutory wage ceiling, contributions for IWs must be made on the entire pay, without any ceiling. As a result, employers engaging IWs face significantly higher PF contribution liabilities compared to Indian employees.</p>	<p>If para 83 is held constitutional, employers who are presently making the contributions for IWs at capped wages may be required to pay the arrears and continue to make contributions at a rate of 12% of IW's entire pay. Conversely, if Para 83 is struck down, subject to SC's directions and/or applicable procedures, employers and IWs may become eligible to seek a refund or adjustments of contributions made on wages exceeding the wage ceiling applicable to domestic employees.</p>	<p>The constitutional validity of Para 83 has been litigated before multiple high courts, leading to divergent judicial outcomes. The SC's decision is expected to settle the legal position authoritatively. The decision is likely to have financial implications for employers or employer provident fund organisation in relation to retrospective liabilities, contribution obligations, and compliance adjustments that may be required depending on the Court's final ruling.</p>



Development and date	Description	Impact and risk	Future actions
<p>Paid menstrual leave</p> <p>On 13 March 2026, the SC declined to entertain a writ petition seeking mandatory paid menstrual leave for women employees in all establishments.</p>	<p>While disposing of the petition, SC expressed serious reservations about imposing such a mandate by judicial intervention, noting that it could have unintended adverse consequences for women’s employment. The court noted that a compulsory leave requirement may discourage employers from employing women, potentially affecting their participation and growth in the workforce.</p> <p>Separately, multiple petitions are currently pending before the High Court of Karnataka challenging the constitutionality of the State Government’s Menstrual Leave Policy (Policy), which grants 12 days of paid menstrual leave to women employees in the state of Karnataka.</p>	<p>While the matter before the Karnataka High Court remains sub judice, the High Court has not stayed the operation of the Policy to date. As a result, the Policy continues to remain in force, and employers operating in Karnataka are legally expected to comply with the same.</p> <p>However, the Policy does not prescribe any penalty for non-compliance.</p>	<p>Employers should closely monitor the outcome of the pending challenge. If the Policy is held to be constitutional, employers operating in the state of Karnataka may be required to review and update their leave policies to provide 12 days of paid menstrual leave to women employees.</p>



Development and date	Description	Impact and risk	Future actions
<p>Annual Law on Small and Medium Sized Enterprises</p> <p>On 7 April 2026, the new Annual Law on Small and Medium-Sized Enterprises entered into force.</p>	<p>The law introduces several provisions impacting small and medium-sized enterprises (SMEs), including relevant changes to labour law. In particular, the new measures address generational turnover within the workforce and strengthen health and safety obligations for employees working under remote (work-from-home) arrangements.</p>	<p>Workers nearing retirement (the exact time requirement has not yet been defined and will be set by an implementing decree) may, with their consent, be placed on a part-time schedule with a reduction in working hours between 25% and 50%.</p> <p>To offset the reduction in working hours, the employer must consider hiring a young worker under 35 to partially replace the older employee in order to qualify for social security contribution relief. For workers operating under a work-from-home arrangement, the law has reaffirmed that the employer fulfills all health and safety obligations compatible with this mode of work, particularly those relating to the use of display screen equipment, by providing the employee and the workers' safety representative, at least annually, with a written notice identifying the general risks and the specific risks connected to this particular way of performing the employment relationship. This is without prejudice to the employee's obligation to cooperate in the implementation of the preventive measures put in place by the employer to address the risks associated with performing work outside the employer's premises.</p>	<p>Assess the impact of the new provisions on existing employment policies and practices. In particular, review workforce planning strategies in light of the generational turnover measures and ensure that health and safety policies for remote workers are updated and compliant with the new legal requirements. Consider implementing any necessary internal procedures or training programs.</p>



Development and date	Description	Impact and risk	Future actions
<p>New provisions regarding employment retention plans</p>	<p>The law which came into force on 10 March 2026 reinforces the monitoring of employment retention plans, which is a formal agreement between the social partners, namely representatives of employees and employers, setting out measures aimed at safeguarding employment in a company facing economic difficulties.</p> <p>Moving forward, the Economic Committee ("<i>Comité de conjoncture</i>"), which is responsible for monitoring the economic and labour market situation in Luxembourg, will be entitled to request detailed information on the implementation of the plan directly from the signatory social partners. The social partners have a one-month deadline for submitting the requested information.</p> <p>The law also clearly defines the procedures for co-financing and reimbursement of training programs included in an employment retention plan through the Employment Fund ("<i>Fonds pour l'emploi</i>").</p>	<p>Social partners who provide false information or fail to submit the required information to the Economic Committee within one month risk having the plan's approval revoked.</p> <p>In addition, regarding co-financing of training programs by the Employment Fund, employers are required to submit a co-financing request prior to the commencement of the training. This step must be accompanied by a complete set of detailed supporting documents.</p> <p>Employers who fail to ensure that the training courses meet the criteria established by law and who do not apply for reimbursement within 40 days of the course's completion will not be eligible for reimbursement.</p>	<p>Social partners implementing a job retention plan, must ensure that they gather all relevant information regarding the plan so that they can submit it to the competent authorities within the specified timeframe.</p> <p>With regard to the matter of co-financing, it is imperative that employers ensure full compliance with the specified requirements and submit all the necessary documentation in order to benefit from the Employment Fund's co-financing.</p>
<p>Potential wage indexation from Q2 2026</p>	<p>The STATEC (Luxembourg's National Institute of Statistics and Economic Studies) is forecasting inflation of 1.8% for 2026 and for 2027. The next index adjustment is scheduled for the second quarter of 2026. If indexation is confirmed, a 2.5% increase will be applied to all salaries, wages and pensions.</p> <p>The gross minimum wage for unskilled workers, currently EUR 2,703.74, would rise to approximately EUR 2,771.</p> <p>A second adjustment is scheduled for the third quarter of 2027, subject to confirmation.</p>	<p>Employers are legally obliged to comply with wage increases.</p> <p>Failure to comply with the public order provision may result in a fine for employers ranging from EUR 251 to EUR 25,000.</p> <p>In the event of a repeat offence within two years, the maximum fine may be doubled.</p>	<p>If indexation is confirmed, employers will have to adjust wages accordingly.</p>



Development and date	Description	Impact and risk	Future actions
<p>Reduction in the working week</p> <p>On 3 March 2026, the Decree amending the Mexican Constitution, concerning the reduction of working hours, was enacted and published in the Official Federal Gazette (DOF). The Decree was enacted in the same terms in which it was approved by the Mexican Senate on 11 February 2026 and following its approval by 24 local congresses.</p>	<p>The Decree establishes a gradual reduction of the working week from 48 to 40 hours, to be implemented through annual reductions of two hours beginning on 1 January 2027, until reaching the 40-hour threshold in 2030. It maintains a six-day working week and provides that the reduction should not result in any decrease in employees' salaries or benefits. The Decree also amends the rules governing overtime and prohibits employees under eighteen years of age from working overtime.</p> <p>The Decree entered into force on the date of its publication, and the Mexican Congress has 90 calendar days to make the corresponding amendments to the applicable regulations, including the Federal Labour Law.</p>	<p>The implementation of the Decree is expected to require employers to adjust their working time arrangements, including shift structures, workload distribution and overtime practices. These changes may result in increased labour costs and operational challenges, particularly for employers in labour-intensive sectors.</p> <p>Employers may also face compliance risks if the new working time and overtime rules are not properly implemented. During the transition period, employers may need to reassess productivity targets and operational planning to ensure continuity of services.</p>	<p>Employers should begin preparing for the implementation of the Decree by reassessing their working time arrangements, including shift structures, workload distribution and overtime practices.</p> <p>Employers should review and update employment agreements, internal policies and working time controls to ensure alignment with the new framework and consider implementing systems to accurately record employee working time.</p> <p>Employers are also advised to engage in internal planning to mitigate operational impacts.</p>



Development and date	Description	Impact and risk	Future actions
<p>Supreme Court ruling on the scrutiny of the administrative body approving the dismissal of protected employees</p> <p>On 1 December 2025, a decision was issued impacting employers' ability to dismiss staff representatives and other protected employees.</p> <p>The case involved an attempt to annul the Dismissal Commission's authorisation on 22 July 2024 to dismiss a protected employee due to professional inadequacy. Despite support measures, the employee failed to meet targets, leading the employer to seek approval from the Commission. Authorisation was granted, and the dismissal occurred just ten days after the request -sooner than the legally required fifteen-day period.</p>	<p>The employee raised four issues, the first two were considered significant issues: (1) that the dismissal was disguised as a response to their representative activities, (2) that the Dismissal Committee should assess both the link between the dismissal and the mandate and the validity of the employer's reasons; plus minor points about (3) missing the statutory fifteen-day notice period and (4) lacking written motivation for approval.</p> <p>All claims were rejected. The court decided the Dismissal Committee only needs to verify if the dismissal relates to the representative mandate, not to validate grounds, and found no evidence of a connection.</p> <p>It held the missed notice period did not affect legality, and written substantiation wasn't required. The Tribunal Supreme clarified the Committee's role is to check factual materiality, while judging if the facts justify dismissal is a decision that belongs to the Labour Court.</p>	<p>In relation to the impact for employers, this decision clarifies and provides greater certainty regarding the procedure for dismissing protected employees in Monaco. It confirms that the role of the Dismissal Committee is limited to verifying that there is no link between the representative mandate (or other source for protection) and the proposed dismissal, without having to assess the validity or proportionality of the grounds invoked, this review being the sole responsibility of the Labour Court.</p> <p>This explanation is reasonable, since the Dismissal Committee is not a court and delivers its decisions quickly. In addition, if the Commission examined whether the grounds were valid, it could interfere with the authority of civil courts and possibly lead to conflicting outcomes for those involved.</p> <p>The decision confirms that failure to observe the fifteen-day notice period between the request for authorisation to dismiss and the notification of the dismissal, does not affect the legality of the administrative authorisation.</p> <p>Employers should still be aware of potential risks. While the Tribunal Suprême does not assess the merits of the dismissal, employees may still appeal to the Labour Court.</p>	<p>Employers should compile thorough evidence to support reviews by the Dismissal Committee, which first verifies the facts and then checks for any link between dismissal and employee protection.</p> <p>A strong evidence base helps defend claims both before the Tribunal Suprême (relating to materiality of facts and absence of connection) and on the civil front the Labour Court (validity and proportionality).</p> <p>In this case, the claimant failed to counter the employer's proof of professional insufficiency; but weaker evidence could have allowed doubt, possibly leading to annulment of the Committee's decision and invalidation of the dismissal.</p> <p>Annulment may result in the State ordering the employer to pay damages or a challenge to the dismissal before the Labour court with civil consequences such as reinstatement, severance pay, or damages.</p>



The Netherlands

Development and date	Description	Impact and risk	Future actions
<p>AI in recruitment and selection – new compliance obligations</p> <p>The Dutch Data Protection Authority’s (“AP”) most recent report published in March 2026 on AI and Algorithms in the Netherlands dedicates an entire chapter to AI in recruitment, highlighting that the use of AI in hiring is growing rapidly – both by employers (e.g. automated CV screening, game-based assessments, AI video interviews) and by candidates (e.g. using generative AI to tailor CVs and cover letters to bypass automated filters). The report identifies a structural lack of transparency: employers frequently fail to inform candidates about the use of AI in selection, and the information provided to candidates after assessments is significantly less detailed than what employers receive.</p> <p>The report shows that companies must ensure AI literacy within their HR team: organisations using AI systems must ensure their staff are “AI literate” meaning they understand the technical workings, limitations, and ethical implications of the AI tools they operate.</p>	<p>The AP has published guidance on the use of AI tools in recruitment and selection processes, with a specific focus on online and game-based assessments. The guidance addresses the requirements under Article 22 GDPR regarding automated decision-making and underscores that AI systems for recruitment are classified as high-risk under the EU AI Act, with further obligations taking effect from 2 August 2026.</p> <p>The AP also flags that the recommendation that algorithms on job platforms (such as LinkedIn) can introduce bias before candidates even see a vacancy, as these algorithms may show technical or high-status roles disproportionately and skip profiles with career gaps. This means selection and potential discrimination may already occur before the formal application stage.</p>	<p>Automated scoring of candidates without meaningful human intervention may constitute prohibited automated decision-making under Article 22 GDPR. The AP stresses that a human check on paper is insufficient – the reviewer must genuinely understand the system’s logic and have real discretion to deviate from the AI outcome.</p> <p>Reliance on candidate consent is unlikely to be valid given the inherent power imbalance in the employer-applicant relationship</p> <p>AI tools trained on historical recruitment data may reinforce existing biases and lead to discrimination. The RAN report highlights that bias can accumulate across multiple stages of the hiring process.</p> <p>Employers bear full responsibility for AI tools used in their recruitment process and cannot rely on their vendor.</p> <p>Emotion recognition in recruitment is prohibited under the EU AI Act. AI video interview tools that analyse facial expressions, intonation, or speaking speed to assess candidates may fall within this prohibition.</p> <p>Systemic discrimination risk can materialise if discriminatory AI tools become widely adopted across the sector.</p>	<p>Employers should map all AI tools used in the recruitment process and assess at which stage they influence selection decisions.</p> <p>Conduct thorough due diligence on AI systems used for recruitment including obligations under the EU AI Act.</p> <p>Ensure meaningful human oversight is in place at every decisive stage – assessors must understand the system’s logic and have genuine discretion to deviate from AI outcomes.</p> <p>Inform candidates in plain language, before an assessment begins, about the use of automated decision-making, the underlying logic, the significance and possible consequences. Ensure that from 2 August 2026 candidates are actively informed when they interact with an AI system during the recruitment process.</p> <p>Ensure that AI-generated candidate reports shared with the employer are also transparently reflected in the feedback provided to the candidate.</p> <p>Establish a clear process for candidates to challenge decisions or even the use of the AI system.</p> <p>Prepare for the EU AI Act’s high-risk requirements taking effect on 2 August 2026 (subject to possible extension to 2027 under the EU Digital Omnibus proposal). Providers of AI systems for recruitment must meet certification requirements including accuracy standards and discrimination risk management.</p>



Development and date	Description	Impact and risk	Future actions
<p>Overtime pay for part-time employees</p>	<p>Two district courts have held that part-time employees are entitled to overtime pay from the first hour beyond their agreed percentage. The judgments deviates from established Norwegian practice. Until now, it has been assumed that the right to overtime compensation only arises when the Working Environment Act's limit for ordinary working hours is exceeded, or when the employee works beyond a lower collectively agreed limit for ordinary working hours.</p> <p>These are the first Norwegian rulings on the subject, in the wake of two judgments from the CJEU on the interpretation of the EU Part-Time Work Directive. Both judgments are signaled for appeal, and there is reason to believe that the case will eventually reach the Supreme Court.</p>	<p>Employers face a dilemma between overpayment risk and back-pay exposure. NHO has advised its member companies against using part-time employees for extra shifts or additional work until the case has been decided. LO (the Norwegian Federation of Trade Unions) takes the view that NHO's (the Confederation of Norwegian Enterprise) advice constitutes a breach of part-time employees' preferential right to extra shifts under the Working Environment Act, which NHO has disputed.</p> <p>A joint committee has been established to assess the need for legislative changes, with a deadline of 1 September 2026. Following the district court judgments, the government has amended the committee's mandate to proceed on the basis that the Norwegian rules shall be amended. There is, therefore, much to suggest that the rules will be changed to clarify that part-time employees are entitled to overtime pay when they work beyond their contracted working hours. If so, the appealed district court judgments will only be of significance for the legal position up until any such legislative amendment.</p>	<p>Employers should consider separate temporary employment agreements for additional work. If specific questions arise regarding the use of part-time employees for extra shifts or additional work, employers should seek legal advice.</p>
<p>Psychosocial work environment</p> <p>Legislative change effective from 1 January 2026</p>	<p>Section 4-3 of the Working Environment Act now explicitly covers psychosocial factors including unclear demands, emotional strain, workload imbalances and lack of support. The amendment clarifies existing law without introducing substantive changes.</p>	<p>The broadly formulated factors may create unintended employee expectations and potentially increase workplace conflicts and whistleblowing cases. The Labour Inspection Authority will develop guidelines.</p>	<p>Employers should review and update whistleblowing procedures, as well as risk assessments and workplace surveys. Employers should also ensure training for safety representatives, managers and HR.</p>



Development and date	Description	Impact and risk	Future actions
<p>Retirement age requirements Legislative change effective from 1 January 2026</p>	<p>Company-specific retirement ages below 72 have been abolished. A uniform retirement age of 72 now applies across both the private and public sectors, subject to narrow exceptions on health and safety grounds. Existing collective agreements providing for a lower retirement age may continue in force until their expiry, but in any event no later than 1 January 2029.</p>	<p>All employers with a company-specific retirement age below 72 must discontinue this practice.</p>	<p>Employers must update employment contracts, handbooks and internal procedures.</p>
<p>Severance agreements for top executives Supreme Court case from 30 January 2026</p>	<p>The Supreme Court held that invoking an agreement on termination in exchange for severance pay in accordance with Section 15-16(2) of the Working Environment Act is not a "dismissal" but an exercise of managerial prerogative. Neither the dismissal rules nor the Public Administration Act apply. There is no requirement for just cause.</p>	<p>Employers have a broad discretion with no requirement for just cause. However, minimum procedural standards must be met. Courts may review for abuse of the managerial prerogative (arbitrary or irrelevant considerations), but the threshold for overturning such decisions is high.</p>	<p>Employers should notify the executive before a decision is made, ensure any stated reasons are factually correct and document the process to rebut potential allegations of abuse of discretion.</p>
<p>Freedom of expression guide February 2026</p>	<p>LO, NHO and NIM (the Norwegian Human Rights Institution) have published a joint guide on freedom of expression in working life, containing the legal framework, case law examples and reflection exercises.</p>	<p>Practical tool for raising awareness and addressing disagreements on workplace expression.</p>	<p>Employers should consider using the guide for internal training and to promote openness.</p>
<p>Wolt-couriers platform work Court of Appeal case from 24 February 2026</p>	<p>The Court of Appeal found Wolt delivery couriers to be independent contractors, reversing the district court's decision. The decisive factor was the couriers' autonomy – they choose when to log on and may decline assignments without consequences. Despite algorithmic control over assignments and performance, the Court held that independence regarding working time outweighed other factors.</p>	<p>This case has been appealed to the Supreme Court; the legal position is not determined. Comparable models have been assessed differently in other European jurisdictions.</p>	<p>Businesses using digital platforms should monitor the pending Supreme Court appeal closely.</p>



Development and date	Description	Impact and risk	Future actions
<p>State Labour Inspectorate reform</p> <p>Enhanced powers for labour inspectors and increased penalties.</p> <p>Will come into force on 8 July 2026.</p>	<p>Where a labour inspector determines that a civil law contract is in fact an employment relationship, the inspector shall first order the employer to rectify the position (for example, by concluding an employment contract or amending the civil law contract). Should the employer fail to comply with that order, the inspector may issue a decision confirming the existence of the employment relationship, which may be appealed in court.</p> <p>The legislation also increases penalties: fines imposed by an inspector may reach PLN 5,000 (PLN 10,000 for repeat violations), and court-imposed fines up to PLN 60,000 (up to PLN 90,000).</p>	<p>The new regulations mean increased scrutiny by the Labour Inspectorate, with more frequent inspections and higher penalties. Inspectors will also have the authority to reclassify civil law contracts as employment contracts.</p>	<p>Employers should review their civil law contracts to assess whether they meet the criteria of an employment relationship. They should also analyse how contractors perform work, especially compared to employees in similar roles. Based on this audit, employers may need to adjust contract terms or convert them into employment contracts to ensure compliance.</p>
<p>Pay Transparency Directive implementation</p> <p>Legislative work ongoing at Government level; the legislation is planned to become effective on 7 June 2026.</p>	<p>The proposed legislation introduces objective job evaluation and greater pay transparency, including employee access to pay information and gender comparisons. Employers with at least 100 employees will need to report on the gender pay gap and address unjustified differences of at least 5% or conduct a joint pay assessment if not resolved. The legislation also strengthens enforcement by shifting the burden of proof to employers and introducing provisions for compensation and penalties.</p>	<p>The proposed legislation changes how remuneration is structured by requiring objective and gender-neutral criteria and increases pay transparency through expanded employee information rights. It also introduces obligations to report on the gender pay gap. In addition, the burden of proof in pay discrimination cases shifts to the employer, while employees gain the right to compensation.</p>	<p>Employers should define objective, gender-neutral criteria for assessing work value and assign employees to comparable job categories. They should also establish clear procedures for providing pay-related information and assess risks related to pay comparisons, including within corporate groups.</p>



Development and date	Description	Impact and risk	Future actions
<p>Anti-mobbing law reform</p> <p>Broader definition of mobbing (harassment), new employer obligations to actively prevent and address mobbing.</p> <p>Legislative work ongoing in Parliament; effective 21 days after publication.</p>	<p>The reform introduces a broader definition of mobbing, covering persistent harassment regardless of intent and extending to various forms of conduct including physical, verbal, or non-verbal conduct by supervisors, colleagues, or subordinates. Employers will be required to actively and continuously prevent mobbing by implementing internal policies and procedures. Such policies will need to be agreed with employee representatives and introduced within six months. The changes also strengthen employee protection by introducing a minimum compensation threshold of six times the national minimum wage in respect of mobbing claims, and by affording employers the right to seek recourse against individual perpetrators.</p>	<p>Employers will be expected to adopt a more proactive approach to the prevention of mobbing by establishing and maintaining appropriate internal policies and procedures, whilst facing heightened financial exposure as a result of increased compensation awards. At the same time, employers will gain the right to seek recourse against individual perpetrators of mobbing.</p>	<p>Employers should review existing or develop new anti-mobbing policies and procedures to ensure compliance. These should be implemented either within work regulations or as separate regulations within six months.</p>
<p>Changes to sick leave rules</p> <p>Some of the new changes will come into force on 13 April 2026, and some on 1 January 2027.</p>	<p>From 13 April 2026, the regulations will incorporate definitions of gainful employment and activities deemed inconsistent with the purpose of sick leave. In addition, the inspection powers of the Social Insurance Institution (ZUS) will be expanded. From 1 January 2027, individuals employed in two positions will be permitted to take sick leave in respect of only one position whilst continuing to work in the other, provided their health condition so permits.</p>	<p>The changes are intended to streamline the control of sick leave certificates and shorten the waiting time for decisions. Additionally, the change from 1 January 2027 is expected to bring benefits to both employees and employers. Employees will not lose part of their income, and employers will retain access to the work of individuals who, despite health limitations, are able to perform certain tasks.</p>	<p>Employers should communicate the information about the changes to HR staff and managers/supervisors.</p>
<p>Travel allowances</p> <p>Legislative works ongoing at government level; effective from 14 days after publication.</p>	<p>The government plans to increase the domestic per diem (daily allowance) to PLN 60 (currently PLN 45), as well as foreign travel allowances and accommodation limits for selected countries. It is very likely that these changes will come into force.</p>	<p>The new regulations increase the domestic per diem, which sets the minimum standard for travel allowances. Employers must ensure that the allowances they provide are not lower than the statutory domestic per diem.</p>	<p>Employers will have to review the rules for reimbursing business travel expenses to ensure they are not lower than the domestic allowance specified in the regulation and, if necessary, adjust them accordingly.</p>



Development and date	Description	Impact and risk	Future actions
<p>Singapore High Court affirms implied term of mutual trust and confidence in employment contracts</p> <p>The decision in <i>Prashant Mudgal v SAP Asia Pte Ltd</i> [2026] SGHC 15 was handed down on 21 January 2026.</p>	<p>In a landmark decision, the General Division of the High Court of Singapore (the “Court”) held for the first time that an implied term of mutual trust and confidence exists in employment contracts under Singapore law (the “Implied Term”).</p> <p>According to the Court, the Implied Term prohibits employers from conducting themselves in a manner “<i>calculated and likely to destroy or seriously damage</i>” the relationship of confidence and trust between the employer and employee, without reasonable and proper cause.</p> <p>The Claimant was the former Head of Sales (Asia Pacific) of the Defendant. During the Claimant’s employment with the Defendant, tensions and conflict arose between the Claimant and his colleagues, which resulted in a series of contentious email exchanges and workplace incidents.</p> <p>The Defendant placed the Claimant on a Performance Improvement Plan (“PIP”) that outlined key areas of improvement for his performance. Subsequently, the Claimant’s supervisor served a notice of termination on the Claimant, terminating his employment.</p> <p>The Court found that the defendant had already made up their minds that “<i>the Claimant would not be able to demonstrate genuine improvement in his performance</i>” and that they executed the PIP with “<i>abject shoddiness</i>”. It was held that having chosen to place the Claimant on the PIP, the Defendant could not “<i>lead him on like a lamb to slaughter on the false pretext that he was being given a genuine opportunity to improve.</i>”</p> <p>The Court concluded that the totality of the Defendant’s conduct was calculated and likely to destroy or seriously damage the relationship of trust and confidence between an employer and employee. The Defendant was found to have breached the Implied Term.</p>	<p><i>Prashant Mudgal v SAP Asia Pte Ltd</i> is significant for employers for the following reasons:</p> <ul style="list-style-type: none"> – The decision sets out a new legal basis for employees to make claims against employers and to challenge their employer’s conduct (as regards PIPs or otherwise). – Disgruntled or dismissed employees may now include the breach of the Implied Term as an additional ground or argument in employment disputes, increasing the potential complexity and scope of contentious workplace matters. – Although the decision was made in the context of PIPs, the categories for what constitutes a breach of the Implied Term remains open and subject to further development. 	<p>Employers in Singapore should take the following actions to mitigate risk and navigate this development:</p> <ul style="list-style-type: none"> – Review existing employment contracts with a view to limiting the scope of the Implied Term. – Stay alert on whether the decision outlining the Implied Term is upheld if the matter goes on appeal. – Keep up-to-date with any future decisions expounding further on the Implied Term and what may constitute a breach of the same in Singapore.



Development and date	Description	Impact and risk	Future actions
<p>Slovakia transposes the EU Platform Work Directive: new rules for Digital Labour Platforms from 2 December 2026</p> <p>The Ministry of Labour, Social Affairs and Family of the Slovak Republic has introduced a legislative proposal to transpose Directive (EU) 2024/2831 of the European Parliament and of the Council of 23 October 2024 on improving working conditions in platform work (the 'Directive') into national law through a standalone Act on Work Performed Through Digital Labour Platform (the 'Act').</p> <p>The proposed effective date of the new Act – which remains subject to the legislative process – is 2 December 2026, being the final date of the transposition deadline set by the Directive.</p>	<p>A digital labour platform is a natural or legal person that provides a service which (i) operates at least partly remotely through electronic means (e.g. a website or mobile app), (ii) is provided on demand at the request of a service recipient, (iii) involves the organisation of paid human work as an essential and substantial element, and (iv) uses automated monitoring or decision-making systems. Platforms that merely allow individuals to advertise services, or whose primary purpose is asset-sharing or resale of goods by non-professional sellers, fall outside the definition. Typical examples of digital labour platforms are food delivery or taxi services.</p> <p>The Act introduces comprehensive new rules for digital labour platforms and platform workers and may significantly affect the entire business model. To date, platform workers have typically performed work based on commercial rather than employment agreements with the platforms.</p> <p>The Act seeks to reduce the misclassification of employment status and improve access to labour rights and social protection for platform workers. It also strengthens the enforcement of those rights and enhances the ability of competent authorities to obtain the information necessary for effective supervision.</p> <p>The Act further establishes rules on the transparency of automated monitoring and decision-making systems, imposes requirements for human oversight of significant decisions, and grants platform workers the right to obtain an explanation of, and to request a review of, automated decisions.</p>	<p>The Act introduces a rebuttable legal presumption of an employment relationship, applicable in court proceedings. If a worker provides evidence indicating that their work is done under a subordinate relationship, the burden of proof shifts to the platform to disprove this. Workers engaged by the same provider may bring joint legal proceedings.</p> <p>For platforms, the reclassification of workers as employees would mean higher wage costs, social contributions, paid-leave obligations, and increased HR requirements. Smaller or low-margin platforms may struggle to comply, potentially leading to market consolidation or exit.</p> <p>Where a court determines that a contractual relationship constitutes a disguised employment relationship, it must specify the date from which the relationship is deemed to be one of employment, which may be backdated by up to three years from the date on which proceedings were commenced.</p> <p>The National Labour Inspectorate may impose fines of up to EUR 50,000 for breaches of platform registration and reporting obligations. Separately, the Data Protection Office may impose sanctions under GDPR for breaches of the transparency and data-processing rules, which may be significantly higher.</p>	<p>Platforms should:</p> <ul style="list-style-type: none"> – Review contracts and working arrangements to assess whether current relationships meet the criteria for an employment relationship and adjust status where necessary (especially if they cannot demonstrate the absence of subordination if challenged in court). – Adapt algorithmic systems to provide workers with transparent information about how automated monitoring and decision-making systems operate. – Establish human-oversight mechanisms, including designating qualified contact persons and conducting impact assessments at least every two years. – Register with the National Labour Inspectorate and fulfil periodic reporting obligations (existing platforms must register by 31 December 2026).



Development and date	Description	Impact and risk	Future actions
<p>Updated tax-free amounts</p>	<p>The tax-free amounts for jubilee awards, retirement severance pay, and payments for compulsory practical work are linked to the published annual average salary. Following the publication of the 2025 average monthly salary in the Official Gazette No. 14/2026 on 24 February 2026, the updated tax-free thresholds apply from that date onward.</p>	<p>The updated tax-free thresholds may affect employer payroll costs.</p>	<p>Employers should review and update payroll to ensure relevant payments comply with the newly applicable tax-free limits.</p>
<p>Act on Employee Participation in Profits – in force from 11 March 2025</p>	<p>The new legislation retains the principles of voluntary profit-sharing and equal treatment of employees. Profit-sharing is capped at 33% of net operating profit and 20% of annual gross payroll, with tax reliefs available only where the statutory conditions are met -principally in relation to the company's average gross wage as compared with the private sector average and its rate of wage growth. The requirement for mandatory contract registration is abolished; however, companies must notify the tax authority (FURS) of any concluded profit-sharing agreements or adopted resolutions. The previous legislation governing employee profit-sharing ceases to apply.</p>	<p>The new Act provides employers with an effective tool to enhance employee retention and motivation through more tax-efficient profit-sharing schemes, while requiring careful compliance with all statutory conditions, as any deviations may result in the loss of tax benefits and increased legal risk.</p>	<p>Review internal remuneration policies and assess whether introducing profit-sharing supports retention, engagement, or cost-management goals.</p>



Development and date	Description	Impact and risk	Future actions
Publication of seven standardised rules for movement during sick leave on 23 March 2026 by the Health Insurance Institute of Slovenia	On 17 December 2025, Slovenia adopted the Act on Additional Intervention Measures in Health Care (ZDIUPZ). On the basis of this legislation, the Health Insurance Institute of Slovenia (ZZZS) introduced seven standardised sick leave movement regimes on 23 March 2026. The applicable regime is determined at the commencement of sick leave and may be varied should circumstances change. The regimes differ according to the area within which the employee is permitted to move and the activities they may undertake. By the end of June 2026, a new SPOT system will automatically notify insured persons and employers of movement restrictions and the commencement of sick leave. Violations are recorded, with repeated breaches within a five-year period resulting in the loss of net wage compensation, whilst engaging in gainful work during sick leave leads to the immediate loss of compensation.	For employers, the new regimes principally provide clearer and more transparent rules regarding employee conduct during sick leave, whilst non-compliance may result in sanctions imposed by ZZZS and may affect the employee's entitlement to wage compensation.	Inform employees about the new rules and emphasise the importance of complying with the doctor-determined movement regime during sick leave.



Development and date	Description	Impact and risk	Future actions
<p>The President published the implementation of key provisions of the Compensation for Occupational Injuries and Diseases Amendment Act ('COIDA Amendment Act') 23 January 2026</p>	<p>COIDA provides compensation for disability caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, as well as for death resulting from such injuries or diseases, together with related matters.</p> <p>Key changes introduced by the COIDA Amendment Act include:</p> <ul style="list-style-type: none"> - A comprehensive enforcement regime, including harsher administrative penalties for non-compliant employers. - An extended prescription period, allowing employees with work-related injuries or diseases to bring claims within three years of the accident. - A stronger emphasis on clinical, vocational and social rehabilitation, to support employees in returning to work or reducing the impact of any disability. - The introduction of a new inspectorate framework, granting inspectors wide-ranging powers to assess employer compliance with COIDA. 	<p>Employers are encouraged to implement or enhance their incident reporting protocols as well as prioritising requests from the Commissioner to stay compliant with COIDA, failing which they risk facing harsher administrative penalties.</p> <p>Employers need to take note of the extension of the prescription period as it increases their exposure to latent claims and requires them to enhance their document retention and incident tracking protocols.</p> <p>Employers are required to retain a register of employees and their earnings for a minimum period of five years. Failure to do so constitutes an offence and may result in a penalty of up to 10% of the actual or estimated annual assessment.</p> <p>The individually liable employer and the Compensation Fund are required to provide facilities, services and benefits aimed at rehabilitating employees who suffer occupational injuries or diseases, to support their return to work or to reduce any resulting disability.</p> <p>Employers need to also be aware of the powers of the labour inspectors to enter the employer's workplace, inspect and question any person, remove any article or machinery present at the workplace, amongst others.</p>	<p>Employers will need to review and update their COIDA-related policies, procedures and internal controls to ensure full compliance with the amended enforcement regime and extended prescription periods. This includes strengthening reporting and record-keeping processes for occupational injuries and diseases, preparing for increased inspections, and ensuring timely cooperation with inspectors. Employers will also need to put measures in place to facilitate clinical, vocational and social rehabilitation, including return-to-work programmes, in order to mitigate liability and reduce the risk of administrative penalties arising from non-compliance.</p>



Development and date	Description	Impact and risk	Future actions
<p>26 February 2026 – Minister of Employment and Labour published the Labour Law Amendment Bill (“Bill”)</p>	<p>The Bill includes proposed amendments to the parental leave provisions of the Basic Conditions of Employment Act 75 of 1997 in order to give effect to the Constitutional Court’s ruling in <i>Van Wyk v Minister of Employment and Labour</i>.</p> <p>In terms of the Bill, working parents may share four months plus ten days parental leave by agreement. Employees with different employers must submit an agreement in writing indicating how they will share the leave. If they cannot agree, the birthing parent is entitled to elect to take the full four months or less than four months, leaving the balance to the other parent.</p> <p>For adoptive or commissioning parents who cannot agree, leave must be apportioned as close as possible to half of the total four months and ten days. Parental leave for adoption has been extended to cover parents adopting children up to six years of age.</p>	<p>These developments necessitate urgent changes to employer’s internal policies and procedures to ensure that employees are treated fairly as per the provisions of the Bill. Employers must extend parental benefits to all parents irrespective of sex, gender and birthing status. There will also be the impact of a large percentage of the workforce being on parental leave for longer periods of time.</p> <p>The Unemployment Insurance Fund Act has been amended to give practical effect to the policy direction adopted in <i>Van Wyk</i>.</p>	<p>Employers will need to amend their policies to include all types of parents and determine whether or not the payment of such leave will be granted, and if so, under what conditions. Employers will need to ensure that all parents are treated equally in relation to payment to avoid unfair discrimination claims relating to, inter alia, sex, gender, marital status and/or maternity.</p>



Development and date	Description	Impact and risk	Future actions
<p>Statutory Minimum Wage for 2026</p>	<p>A new statutory minimum wage for 2026 was approved, setting the National Minimum Wage (SMI) on EUR 40.70 per day or EUR 1,221 per month (in 14 installments). This represents a 3.1% increase compared to the previous year. The updated amounts apply across all sectors, including temporary and household workers.</p>	<p>Direct increase in salary costs, particularly for low-wage sectors. Potential ripple effect on salary structures. Risk of non-compliance if salaries are not adjusted, which include salary claims for salary differences (+10% interest rate for a delayed payment) and sanctions.</p>	<p>Adjust payroll to meet new SMI thresholds. Review salary bands and collective bargaining agreements.</p>
<p>Pension revaluation and Social Security updates - February 2026</p>	<p>Royal Decree-Law 3/2026 introduces annual updates to the Social Security system. Pensions are increased by 2.7%, the maximum contribution base rises to EUR 5,101.20 per month, and the Intergenerational Equity Mechanism (MEI) is set at 0.90%. The regulation also updates solidarity contributions and professional contingency premiums.</p>	<p>Increased labour costs for employers due to higher contribution bases and MEI. Budgetary impact on payroll planning. Compliance risk, if contribution updates are not correctly implemented, employers can face sanctions and interest applied on differences in contributions.</p>	<p>Update payroll systems and contribution calculations. Review employment cost forecasts. Ensure compliance with new Social Security parameters.</p>
<p>Possible upcoming regulations</p>	<p>The Spanish Government has announced future regulations as part of its economic and social agenda, aiming to establish stricter terms for interns (academic internships), a possible reduction of working time and digital systems to register daily working hours (which would be accessible to the Labour Inspection). The Government is also exploring a possible reform on the severance payments for dismissal, due to recent judicial rulings on this matter.</p>	<p>Potential need to reassess internship programs, working hours, establishing a digital system for the registry of working hours.</p>	<p>Monitor future developments in future months.</p>



Development and date	Description	Impact and risk	Future actions
<p>Delayed implementation of the EU Pay Transparency Directive in Sweden</p> <p>On 11 March 2026, the Swedish Ministry of Employment announced that the Government intends to postpone the entry into force of the legislation transposing the EU Pay Transparency Directive. The legislative amendments, which were originally proposed to take effect on 1 July 2026, will now be proposed to enter into force on 1 January 2027. As a consequence, the deadline for submitting the first pay reports to the supervisory authority, the Equality Ombudsman, will also be deferred from 20 May 2027 to 20 May 2028.</p>	<p>The postponement follows concerns raised by employer organisations, which have argued that the originally proposed timelines would create significant practical challenges. The Government has acknowledged the need for additional preparation time in order to reduce the administrative burden on employers and labour market partners while still ensuring the effective implementation of the Directive's objectives, including the combating of pay discrimination and the promotion of pay equity. The Swedish Government has furthermore stated that the design of the Directive is overly administratively burdensome and therefore risks reducing the gains in gender equality. Therefore, a renegotiation of the Directive aimed at regulatory simplification will be initiated by the Swedish Government.</p>	<p>The six-month delay provides employers and social partners with additional time to adapt their processes and systems to the new regulatory framework. However, the postponement also means that the enhanced transparency measures intended to address unjustified pay gaps will take effect later than originally planned, which provides extended time to renegotiate the directive and make it easier for employers to comply. Employers should use the extended preparation period to review their pay structures, develop reporting capabilities, and ensure readiness for compliance by 1 January 2027. To support employers in meeting the new requirements, the Government has strengthened the Equality Ombudsman's administrative appropriation by SEK 25m for 2026 and SEK 34m for 2027 and onwards.</p>	<p>Employers and social partners should monitor the legislative process closely as the Government prepares and submits the revised bill to Parliament. Key steps going forward include reviewing internal pay-setting practices and documentation, building or adapting systems for the pay reporting obligations that will apply from 20 May 2028, and engaging with the guidance and support expected to be provided by the Equality Ombudsman. Organisations are encouraged to begin their preparatory work promptly to ensure a smooth transition when the new rules enter into force on 1 January 2027.</p>
<p>Proposed reforms to Labour Migration Rules</p> <p>On 16 December 2025, the Swedish Government presented Government Bill 2025/26:87 "New rules for labour immigration," proposing tighter conditions for work permits while facilitating entry for highly qualified workers. The legislative changes are proposed to enter into force on 1 June 2026.</p>	<p>Key measures include mandatory comprehensive health insurance, a minimum salary threshold set at 90% of the median wage (with possible exemptions for certain occupational groups), and authority to refuse permits where employers have been sanctioned or are suspected of offences. The bill also introduces two new criminal offences (exploitation of foreign labour and trade in work permits) raises fees for employing foreign nationals without work authorisation and extends the permitted duration for EU Blue Card and seasonal work permits.</p>	<p>If enacted as proposed on 1 June 2026, employers will face materially higher compliance obligations, including proof of insurance coverage, salary benchmarking, and enhanced due-diligence on role eligibility and corporate sanction history. Sectoral or role-based exclusions may constrain talent pipelines in affected occupations and could heighten staffing pressures, while the new criminal offences and higher administrative fees increase enforcement exposure for non-compliance. At the same time, longer permit durations and broadened in-country application routes for highly qualified workers may improve retention and reduce churn in critical roles.</p>	<p>Employers should map impacted roles against any salary-threshold exemptions or occupational exclusions, review and update recruitment and onboarding controls to capture insurance and wage-level verification, and audit corporate compliance histories to anticipate potential permit denials. Organisations relying on highly skilled talent should plan to leverage the extended EU Blue Card and seasonal permit durations and assess eligibility for in-country applications.</p>



Switzerland

Development and date	Description	Impact and risk	Future actions
<p>Abusive dismissal Supreme Court ruling</p> <p>A recent decision of the Swiss Federal Supreme Court confirms that a strained relationship with a superior, a harsh management style and an employee complaint do not, of themselves, make a dismissal approximately one year later abusive. (In Swiss Labour law there are different reasons why a dismissal can be abusive, it may be discriminatory or wrongful.)</p>	<p>The Swiss Federal Supreme Court had to rule on a case in which an employee sought moral damages, damages and compensation for an abusive dismissal.</p> <p>The Federal Court rejected the employee's claims; even though there had been a significant conflict and inappropriate management behaviour, the strict requirements for bullying had not been met. A stressful conflict and a generally inappropriate management style are not sufficient in themselves to constitute bullying. According to case law, bullying requires repeated hostile acts over a longer period of time aimed at deliberately excluding or eliminating a person. In addition, after receiving the employee's complaint, the employer had taken documented and comprehensive measures to de-escalate the conflict and was able to demonstrate that the dismissal was not related to the employee's complaint approximately one year earlier.</p>	<p>The court decision confirms that the bar for bullying is high in practice. Nevertheless, in cases involving employee complaints, a Swiss employer should take appropriate measures to de-escalate conflict and document these measures well.</p>	<p>For awareness.</p>



Development and date	Description	Impact and risk	Future actions
<p>Constitutional Court decision regarding the law applicable to employment disputes involving a foreign element</p> <p>A decision of the Constitutional Court (the Court), published in the Official Gazette, held that dismissing a labour entitlement claim without examining the merits, solely on the basis of Russian law and a three-month limitation period, infringed the applicant's right to a fair trial.</p>	<p>The Court found that dismissing a labour entitlement claim case without examining the merits, based solely on Russian law and its three-month limitation period, violated the right to a fair trial. It emphasised that, in disputes with foreign (cross-border) elements (e.g. where one or more of the parties, the place of work, or the governing law is connected to another jurisdiction), the applicable law must be determined through a case-specific assessment of connecting factors rather than rigid assumptions.</p>	<p>This decision highlights the risk of disproportionate outcomes when courts apply foreign law presumptively, particularly short limitation periods, without considering factors such as work location, contract terms, nationality, or social security coverage, increasing legal uncertainty for international assignments.</p>	<p>Employers should review international employment contracts to ensure that the applicable law is determined based on all relevant connecting factors, including workplace location, contract terms, and employee status, rather than relying on assumptions. This approach will help safeguard employees' rights and minimise potential legal challenges.</p>
<p>Employment Protection Support Programme to protect employment levels</p> <p>On 3 March 2026, the Regulation on the Implementation of the Employment Protection Support Programme published in the Official Gazette, introduced procedures for a support programme encouraging manufacturing enterprises to maintain employment levels.</p>	<p>The programme is implemented under the coordination of the Ministry of Labour and Social Security, in cooperation with Small and Medium Industry Development Organisation (KOSGEB). To benefit from the support, enterprises must maintain in 2026 at least the same average level of insured employment (measured by social security premium days) as in November and December 2025.</p>	<p>The programme provides direct financial support to eligible manufacturing sectors, but enterprises must carefully monitor employment levels to qualify. Failure to meet the requirements may result in lost support and affect payroll planning.</p>	<p>Enterprises should review and adjust their workforce and payroll records to ensure they meet the eligibility criteria, monitor compliance throughout 2026, and plan loan or financial support usage in line with programme conditions.</p>



Ukraine

Development and date	Description	Impact and risk	Future actions
<p>Draft of the New Labour Code has been submitted to the Parliament</p> <p>In January 2026, the Cabinet of Ministers submitted a draft Labour Code aimed at modernising Ukraine's labour legislation to the Parliament.</p>	<p>The new Labour Code introduces a significant number of changes aimed at aligning Ukraine's labour legislation with the EU standards. These changes include establishing transparent criteria for defining employment relationships, expanding the types of employment contracts, providing the digitalisation of HR processes, updating the mechanism for determining the minimum wage, and increasing the duration of annual paid leave to 28 days, etc.</p>	<p>The proposed reforms are expected to make labour relations more predictable and transparent by introducing clearer rules for employment and workplace protections.</p> <p>A key risk for employers, in general, is the heightened compliance burden: stricter procedural requirements and broader employer obligations which may lead to greater legal exposure and financial consequences.</p>	<p>Since this is only a draft law submitted to Parliament, employers should closely monitor its further legislative progress. At this stage, it is not possible to predict when or in what final form the new Labour Code may be adopted.</p>



Development and date	Description	Impact and risk	Future actions
<p>Restrictions on the use of Non-Disclosure Agreements (NDAs) in discrimination and harassment cases</p> <p>On 15 April 2026, the Government published a consultation on regulations to prevent the misuse of NDAs in cases of workplace harassment or discrimination. The NDA reforms are not anticipated until 2027.</p> <p>Not all NDAs will be banned in discrimination and harassment cases. They will still be valid if they conditions are met for an “excepted agreement”.</p> <p>The consultation mainly focuses on what conditions should be met to form an excepted agreement.</p>	<p>The main conditions on what would constitute an excepted agreement include:</p> <ul style="list-style-type: none"> – The worker must receive written advice from a relevant independent adviser on the terms and effect and the legal limitations of the NDA. – After obtaining advice, the worker must confirm in writing that they wish to enter into the excepted agreement. – The consultation is proposing a mandatory 14-day cooling-off window which would give the worker a right to withdraw. 	<p>Once implemented this change will have a significant impact on an employer's ability to use NDAs when they are negotiating a settlement agreement and protect their reputation.</p> <p>Despite some high-profile instances of misuse, confidentiality provisions are still common in settlement agreements in the UK.</p> <p>The consultation does recognise that NDAs can have a legitimate use, and we will need to wait for the final set of rules to determine whether this approach will continue.</p>	<p>Employers could start preparations now and audit which employment agreements and settlement agreements contain NDAs.</p> <p>Once the final rules are in place there will need to be drafting changes, new processes and where appropriate training. In future employers may have less scope to rely on an NDA as a means of managing reputational risk.</p>
<p>Changes affecting unfair dismissal</p> <p>The Employment Rights Act 2025 (ERA) will shorten the current two-year qualifying period of employment for unfair dismissal claims to six months. This change will affect dismissals from 1 January 2027. This means that employees who start employment from July 2026 will gain employment protection by January 2027.</p> <p>The Government will also remove the cap on compensatory awards for unfair dismissal, which is currently the lower of GBP 118,223, or 52 weeks’ gross pay. This change will affect dismissals from 1 January 2027.</p>	<p>Many UK employers currently have a default six-month probationary period and will often allow an extension. The change will mean employees in those cases would gain unfair dismissal protection before the end of probation, reducing flexibility.</p> <p>The removal of the cap on compensatory awards, will lead to Increased financial exposure from dismissals.</p>	<p>Employers will need to focus on proactive management of employees <u>during</u> probationary periods and tackle underperformance early, in case dismissal is needed, to reduce associated claims risk.</p> <p>The removal of the cap will have a significant impact for exit discussions with high earners leading to increased settlement costs. Demands for bonus and equity are likely to be included. We may also see an increase in arguments for career-long loss. There may be a need for senior employees to be taken through a performance process.</p>	<p>Employers should ensure that they have strong recruitment processes. They should also review their probationary periods and processes including management training. Probationary decisions should be made before the 6-month period.</p> <p>Both changes are likely to lead to an increase in unfair dismissal claims and associated costs.</p> <p>These measures are part of wider employment law reforms contained in the Employment Rights Act 2025, which is being phased in over the next two years. Employers can track other changes (including other ongoing consultations) by visiting the CMS Employment Rights Act tracker.</p>



CMS Legal Updates subscription service

Sign up now for the free online email alert service delivering commentary, analyses and insights from CMS experts on the legal issues affecting your business, directly to your inbox.

[cms.law/subscription](https://www.cms.law/subscription)

The information held in this publication is for general purposes and guidance only and does not purport to constitute legal or professional advice.

CMS is an international organisation of independent law firms ("CMS Member Firms"). CMS LTF Limited (CMS LTF) is a company limited by guarantee incorporated in England & Wales (no. 15367752) whose registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AF United Kingdom. CMS LTF coordinates the CMS Member Firms. CMS LTF provides no client services. Such services are solely provided by CMS LTF's CMS Member Firms in their respective jurisdictions. CMS LTF and each of its CMS Member Firms are separate and legally distinct entities, and no such entity has any authority to bind any other. CMS LTF and each CMS Member Firm are liable only for their own acts or omissions and not those of each other. The brand name "CMS" and the term "firm" are used to refer to some or all of the CMS Member Firms or their offices; details can be found under "legal information" in the footer of [cms.law](https://www.cms.law).

CMS locations:

Aberdeen, Abu Dhabi, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Bengaluru, Bergen, Berlin, Bogotá, Bratislava, Brisbane, Bristol, Brussels, Bucharest, Budapest, Casablanca, Chennai, Cologne, Dubai, Dublin, Duesseldorf, Ebene, Edinburgh, Frankfurt, Funchal, Geneva, Glasgow, Gothenburg, Gurugram, Hamburg, Hong Kong, Hyderabad, Istanbul, Johannesburg, Kyiv, Leipzig, Lima, Lisbon, Liverpool, Ljubljana, London, Luanda, Luxembourg, Lyon, Madrid, Manchester, Maputo, Mexico City, Milan, Mombasa, Monaco, Mumbai, Munich, Muscat, Nairobi, New Delhi, Oslo, Paris, Podgorica, Poznan, Prague, Reading, Rio de Janeiro, Riyadh, Rome, Santiago de Chile, São Paulo, Sarajevo, Shanghai, Sheffield, Silicon Valley, Singapore, Skopje, Sofia, Stavanger, Stockholm, Strasbourg, Stuttgart, Sydney, Tel Aviv, Tirana, Vienna, Warsaw, Zagreb and Zurich.

Further information can be found at **[cms.law](https://www.cms.law)**