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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 late June/early July 2026.

The CMS Employment team

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Albania

On your radar

Development and date	Description	Impact and risk	Future actions
Minimum wage increase and higher payroll contribution thresholds Effective from 1 January 2026	Council of Ministers Decision No. 776 dated 19 December 2025 increased the statutory basic minimum wage from ALL 40,000 to ALL 50,000 per month. ALL means Albanian lek, Albania's national currency. The new wage is calculated based on 174 normal working hours per month, equal to ALL 287.3 per hour. The minimum basic wage applies to all employers operating in Albania, including foreign legal entities and individuals. Permanent supplements and allowances should be paid in addition to the basic wage and should not be used to satisfy the statutory threshold.	The measure has immediate payroll and employment-cost implications. Employers must ensure that no employee is declared below the new minimum wage and that salary documentation reflects the revised amount. The change also increases the minimum monthly salary base for social security and health insurance contributions to ALL 50,000. Employees already paid above the new minimum do not automatically receive a statutory proportional increase, unless this follows from their employment contract, collective agreement, internal salary scale or company policy. However, employers should assess wage compression and equal pay issues.	Employers should review their payroll from January 2026 onward, correct any underpayments, update contribution declarations, and amend contracts or salary notices that still refer to a basic wage below ALL 50,000. Part-time, hourly-paid and allowance-based arrangements should be checked separately, as the statutory hourly rate and the distinction between basic wage and supplements are important. The Government has also announced a medium-term objective to raise the minimum wage to ALL 60,000 in 2028 and to ALL 70,000 by the end of its mandate. These are policy targets, not yet binding legal thresholds, but should be reflected in workforce budgeting and salary-structure planning.

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On your radar

Development and date	Description	Impact and risk	Future actions
Angola reports progress in the Labour Market Sector 15 May 2026	At the headquarters of the International Labour Organization (ILO) in Geneva, Switzerland, Angola presented its key advances in labour market modernisation, particularly a training program aimed at providing skills to more than 500,000 citizens by 2027. The data was presented by the country's permanent representative to the United Nations Office in Geneva, Ambassador Ana Maria de Oliveira, at the event titled "Vocational Training for the Future of Work – Global Cooperation and Regional Perspectives," organised by Portugal's permanent mission in Geneva in collaboration with the ILO.	Speaking on the sub-theme, "National Experiences: Skills and Lifelong Learning in Portuguese-speaking Countries," the Angolan diplomat reaffirmed her country's commitment to providing technical training for its citizens and aligning national laws with international standards.	The event, closed by ILO Director-General Gilbert Houngbo, promoted dialogue among governments, international organisations, and partners from Portuguese-speaking countries, with a view to identifying policies that would make vocational training better suited to the needs of the labour market.
The National Social Security Institute (NSSI) launched a Green Certificate to recognise companies with an exemplary contribution history 13 May 2026	The Green Certificate is an institutional recognition initiative created to honour companies that stand out for their exemplary compliance with their contribution obligations to the Social Security System.	The initiative is part of the NSSI's strategies aimed at strengthening a culture of contribution compliance, corporate social responsibility, and the promotion of best practices in the Angolan business sector, fostering a relationship of greater trust between the State, employers, and workers.	Through this initiative, the NSSI aims to encourage voluntary and continuous compliance with social security contributions, promote a culture of compliance and transparency in contributions, strengthen trust between the business sector and Social Security, and foster business practices aligned with the principles of sustainability, legality, and social commitment. To qualify for the Green Certificate, companies must have an active Social Security registration, a regular contribution history without significant interruptions, no major non-compliance issues, and a contribution status that is fully up to date during the evaluation period.

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Development and date	Description	Impact and risk	Future actions
Presidential Decree 7/26 (Regulations on Professional Internships for Citizens Graduated from the Education and Vocational Education and Training System) was published 7 January 2026	The Regulations on Professional Internships was amended. They set out the rules, procedures and criteria for accessing and taking part in professional internships. The aim is to support employment by helping people who have graduated from the education, teaching and vocational training system, as well as current trainees.	This regulation applies to: (i) professional internships conducted within the national territory, in both the private and public sectors, (ii) professional internships at companies in the public business sector, whether at the national or local level. However, it does not apply to: (i) curricular internships integrated into courses at any level of education, and (ii) internships required by professional associations or bodies as a prerequisite for practising the respective profession.	Regarding the professional internship agreement, the law provides as follows: a) Before the internship begins, the Employing Entity and the intern must enter into a written professional internship contract, in accordance with the model approved by the Managing Entity, in compliance with the provisions of the General Labour Law, of which the individual internship plan forms an integral part; the adequacy of this plan is a condition for approval of the application. b) The same rules, terms, and contractual formalities apply to the Public Employment Contract for the purposes of Professional Internships in the agencies, bodies, and services of the Civil Service, with the necessary adaptations. c) During the term of the internship contract, the intern is subject to the regulations governing work duration and hours, daily and weekly rest periods, holidays, absences, as well as occupational safety and health standards, under the terms applicable to all employees or staff of the Employing Entity. d) The Internship Agreement must be submitted, within five days of its execution, to the Public Employment Service in triplicate for approval; one copy shall be retained by the Service, another by the Employing Entity, and another by the Intern, in accordance with these Regulations.

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Belgium

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Development and date	Description	Impact and risk	Future actions
Cap on notice periods and reintroduction of the probationary period 1 June 2026	For employment contracts entered into on or after 1 August 2026, the notice period will be set at one week if the contract is terminated during the first six months of service. For contracts entered into on or after 1 June 2026, the maximum notice period is capped at 52 weeks when the employee has at least 17 years' service.	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. In addition, limiting the notice period to one week during the first six months of employment allows for the reintroduction of the probationary period system.	Employment contract templates and HR policies should be reviewed and updated to reflect the new periods of notice.
Standardisation of voluntary overtime 1 April 2026	From 1 April 2026, workers will be able to work 360 hours of "voluntary overtime" per calendar year without having to give a reason and without being granted compensatory time off. No overtime pay is due for the first 240 hours of overtime worked. In the HORECA sector, the 360-hour limit will be increased to 450 hours, of which the first 360 will not entitle the worker to overtime pay. The worker's consent to work these overtime hours is still required and is valid for a renewable period of one year.	For employers, this is a beneficial arrangement. For part of the quota, currently 240 hours under the general scheme, there is no overtime pay, social security contributions and payroll tax. This makes the cost to the employer significantly lower than standard overtime. These hours also do not count towards the internal working time limit, giving employers greater flexibility to organise work during busy periods.	HR policies should be reviewed and updated to reflect the new overtime system.
General framework set out in the Work regulations 1 June 2026	From 1 June 2026, employers may set out, in the Work regulations, a general framework for normal working hours within the company, which specifies the periods during which work is carried out at the company. This framework must include a number of mandatory elements. Fixed full-time or part-time working hours that fall within this framework no longer need to be specified separately in the work regulations. Only fixed part-time working hours that do not fall entirely within this framework still need to be listed separately.	This measure simplifies the information that must be included in the work regulations regarding employees' working hours.	Work regulations templates and HR policies should be reviewed and updated to reflect this new regulation.

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Brazil | 1

Development and date	Description	Impact and risk	Future actions
Mental health and psychosocial risks in occupational risk management June 2026	NR-1 is the main Brazilian regulatory standard establishing general rules for occupational health and safety management, including employers' obligation to identify, assess and control workplace risks through their occupational risk management program. Recent amendments to NR-1 clarified that psychosocial risk factors must also be considered within this risk management framework. In practice, this means that risks such as work-related stress, harassment, excessive workload, lack of role clarity, inadequate leadership practices and other organisational factors that may affect workers' mental health should no longer be treated only as HR or wellbeing matters, but as occupational risks to be mapped, assessed, documented and addressed through preventive measures. In 2026, Brazil's Supreme Federal Court suspended the fines and sanctions linked to the new psychosocial risk rules for 90 days, following legal challenges and institutional debate over their scope and enforcement criteria.	Although the new rules remain under discussion, the STF decision was granted as an interim measure and does not represent a final ruling on the validity of the NR-1 amendments. As a result, the psychosocial risk provisions may become fully enforceable again, possibly with adjustments, clarifications or further guidance on implementation and enforcement criteria. Employers that pause compliance efforts may therefore face administrative exposure once inspections and sanctions resume, including fines, requests for documents, enforcement measures and scrutiny over their occupational risk management programs. In parallel, mental health is expected to remain a growing source of employment litigation in Brazil, including claims involving harassment, burnout, work-related illness, social security classification, damages and discriminatory dismissals.	Employers should continue using the suspension period to prepare for possible enforcement rather than pausing compliance efforts, because the interim suspension does not eliminate the underlying duty to protect employees' health and safety and may be lifted or replaced by more detailed enforcement guidance. In addition, preventive and well-documented measures can help reduce the risk of employment claims and strengthen the employer's defence in future litigation involving mental health, harassment, burnout or alleged work-related illness. In practical terms, this means reviewing existing occupational risk management programs, identifying how psychosocial risks will be assessed and documented, defining ownership between HR, legal, health and safety and occupational medicine teams, training leaders on early warning signs and appropriate management practices, and strengthening reporting, investigation and response mechanisms for mental health-related complaints, absences and accommodation requests.

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Development and date	Description	Impact and risk	Future actions
Independent contractor and PJ arrangements under STF review 2025/2026	The Brazilian Supreme Federal Court (STF) is currently reviewing the legal limits for engaging individuals as independent contractors or through legal entities, commonly known in Brazil as “PJ” arrangements. The discussion is relevant because Brazilian employment law is based on the principle that an employment relationship may be recognised whenever the factual elements of employment are present, regardless of the contractual label used by the parties. These elements generally include personal service, habitual work, remuneration and subordination. In 2025, the STF had suspended proceedings across the country involving this issue while the Court considered the matter.	Although the STF has lifted the broad suspension, the procedural risk has not been eliminated. Cases may now move forward in lower courts and Regional Labour Courts, meaning that employers may need to produce evidence, attend hearings and litigate the factual elements of each arrangement. However, the final procedural stage remains stayed until the STF issues its final ruling, which means that many cases may progress but not reach a definitive conclusion. This creates a period of uncertainty in which employers may face litigation costs, evidentiary burdens, inconsistent lower-court decisions and difficulty assessing final exposure. The future STF ruling may provide more uniform criteria on the boundary between lawful independent contractor arrangements and arrangements that should be reclassified as employment relationships. Reclassification may trigger exposure for unpaid employment rights, social security contributions, tax impacts, FGTS, penalties and potential collective or regulatory scrutiny.	Employers should review contractor models before the STF sets a final standard, because the absence of a final ruling does not prevent individual cases from progressing and generating litigation costs, document requests and evidentiary exposure. A proactive review can help reduce reclassification risk and strengthen the employer’s defence if the arrangement is challenged. In practical terms, companies should assess the business rationale for using contractors, review contract terms and actual working practices, avoid employee-like management, document autonomy and absence of subordination, and align legal, HR, procurement and finance teams on onboarding, payment, supervision and termination practices.

Bulgaria

Development and date	Description	Impact and risk	Future actions
Expected implementation of the EU Pay Transparency Directive A draft law amending the Bulgarian Protection against Discrimination Act was published for public consultation in May 2026, with the consultation period closing in June 2026. The EU transposition deadline was 7 June 2026 and the Bulgarian implementation process is still expected to evolve.	The draft law aims to transpose EU Directive 2023/970, which strengthens the principle of equal pay for equal work or work of equal value through pay transparency and enforcement mechanisms. The proposed changes include pay transparency obligations before and during employment, employees' rights to pay information, gender pay gap reporting for larger employers and mechanisms to address unjustified pay differences. The draft has attracted comments during the public consultation, including whether certain provisions fully reflect the Directive's broader concept of "pay".	The new framework is expected to have a material impact on employers' recruitment, remuneration and HR governance practices. Employers may need to disclose salary information at the recruitment stage, maintain clearer and more objective pay-setting criteria and prepare for employee information requests. Larger employers will also need to ensure that reliable pay data is available for gender pay gap reporting. Organisations with fragmented pay structures, limited documentation or inconsistent remuneration practices may face increased employee claims, regulatory scrutiny and reputational risk.	Employers should monitor the legislative process closely and review the final Act before implementing definitive compliance steps, as the Bulgarian-specific requirements may differ from the current draft. In parallel, businesses should start preparing by reviewing job architecture, pay bands, salary-setting criteria, bonus and benefit structures, recruitment templates and HR/payroll data availability. Early preparation will be important, but final policies and templates should be aligned with the Bulgarian legislation once its exact scope and practical requirements are confirmed.

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China

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Development and date	Description	Impact and risk	Future actions
Employment protection for elderly workers In May 2026, the Ministry of Human Resources and Social Security, together with several other government authorities, jointly issued the Interim Provisions on the Protection of Basic Rights and Interests of Elderly Workers ("the Provisions"). The Provisions will come into effect on 1 July 2026.	With the rapid aging of the workforce and the growing participation of individuals beyond the statutory retirement age, the legal status, rights and protection of elderly workers has become a focal point in both judicial practice and corporate workforce management. The Provisions establish for the first time a dedicated legal framework at the national level for the engagement and protection of elderly workers. Specifically, the Provisions clarify the legal definition and scope of the elderly workers, the basic rights and interests that shall be enjoyed by elderly workers, the terms and conditions that can be negotiated and agreed between the employer and the elderly workers, and the mechanisms for resolution of different kinds of disputes related to elderly workers.	According to the Provisions, when an employer engages any elderly workers, there are compliance requirements to meet: (i) mandatory contribution of work-related injury insurance for elderly workers; (ii) provision of remuneration to elderly workers no lower than the local minimum wage standard and at least once a month; (iii) provision of overtime payment or compensatory time-off for overtime work conducted by elderly workers; and (iv) provision of workplace safety and health training to elderly workers. If the employer fails to fully meet the compliance requirements, the elderly worker will be entitled to file an administrative complaint, labour arbitration or civil lawsuit against the employer depending on the nature of the dispute.	Employers in China are advised to conduct an internal workforce review to identify individuals who may qualify as elderly workers under the Provisions. If any elderly workers are identified, we advise such employers to review the existing work agreements with them and amend the documents where necessary. Also, for existing elderly workers, employers in China should ensure all compliance requirements in the Provisions be fulfilled after the Provisions take effect.

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Croatia

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Amendments to the Foreigners Act Following the last amendments to the Foreigners Act in March 2025, the Croatian Parliament adopted further amendments to the Act in May this year. These amendments, which entered into force on 4 June 2026, are primarily motivated by the need to align national law with EU law, due to the start of application of the Pact on Migration and Asylum in June 2026.	Key amendments include: – introducing a requirement to pass a Croatian language and Latin script exam within one year of residence as a condition for extending the residence and work permit; – allowing job changes with the same employer, and/or a change of employers during the period of the valid residence and work permit, (subject to a labour market test); – stricter conditions for obtaining a residence and work permit (including demonstrating a higher share of domestic employees, proof of 12 months' account inflows, not being included on the list of employers using undeclared work etc.); – obligation for management boards consisting of only third-country citizens to obtain a work and residence permit for at least one member; and – extending the permitted unemployment period within the validity of a residence and work permit.	The amended provisions improve protection and working conditions for third-country employees and increase their job flexibility. At the same time, the amendments introduce stricter requirements for employers that wish to hire third-country citizens.	Both employers and third-country citizens should understand the new amendments to the Act in order to fulfil all necessary administrative and legal requirements. Employers should assess their eligibility for hiring third-country employees beforehand and plan accordingly to avoid the risk of penalties, delays and additional administrative burdens. Companies that have a management board consisting of only third-country citizens should take appropriate steps in regulating their immigration status in Croatia.
Amendments to the Act on Suppression of Undeclared Work New amendments to the Act on Suppression of Undeclared Work were adopted by Parliament on 15 June 2026 and will enter into force on 7 July 2026.	The new amendments address existing gaps in the legal framework regarding labour inspection procedures and introduce higher misdemeanour fines. The amendments are partially linked to the amendments of the Foreigners Act, which require that employers must not be included on the list of employers found to have engaged in undeclared work in order to obtain work and residence permits for their employees.	The amendments clarify the procedures followed by labour inspections when identifying undeclared work. Administrative sanctions are adjusted to have a stronger impact on employers who repeatedly engage in undeclared work, primarily through higher penalties, ensuring a more proportionate approach depending on the severity of the breach. Overall, the amendments are expected to improve the practical application of the Act by introducing a more effective, systematic and modern approach to addressing undeclared work.	Employers should regularly review their HR processes in order to detect and prevent any undeclared work. They should also ensure proper record-keeping and documentation in case of inspections. Particular attention should be given when engaging independent contractors, as these arrangements carry a higher risk of being reclassified as undeclared work and may consequently expose the employer to significant penalties.

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Development and date	Description	Impact and risk	Future actions
Draft Pay Transparency legislation The draft was published on 26 March 2026. Proposed effective date: 1 January 2027 (reporting and pay assessment obligations taking effect from 1 January 2028).	The Czech Government has published a draft law transposing the EU Pay Transparency Directive. The draft introduces mandatory remuneration systems, requiring employers to classify work into categories based on objective, gender-neutral criteria (complexity, responsibility, and strenuousness). It prohibits asking candidates about their pay history and requires employers to disclose the minimum pay for a position before commencing negotiations on employment. Employees will have the right to request gender-disaggregated pay data. The reporting involves: (1) a pay gap report prepared by the Ministry of Labour and Social Affairs, based on data from JMHZ (Unified Monthly Employer Reporting); and (2) a report on pay gaps within work categories, prepared by the employer. Both apply to employers with 150+ employees from 2028, with the threshold lowering to 100+ employees by 2031. Where an unjustified gap of 5%+ is identified in any work category, the employer must carry out a pay assessment and consult it with trade unions and the works council (if they exist).	The new framework significantly increases pay transparency and provides employees, trade unions and work councils with concrete data to support equal pay claims in court. The Ministry will publish pay gap data through a public information system, enabling comparison by employer size, sector, and region – including data for the preceding four years. Where an employer breaches transparency obligations, a reversed burden of proof applies in pay discrimination litigation. Non-compliance carries fines of up to CZK 1,000,000 (approx. EUR 40,000) for the most serious breaches (e.g., failure to establish a remuneration system, failure to prepare the report, or asking about pay history), with fines of up to CZK 400,000 (approx. EUR 16,000) for other transparency violations (e.g., restricting employees' right to share pay information, failure to provide requested data).	Employers should: – begin auditing current pay structures and identifying unjustified gender pay gaps across all work categories; – establish or update remuneration system to ensure compliance by 1 January 2027; – prepare internal processes and systems to respond to employee information requests within the two-month statutory deadline; – ensure accuracy of data reported via JMHZ, as this will serve as the basis for pay gap reports prepared by the Ministry; and – update recruitment processes and ensure disclosure of minimum pay before commencing negotiations.

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Development and date	Description	Impact and risk	Future actions
Draft Platform Work Act The draft was published on 26 March 2026. Proposed effective date: 1 December 2026.	The draft transposes the EU Platform Workers Directive. It introduces a rebuttable legal presumption of employment for platform workers where indicators of dependant work are met, shifting the burden of proof to the platform or intermediary to disprove at least one indicator. The presumption is tied to the newly redefined characteristics of dependent work that were reduced from four to two: (i) work performed on the employer's behalf and account, and (ii) a relationship of subordination. The draft establishes rules on algorithmic management requiring transparency and human oversight, prohibits processing of certain sensitive data, and gives workers the right to human review of significant automated decisions. The platform and intermediary are jointly and severally liable for obligations towards platform workers.	Digital platforms operating in the Czech Republic may face reclassification of their workers as employees, with associated costs (social security contributions, leave entitlements, employment protections). Algorithmic decision-making will require documented human oversight; decisions to restrict, suspend or terminate a worker's account must be made by a human. Non-compliance carries fines of up to CZK 3,000,000 (approx. EUR 120,000) (or prohibition of activity) for the most serious breaches. In the area of personal data protection, fines may be imposed in accordance with GDPR.	Platforms should: – assess whether the legal presumption of employment could apply; – review their algorithmic management practices and prepare for transparency, human oversight and human review obligations.
Unified Monthly Employer Reporting (JMHZ) Effective from 1 January 2026. Standard reporting from April 2026.	The JMHZ system centralises employer reporting obligations into a single monthly electronic submission to the Ministry of Labour and Social Affairs, which distributes data to social security, tax, statistics, and employment authorities. From April 2026, employers must file regular monthly reports. The system replaces multiple separate reports previously filed to different institutions and will also serve as the data source for pay transparency reporting.	Employers benefit from reduced administrative burden. However, they must ensure their payroll and HR systems are compatible with the new electronic format. The system is now fully operational with no further transitional relief. Penalties are scaled: fines for late or non-filing are calculated as a multiple of the number of registered employees × CZK 5,000 (approx. 200 EUR); other administrative offences carry fines of up to CZK 100,000 (approx. 4,000 EUR) depending on the nature of the breach.	Employers should: – verify that April-June 2026 reports have been filed correctly; – ensure registration and de-registration of employees within statutory deadlines.

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France

Development and date	Description	Impact and risk	Future actions
Additional birth leave A new right to additional birth leave has been introduced in addition to maternity, paternity, and adoption leave. This applies to employees, self-employed workers, and civil servants. Two implementation decrees, Nos. 2026-419 and 2026-425, dated 30 May 2026, specify the terms and conditions for this leave. This leave took effect on 1 July 2026.	Each parent of a child born or adopted on or after 1 January 2026 or born before that date if the due date was on or after 1 January 2026, is eligible for this leave. The leave lasts one or two months, at the parent's discretion. If a parent opts for two months of leave, he or she mays take it all at once or split it into two one-month periods. In principle, this leave may only be taken after all entitlements to maternity leave, paternity leave or child-reception leave, or adoption leave have been exhausted. The leave may be taken simultaneously by both parents or at separate times. The leave must be taken within a period of nine months from the child's birth or from the child's arrival in the household in the case of adoption. For children born or adopted between 1 January and 31 May 2026, the nine-month period begins on 1 July 2026.	The employee must notify the employer of the start date of the leave, its duration, and, if applicable, whether it will be taken in separate periods, by registered letter with acknowledgement of receipt or hand-delivered letter against receipt one month before the start date of the leave. This notice period is reduced to 15 days when the leave immediately follows the end of paternity, or adoption leave or when the employee wishes to begin their additional birth leave during the month following the child's birth or arrival in the household. The employer cannot deny leave to an employee who requests it. During additional birth leave, the employee receives social security benefits on a sliding scale: 70% of the reference net salary for the first month, then 60% for the second, up to the social security ceiling. During the leave period, the employee enjoys relative protection against dismissal and may only be dismissed in the event of serious misconduct or if it is impossible to maintain the employment contract for reasons unrelated to the employee's taking of leave.	Additional birth leave is expressly considered a period of actual work for the purpose of determining the employee's seniority-based entitlements. The employee also retains all the benefits he or she had accrued prior to the start of the leave. At the end of the leave, the employee returns to his or her previous position or a similar position with at least equivalent pay.
Mutual termination of an individual's employment Social partners established specific compensation rules for beneficiaries whose employment contracts were terminated by mutual agreement. The new rules will be effective on 1 September 2026.	The duration of unemployment benefits for individuals who have entered into a mutual termination is set at 15 months for recipients under 55 years of age (instead of 18 months), 20.5 months for recipients aged 55 or older (instead of 22.5 months for those aged 55–56 and 27 months for those aged 57 and older). Specific durations apply to recipients residing in overseas territories other than Mayotte.	Beneficiaries aged 55 or older may request the maximum benefit periods under general law, which will be granted subject to an assessment by France Travail (the French Unemployment Agency) – in the 12th month of benefits – of the steps they have taken to pursue their career goals. These job seekers receive personalised and intensive support from France Travail, in accordance with specific guidelines.	In the event of a deterioration in the labour market, the social partners must initiate negotiations to adjust the maximum duration of unemployment benefits if either of the following two conditions is met: (i) either an increase of 0.8 percentage points or more in the unemployment rate in France (excluding Mayotte) over a quarter, or (ii) if that same rate reaches a level of 9% or higher.

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Development and date	Description	Impact and risk	Future actions
Many legislative changes affecting various sectors are currently on the horizon in Germany: – the German Act on Compliance with Collective Bargaining Agreements (*BTTG*) has come into effect; – a bill on the German Working Hours Act (*ArbZG*) has been brought forward; – consultations on transposing the Pay Transparency Directive are currently underway; – the so-called "status determination procedure" is due to be reformed; – a scheme for partial incapacity for work is to be introduced; – a pensions commission has recommended numerous changes to the pensions system.	**German Act on Compliance with Collective Bargaining Agreements (*Bundestariftreuegesetz – BTTG*) came into effect on 1 May 2026**: The German Act on Compliance with Collective Bargaining Agreements (*BTTG*) will in future require companies awarded federal contracts worth EUR 50,000 or more to comply with working conditions laid down by the German Federal Ministry of Labour and Social Affairs by statutory instrument, regardless of whether they are themselves bound by a collective bargaining agreement. Moreover, they must fulfil extensive obligations regarding information, documentation and evidence.	Breaches may result in consequences such as contractual penalties or termination of the contract.	Companies wishing to perform federal contracts are advised to familiarise themselves with the working conditions laid down by statutory instrument at the earliest opportunity, to take them into account when calculating their bids, and to apply them while performing the contract.
Distinguishing between freelancers and employees	In Germany, a reform of the German Pension Insurance's so-called "status determination procedure" is pending. The distinction between self-employment and dependent employment has been a source of considerable legal uncertainty for decades. Furthermore, the German government has made it clear that the transitional provision for self-employed teachers, which is set to expire at the end of 2027, is not to be extended to other occupations.	The risks for employers when hiring freelancers are very high. In addition to having to pay back social security contributions, there is a risk of criminal prosecution if a supposed freelancer actually should have been employed as a staff member. There is an urgent need for clarification from the legislature.	If in doubt, employers should pursue a status determination procedure with German Pension Insurance (DRV) in advance.

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Development and date	Description	Impact and risk	Future actions
Draft bill on the German Working Hours Act (*Arbeitszeitgesetz – ArbZG*)	A current draft bill on the German Working Hours Act (*ArbZG*) includes statutory requirements for recording working hours in relation to the start, end and duration of the daily working period by electronic means. Furthermore, the German government's coalition agreement provides for a switchover to weekly working hours. To date, Germany has (only) maximum daily working hours. It is currently unclear whether the draft bill will permit maximum weekly working hours only within the framework of collective bargaining agreements and works agreements, or whether they will apply across the board.	There is already an obligation to record working hours in Germany even without specific legislation, only it is not yet subject to fines. Fines are only imposed if occupational health and safety authorities issue the relevant requirements. Failure to keep records also gives rise to litigation risks. The amendment to the German Working Hours Act (*ArbZG*) would make violations directly punishable with a fine. Switching to a weekly working time system would allow for working hours to be allocated more flexibly depending on the workload and would therefore be desirable not just for companies bound by a collective bargaining agreement. Against this background, a corresponding modification through legislative proceedings would be desirable from the perspective of a company owner.	It is advisable to monitor the progress of the legislative process and, if necessary, to introduce an electronic time-recording system in good time before the legislation comes into effect.
German Transparency in Wage Structures Act (*Entgelttransparenzgesetz – EntgTranspG*)	A national law implementing the provisions of the Pay Transparency Directive is still a long way off in Germany. According to reliable sources, government consultations are scheduled for August 2026.	Many of the strict requirements of the Pay Transparency Directive apply even without their transposition into national law. This is because when interpreting the undefined legal terms in the (old) German Transparency in Wage Structures Act of 2017, the specific provisions of the Directive must already be applied. The specific implications of a German implementing act are still unclear, as no draft legislation has been brought forward yet.	Companies are advised to establish transparent, gender-neutral pay structures that comply with the Directive's requirements and to ensure that the necessary data are accessible. Existing systems and current remuneration should be reviewed and any pay gaps closed.

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On your radar

Development and date	Description	Impact and risk	Future actions
Introduction of partial incapacity for work	As part of a bill aimed at stabilising contributions to the statutory health insurance scheme, there are plans to introduce “partial incapacity for work”. Under the proposed new regulations, employees covered by statutory health insurance who are expected to be unable to work for a prolonged period due to an illness that is considered more than just minor will be able to partially resume their previous work whilst they are medically certified as being unable to work. An individual is entitled to partial sickness allowance for the duration of a recognised partial incapacity for work and the associated employment. The employer must compensate the employee for the hours actually worked with a corresponding pro-rata wage.	Human resources departments have considerable additional organisational work to do. It is also unclear whether partial incapacity for work could raise the threshold for the validity of dismissals due to illness.	The options for deploying staff who are sick should be reviewed. Under some circumstances, adjustments will also have to be made to time recording, payroll accounting and calculating holiday entitlements. Bonus schemes, special payments, etc. may need to be revised.
A dedicated pension commission has recommended numerous changes to the German pension system	The changes which have been recommended include raising the standard retirement age, abolishing the special provision for particularly long-term insured persons, raising the retirement age for long-term insured persons to 64 (currently 63), abolition of the so-called “block model for part-time employment for older employees”, allowing partial retirement only from the age of 58 (currently 55), inclusion of the self-employed and members of the German federal parliament and state parliaments in the statutory pension insurance scheme, and abolition of so-called “mini-jobs”.	If the Commission's proposals were to be implemented, the “mini-job” – which is an attractive option for many employers, for example to cover off-peak hours – would-cease to exist. Part-time employment for older employees, which is an important tool in restructuring, would also no longer exist. In both cases, employers will have to opt for more expensive measures in certain situations.	It is not yet possible to say, as no draft bill is available at present.

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Hong Kong

Development and date	Description	Impact and risk	Future actions
Recognition of the common law tort of harassment and employers' standing to seek injunctive relief The Court of Final Appeal confirmed that the common law of Hong Kong recognises a tort of harassment. The tort is available only to natural persons. A company has no cause of action in the tort itself. However, a company (as an employer) may apply for injunctive relief to restrain harassment directed at its current employees to protect its duty as an employer, where the conduct interferes with the employer's common law duty to provide a safe working environment. An employer may also seek injunctive relief to restrain harassment of its legal advisers where such conduct interferes with the employer's right to obtain legal advice and representation.	In *Sir Elly Kadoorie & Sons Ltd v Samantha Jane Bradley* [2026] HKCFA 2, the Court of Final Appeal confirmed that the common law of Hong Kong recognises a tort of harassment. The tort protects a person against a course of sufficiently repetitive, unreasonable and oppressive conduct which causes (or which the harasser ought reasonably to know would cause) worry, alarm, emotional distress or annoyance. The conduct must objectively amount to harassment in the ordinary sense of the word. The harasser must intend to cause harm or be reckless as to whether harm would be caused. To complete the tort, the victim must have suffered actual distress caused by the harassment; mere financial loss is insufficient. The Court held that a company has no cause of action in the tort of harassment itself, as it cannot suffer emotional distress. However, a corporate employer has standing to seek injunctive relief in its own name to restrain harassment directed at its current employees where the conduct interferes with the employer's common law duty to provide a safe working environment. Such relief may be granted on a freestanding basis or by way of representative action, and may include *quia timet* relief (preventive injunctions to restrain threatened future conduct). The scope of any such injunction is limited to the working environment. An employer may also seek injunctive relief to restrain harassment of its legal advisers where such conduct interferes with the employer's right to obtain legal advice and representation.	The judgment provides employers with a clear basis to seek injunctive relief to protect current employees from harassment affecting the workplace, including in remote and digital working arrangements that form part of the working environment. While a company cannot itself claim damages in harassment, the availability of injunctive relief (including to protect the employer's right to legal representation) is a significant development. The Court emphasised that any application for injunctive relief must be properly pleaded with evidence of interference with the employer's duty (or, in the case of lawyers, with the right to legal advice and representation) and remains subject to the court's discretion.	Employers should review their policies and procedures for addressing harassment in physical, remote and digital working environments. Where serious or persistent harassment of current employees occurs, employers should consider seeking early legal advice on whether injunctive relief (including quia timet relief) is appropriate and how any application should be framed. Training for managers and HR on identifying relevant conduct, and maintaining proper records of complaints and steps taken, is advisable.

Hungary | 1

On your radar

Development and date	Description	Impact and risk	Future actions
Hungary stops guest worker residence permits On 6 June 2026, Government Decree No. 92/2026 (VI.5.) amending a previous Decree on the employment of guest workers in Hungary entered into force, altering the rules governing the issue of guest worker residence permits. The Hungarian Government further withdrew the notice of the Ministry of Foreign Trade and Foreign Affairs, which had allowed citizens of the Philippines to be employed with such a permit.	From 6 June 2026, it is no longer possible to apply for a new guest worker residence permit. Based on the Government's decision, there is currently no third country whose nationals would be eligible to apply for a residence permit for this purpose. In practice, this means that no new applications for guest worker residence permits may be submitted in future. The amendment does not affect ongoing procedures based on applications already submitted, provided that the application for a guest worker residence permit was submitted and the administrative service fee was paid by 5 June 2026 at the latest. Further, third-country nationals holding a guest worker residence permit valid prior to 6 June 2026 may apply for the extension or reissue of their permit in line with the previous regulations.	The employment model based on the guest worker residence permit has been abolished for the future; however, the residence permit for employment purposes remains available to eligible third-country nationals. Businesses employing individuals with valid guest worker residence permits should review the status of these employees and ensure that extension applications are submitted well before the expiration of individual permits.	Pursuant to Government Decision No. 1153/2026 (V. 18.) on the employment of third-country nationals in Hungary, the Government has ordered a comprehensive and urgent review of laws relating to the employment of third-country nationals in Hungary, and the preparation of related legislation. Accordingly, further legislative changes are expected in this area in the near future. Affected employers should also be alert to future legislative changes that could affect the employment of third-country nationals.

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On your radar

Development and date	Description	Impact and risk	Future actions
Pay Transparency Directive to be transposed On 10 May 2023, the European Parliament and the Council of the European Union adopted Directive (EU) 2023/970 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms. Member States had to transpose the provisions of the Directive into their national law by 7 June 2026. At the time of writing, Hungary had begun working on the transposition of the Directive, however, the proposed national regulation is still not available.	The European Union Directives cannot, in and of themselves, be directly applied to legal relationships between employers and employees in the private sector. Therefore, as a general rule, an employee cannot directly invoke an EU Directive that has not yet been transposed against their employer, even if the deadline for transposition specified in the Directive has already expired. Accordingly, in the absence of its transposition into Hungarian law, the Directive cannot impose any obligations on an employer.	Hungarian courts are required to apply the relevant Hungarian rules in accordance with the objectives of the European Union Directives. The practical significance of this is that in court proceedings concerning labour matters or equal treatment, the court may apply the currently effective Hungarian legislation in a manner that takes into account the principles represented by the Directive, even in a way that is more favourable to the employee. In summary, although the Directive itself cannot be directly invoked as a basis for a claim, it may substantially influence the outcome of legal disputes.	Several practical and risk management considerations suggest that it is advisable to prepare now for the application of the rules in the Directive. On the one hand in a labour dispute, the court may interpret current Hungarian regulations in accordance with the Directive's purpose, which in practice could lead to obligations with a content similar to that of the Directive. On the other hand, the transposing legislation is expected to enter into force with little preparation time; therefore, a preliminary review of salary and classification structures, as well as information processes, are definitely necessary. Further, simply rejecting requests for information could pose risks in terms of reputation and labour relations, especially if employee representatives cite the Directive.

India | 1

On your radar

Development and date	Description	Impact and risk	Future actions
Introduction of Central Rules under the Labour Codes for workplaces On 8 May 2026, the Ministry of Labour and Employment ("MoLE") notified the central rules under the newly implemented Labour Codes ("Central Rules").(Notification in India is the official term when secondary legislation is brought into effect.)	MoLE notified the following four Central Rules: the Code on Wages (Central) Rules, 2026; the Industrial Relations (Central) Rules, 2026; the Occupational Safety, Health and Working Conditions (Central) Rules, 2026; and the Social Security (Central) Rules, 2026. These rules broadly apply to establishments controlled by the central government or operating in sectors such as railways, oil fields, major ports, telecommunications, mining, banking, and insurance. Establishments operating across multiple states in India also come under the purview of the Central Rules for compliances relating to social security benefits. Further, with this notification the provisions under the rule-making powers of the Central Government are also fully in force.	The notification of Central Rules leads to complete implementation of the Labour Codes for covered establishments. While administrative bodies and officials for inspection are yet to be appointed, enhanced penalties under the Labour Codes are likely to now be enforced for these establishments.	Establishments must review their existing policies and practices and comply with the Central Rules, particularly on registration, workplace safety, welfare measures, grievance redressal, conciliation proceedings, and social security benefits, to the extent applicable. All establishments, including those governed by state rules under the Labour Codes that are yet to be notified, should enhance preparedness as these rules are expected to be notified shortly.
Transgender rights in the workplace On 22 May 2026, the Ministry of Social Justice and Empowerment notified 25 May 2026 as the date of commencement of the Transgender Persons (Protection of Rights) Amendment Act, 2026 ("TP Amendment Act").	The TP Amendment Act modifies the Transgender Persons (Protection of Rights) Act, 2019 most significantly by narrowing the definition of "transgender person". It expressly excludes trans men, trans women, genderqueer persons, and self-perceived transgender persons, and clarifies that individuals with different sexual orientations or self-perceived sexual identities are deemed never to have been included within the definition. The TP Amendment Act also replaces the earlier self-declaration and certification process with a mandatory, medically verified certification of identity and introduces additional offences punishable with imprisonment and fines.	The amended definition may require employers to revise internal workplace policies, including transgender policy, anti-discrimination or equal opportunity policies, and the PoSH policy with respect to its applicability. Employers may also need to introduce verification processes related to the identity of transgender employees to ensure compliance.	The constitutional validity of the TP Amendment Act has been challenged in the Supreme Court of India and is pending final adjudication. Hence, employers must monitor judicial developments closely for the final adjudication on constitutionality of the TP Amendment Act. Pending judicial clarity, employers may consider adopting a non-discriminatory approach and extending workplace protections, benefits, and equal opportunities to all transgender employees in the interest of employee welfare and well-being.

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On your radar

Development and date	Description	Impact and risk	Future actions
Strengthening compliance for prevention of workplace sexual harassment On 14 May 2026, the Department of Women and Child Development, Government of Maharashtra, issued a circular ("Circular") authorising designated officials to inspect establishments for compliance under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH Act").	While the PoSH Act has long been in force, owing to multiple instances of non-compliance by establishments coming under scrutiny, the Circular has been issued to strengthen and enforce adherence to the provisions of the PoSH Act. The Circular introduces a robust inspection framework across the state, empowering designated officials to inspect establishments for PoSH Act compliance. The Circular provides an exhaustive checklist for inspecting officers to assess organisational compliance, including whether the Internal Committee ("IC") is constituted, complaints are being addressed in time, awareness and training programmes are being conducted, the She-Box portal link and the PoSH policy are available on the website, among other requirements.	The Circular marks a decisive shift from paper-based compliance to active, verifiable enforcement across all establishments in the state. Employers are now subject to physical inspections by designated officers and must immediately audit their compliance with the PoSH Act. Establishments found non-compliant, risk penalties including imprisonment and cancellation of license/registration, in addition to the reputational, regulatory, and operational consequences.	In light of this proactive step towards protecting women from sexual harassment in the workplace, employers must remain highly vigilant and compliant. They should prepare for inspections by maintaining updated records, ensuring that all documentation is accurate, complete, and readily accessible for review by the designated authorities. These include IC constitution orders, PoSH policy, annual reports, complaint registers, training attendance records, and She-Box registration details.

Italy

On your radar

Development and date	Description	Impact and risk	Future actions
Pay Transparency & Gender Pay Equality On 7 June 2026 Italy transposed the EU Pay Transparency Directive, introducing comprehensive obligations on pay transparency and gender pay gap reporting for all public and private employers.	Key measures include: (1) the obligation to indicate the initial salary or pay range in job postings and before the interview; (2) a prohibition on asking candidates about current or previous pay, including through third parties; (3) the nullity of contractual clauses preventing employees from disclosing their pay; (4) a right of each employee to request annually written information on average pay levels by gender for comparable categories (response due within 2 months); (5) the obligation for employers with 50+ employees to make pay progression criteria accessible; (6) the periodic gender pay gap reporting for employers with 100+ employees (by June 2027 for 150+ employees; by June 2031 for 100–149); (7) mandatory joint pay assessment with worker representatives where an unjustified gender pay gap of 5% or more is found; (8) the presumption of compliance for employers applying a CCNL signed by comparatively most representative trade unions; (9) the reversal of burden of proof in pay discrimination claims. Domestic work and intermittent work are excluded.	For the first time, employees have a statutory right to know average pay levels by gender. Employers face new compliance burdens across the entire employee lifecycle – from recruitment ads to periodic reporting – and exposure to litigation with the reversed burden of proof. HR policies, job postings, interview processes, and internal pay structures will all need to be reviewed and updated. Non-compliance risks include enforcement actions by the Labour Inspectorate and damages claims.	The new law is in force from 7 June 2026 and reporting deadlines for gender pay gap are staggered. June 2027 for 150+ employees; June 2031 for 100–149 employees.

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Luxembourg

Development and date	Description	Impact and risk	Future actions
Wage indexation 1 June 2026	On 29 May 2026, Luxembourg's National Institute of Statistics and Economic Studies ("*STATEC*") announced that annual inflation reached 2.3% in May 2026, triggering a new wage indexation. Consequently, the new applicable value of the wage index scale is set at 992.24 points (formerly 968.04 points) and has come into effect on 1 June 2026. From that date, all salaries, wages, and pensions must be increased by 2.5%.	Employers are legally required to apply wage increases. Failure to comply with this obligation may result in a fine, for employers, ranging from EUR 251 to EUR 25,000. In the event of a repeat offence within two years, the maximum fine may be doubled.	Employers are required to adjust employee wages to comply with the applicable wage rates as soon as any increase takes effect. If the required adjustment has not been made in time, the employer must pay the outstanding wage differential retroactively, covering the period from the date the new rate became applicable.
Entry into force of sanctions relating to the right to disconnect 4 July 2026	The law of 28 June 2023 on the right to disconnect entered into force on 4 July 2023. The sanctions provided for by this law will be applicable three years later, i.e. from 4 July 2026. To comply with the law, companies must implement a specific policy setting out the practical arrangements for exercising the right to disconnect outside working hours. This policy must include: the time slots during which contact is not permitted; technical measures for disconnecting from digital tools (e.g., delayed sending, disabled notifications); awareness-raising and training measures; and compensation arrangements for exceptional derogations from the right to disconnect.	Where no compliant policy is in place, the employer must implement one after informing and consulting the staff delegation or, in its absence, all the employees concerned. In the event of an inspection conducted by the Labour and Mines Inspectorate ("*ITM*"), penalties for non-compliance (ranging from EUR 251 to EUR 25,000) came into force on 4 July 2026.	Employers must ensure that a compliant right to disconnect policy is in place before 4 July 2026.

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Mauritius

Development and date	Description	Impact and risk	Future actions
Employment law highlights from the budget On 19 June 2026, the Prime Minister and Minister of Finance of Mauritius gave the 2026/2027 Budget Speech. Among the principal legislative measures announced, here is a list of key employment law highlights.	Introduction of one paid day of menstrual leave per month for women suffering from menstrual pain or related symptoms in both the public and private sectors. Maternity leave will be extended from sixteen weeks to twelve months, with the first six months paid on full pay with the option of having the remaining six months available at half pay. Paternity leave will also be extended from four weeks to six weeks on full pay. The Portable Retirement Gratuity Fund (PRGF), the Social Contribution, and the National Savings Fund will be replaced as from July 2027 by the National Pension and Provident Fund. Foreign students will be permitted to undertake part-time employment of up to 30 hours per week during school/university holidays, representing an increase from the previous limit of 20 hours.	While certain commentators fear the risk of abuse of menstrual leave, this measure has been welcomed as a necessary addition in the labour landscape of the country following longstanding advocacy, awareness-raising and policy engagement by NGOs. The proposed maternity leave has been hotly contested by employers whose obligation to provide at least six months of leave on full pay will no doubt have significant financial and operational implications. Arguments have also been levelled against this measure on the basis that it would create to the risk of unfair discrimination against the employment of women. As from July 2027, the statutory deductions will therefore change, with a new system to be implemented. It is expected that the employer's obligations to withhold and pay such deductions on their employees' behalf will accordingly change. We are awaiting to receive the full details of this new system to analyse its implications. This measure aims to provide students with greater work experience while contributing to the Mauritian labour force.	Following parliamentary debates, the measure may be amended prior to being included in the Finance Act 2026 and the Workers Rights Act being amended to reflect this measure. The extended maternity leave, as proposed, would be borne solely by employers and not recoverable from the State. It remains subject to parliamentary debates. The measure is yet to be fully developed and subject to parliamentary debates. Following those debates, the relevant legislation, namely the Workers' Rights Act 2019, the PRGF Regulations 2020, the Social Contribution and Social Benefits Act 2021, and the National Savings Fund Act 1995. Following parliamentary debates, the measure may be amended prior to being included in the Finance Act 2026 and the relevant legislation amended.

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Mexico

On your radar

Development and date	Description	Impact and risk	Future actions
Workplace violence prevention and substantive equality reform Published in the Official Gazette of the Federation on 15 January 2026.	Employers must actively maintain violence free workplaces and provide mandatory, periodic, documented training on the prevention of gender based violence for all employees, regardless of rank. Internal protocols and reporting channels are now a legal requirement.	The main risks regarding this reform lie in increased operating costs, potential compliance simulation, HR administrative overload, and litigation risks from poorly managed investigations or unfounded complaints. If an employee suffers harassment in the absence of these measures, they may terminate with cause and claim full severance. Labour inspectors are already checking these training records as a primary checkpoint during workplace inspections.	Update internal policies, complaint protocols, and reporting channels. Implement and document periodic training sessions for all staff. Ensure all records are available for possible inspections.
Paternity leave extension Bill introduced on 14 January 2026. It is currently pending in the Chamber of Deputies, awaiting a committee report.	Legislative initiative to extend paid paternity leave from 5 to 30 business days upon birth or adoption, with absolute preservation of employment, seniority, and acquired rights.	Employers will need to cover longer absences, which may increase costs and make it harder to manage smaller or specialised teams. Failing to grant the leave could lead to reinstatement claims or severance obligations.	Start planning for the potential workplace and financial impact that a 30-day paternity leave may have. Update HR and internal policies ahead of time.
AI & Performing Artists' Rights reform Published in the Official Gazette of the Federation on 14 May 2026.	All contracts with performing artists (actors, broadcasters, musicians, singers) must now set out conditions and payment for any AI based use of their voice or likeness. Artists may authorise or prohibit digital cloning of their performances.	Companies in media, advertising, and entertainment must review their contracts to avoid copyright infringement claims. They need to get written consent and agree on payment before using AI to reproduce an artist's voice or image.	Review all existing contracts with performing artists. Add clear AI-use clauses to any new or renewed agreements. Get legal advice before using AI tools on older recordings.

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Monaco

On your radar

Development and date	Description	Impact and risk	Future actions
Time Savings Account (so-called "CET" in French) Monegasque legislation is expected to soon incorporate a new system for organising and regulating working hours, known as the "Time Savings Account" (CET in French). Originally based on a bill proposal from the Monegasque Parliament, the Monegasque government has agreed to turn it into a bill. The bill currently under review is expected to be voted on soon but may undergo changes in the meantime as part of negotiations between the National Council and the Government.	The CET is a system that allows employees to accumulate paid leave entitlements or to receive compensation - either immediately or at a later date – in exchange for, among other things, unused leave or rest periods. The implementation of the CET requires the conclusion of a collective bargaining agreement or a company-level agreement subject to approval by the labour inspectorate. Once implemented, the CET serves as an account in which the employee can allocate listed entitlements to it, including notably their accrued 5th week of paid leave or unused compensatory days off. Upon termination or transfer of the employment contract, the employee will receive a lump-sum payment corresponding to the monetary value of all rights credited to the CET.	The Government's bill does not provide for the possibility of establishing the CET by unilateral decision in the event that the negotiation of an agreement fails. However, to date, collective bargaining in the Principality plays a particularly marginal role. If the bill were to remain as is, it can be expected that it would be limited to the few companies in Monaco that have a culture of collective bargaining. Furthermore, the bill requires the establishment of insurance or a guarantee to protect employees against employer default. To date, the insurance terms associated with this mechanism are unknown. Finally, although participation in the CET is voluntary on the part of the employee, the employer must ensure that the use of this system does not infringe upon the employee's right to effective rest.	Employers can now begin to consider how this scheme can align with their organisation and what arrangements would be appropriate for their structure; these arrangements must be negotiated as part of a company-level agreement (in the absence of an industry-wide agreement). It will be necessary to assess the financial impact of the program and to make arrangements to fulfill the obligations associated with it, which include, in particular, an annual requirement to inform employees about the rights they have allocated. Finally, employers will need to prepare internal procedures to formalise an employee's decision to allocate rights to their CET account and the employer's approval of such allocation.

Norway | 1

Development and date	Description	Impact and risk	Future actions
Legislative proposal to expand the concept of work accident Legislative proposal intended to come into effect on 1 January 2027.	The Government has proposed amendments to Chapter 13 of the National Insurance Act to modernise the occupational-injury regime by widening the concept of "work accident" and clarifying the reversed burden of proof for occupational illness. The core change removes the requirements that the event be "unexpected" and the strain "unusual" compared with normal work. The proposed new section would include both "a sudden external event the member was exposed to in the work" and "a concrete, time-limited event entailing a strain or load" resulting from a not-wholly-trivial risk of the work or workplace. The assessment centres on the characteristics of the work or workplace, delimited against wholly trivial risk and the ordinary risks of life. Finally, it clarified that a listed illness shall be approved as an occupational injury unless the Norwegian Labour and Welfare Administration makes it probable that the conditions are not met.	The change is intended to give employees more realistic and fair protection matching occupational risk. The Ministry emphasises it is solely an improvement bringing more people within coverage, particularly groups exposed to danger in their ordinary work. In practice, employers will become responsible for more work-related injuries that until now were the employee's own risk. The core change does not apply to injuries caused by a work accident occurring before entry into force.	Systematic HSE work becomes even more important once the amendment enters into force, and the Ministry assumes the change gives employers a further incentive to prevent accidents systematically. Employers should follow the proposal towards the intended 1 January 2027 entry into force and review their occupational-injury insurance coverage, risk assessments and preventive routines.

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Norway | 2

Development and date	Description	Impact and risk	Future actions
NOU 2026:2 Policy for new generations Norwegian Official Report delivered 9 February 2026, consultation deadline 5 September 2026.	The report addresses the causes of falling birth rates and measures to reverse the trend. Several proposals in the report directly affect employment law, including changes to rules on parental leave, working time, discrimination protection and more. Key proposals include the simplification of the leave and parental-benefit framework, a new parental-benefit model, a time-limited pilot of paid reduced working hours for parents of small children and support for tripartite cooperation to improve work-family balance, also in male-dominated occupations.	The report's employment-law proposals could lead to changes in the parental-leave/parental-benefit rules, a new benefit model, and a potential shift from an unpaid to a pay-compensated right to reduced working hours for parents of small children. More flexible arrangements for leave would increase demands on staffing and absence planning for employers. Overall, the report promotes a future working life which to a greater extent adapts to employees' family situations.	Employers should follow the consultation (deadline 5 September 2026) and the subsequent legislative follow-up, and consider the implications for parental-leave administration, working-time/flexibility policies and staff planning.
Platform Work Directive Assessment ongoing, EEA-note updated 1 June 2026.	The Ministry of Labour and Social Inclusion have concluded that the Directive is EEA-relevant and acceptable, and the matter has reached the position-paper stage. The Ministry is still mapping the content of the individual articles and the consequences for Norwegian law. No public consultation or transposition bill has yet been published, and no implementation deadline has been set.	Transposition will require legislative amendments, primarily to the rules on working conditions, working environment and data protection. The Directive imposes new obligations on digital platforms (including correct classification of employment status and transparency around automated monitoring and decision-making systems), grants new rights to platform workers and their representatives, and creates new supervisory tasks for the authorities.	Businesses using digital platforms should monitor the EEA incorporation process and the forthcoming Norwegian consultation and legislation.

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Peru

Development and date	Description	Impact and risk	Future actions
Change in court ruling on severance pay for trusted staff A recent ruling by the Fourth Chamber of Constitutional and Social Law of the Supreme Court of Justice of the Republic, dated 20 April 2026, has come to light. Departing from earlier authority, the Court held that employees in positions of trust who are dismissed without cause are entitled to statutory severance pay for an arbitrary dismissal, regardless of whether they held that position from the start of their employment or were later promoted into it. Although workers have had statutory compensation rights for job loss for over a century, the 1970 Labour Stability Act first allowed employees dismissed without cause to seek reinstatement or severance pay. Case law later established that company managers and other employees in positions of trust are not entitled to reinstatement, but only to statutory severance pay. Although dismissal regulations have evolved, the law has never specified the consequences of dismissing employees in positions of trust. Since 1991, the current law has defined managerial and trusted employees, but it leaves the consequences of their dismissal for the courts to determine.	The absence of an explicit legal provision on this matter has led, for several years now, to a split in labour case law between judges who rule that employees in positions of trust are not entitled to statutory severance pay for unjustified termination and those who hold that they are entitled to such compensation. This divergence in legal opinions stems from the interpretation by some judges regarding the status of high-level public officials, such as ministers and advisors, who obviously do not enjoy any job security while holding such positions; for these officials, the judiciary established the concept of “withdrawal of trust” as an additional valid ground for termination of their employment. To avoid the uncertainty caused by this divergence in criteria, in 2018 the Supreme Court justices serving on the First and Second Chambers of Constitutional Law of the Supreme Court agreed, through what was termed the “Seventh Supreme Plenary Session on Labour Matters,” that in the case of managerial or trusted employees of private-sector companies and/or institutions, those who were hired directly into a position of trust or management are not entitled to compensation for arbitrary dismissal if their employer withdraws its trust in them; however, if they held a lower-level position and were promoted to a managerial or position of trust, they are entitled to receive the legal compensation for unfair dismissal.	The law does, however, allow judges to deviate from a precedent established by a “Plenary Session of the Supreme Court” if they provide a rationale for their decision in the respective ruling. Specifically, exercising this authority, the Fourth Constitutional Chamber of the Supreme Court – which was established in 2020 and did not participate in the Seventh Plenary Session – has decided, through the ruling in question, to depart from the precedent established in that Plenary Session and to rule that severance pay is due in the case of a trusted employee. This new ruling reopens the debate on severance pay for dismissed management or trusted personnel. Given the uncertainty of future litigation and the strength of the Court’s reasoning, Peruvian employers should assume they may be legally required to pay severance when terminating executive or trusted employees.	While it is to be expected that the Constitutional Judges of the Supreme Court will once again attempt to reconcile their approaches, we believe that until that happens **–** and until the hypothetical new agreement is absolutely binding on all judges **–** the best course of action for companies based in Peru is to treat the payment of severance pay as a very real and possible contingency in the event of termination of the employment relationship with executive and trusted staff.

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Poland | 1

Development and date	Description	Impact and risk	Future actions
Women on Boards Directive implementation Legislative works ongoing in Parliament; effective 14 days after publication.	The legislation implements the EU Directive aimed at improving gender balance among corporate directors. Large publicly traded companies will be required to ensure that the underrepresented gender holds at least the closest number to 33% of all management and supervisory board seats combined. Companies must apply neutral, clear, and non-discriminatory selection criteria, which must be strictly defined before the recruitment process begins. In the case of equally qualified candidates, priority must be given to the candidate of the underrepresented gender. Furthermore, management boards must report yearly the number of corporate directors of each gender. Shareholders' meetings must adopt and publish a gender balance policy on the company's website.	The regulation fundamentally shifts recruitment practices for top executive and supervisory roles. Non-compliance with reporting obligations or failure to implement the required policy risks severe financial penalties imposed by the Polish Financial Supervision Authority (KNF) of up to PLN 500,000 (approx. EUR 116,500). Litigation risks also rise sharply: rejected candidates with equivalent qualifications can sue for damages (not lower than the national minimum wage), and the burden of proof shifts entirely with the company to demonstrate that no discrimination occurred.	Large publicly traded companies should conduct an audit of their current board compositions against the 33% threshold and draft the required shareholders' meeting resolutions. HR departments must review executive recruitment procedures to ensure objective selection criteria are formally established prior to launching any future selection processes.
Simplification of social security benefit application rules Came into force on 1 July 2026.	New regulations significantly simplify the procedure for claiming social security benefits. Where the benefit is paid directly by the employer, employees may now submit applications via internal corporate systems, including email, HR/payroll platforms, or as a document scan. Electronic copies of documents and attachments are legally recognised as equivalent to documents signed by hand. In the event of justified doubts regarding the authenticity of a copy, the employer can demand the presentation of original documents.	This change aims to reduce bureaucracy and accelerate the administrative flow of benefit documentation. However, it introduces operational risks for employers regarding the secure and rigorous verification of digital applications and scans. HR and payroll departments will bear a higher level of responsibility for identifying potential irregularities before certifying and disbursing benefit payments.	HR and IT departments should adapt internal payroll software and email receiving protocols to ensure the secure acceptance and archiving of digital applications. Internal procedures should be updated, and payroll teams should be trained on the new criteria for accepting digital copies, as well as the protocols for requesting original documentation when necessary.

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Poland | 2

On your radar

Development and date	Description	Impact and risk	Future actions
Implementation of the government e-contracts system Came into force 20 June 2026. Some social security (ZUS) related provisions come into force on 6 December 2026. Full system rollout up to three years.	The new legislation removes previous restrictions, making the government e-contracts system available to all interested entities (it was previously limited primarily to micro-entrepreneurs employing up to nine people). The platform enables the fully electronic conclusion, amendment, and ongoing management of a wide range of employment-related contracts. The system will support employment contracts, mandate contracts (*umowy zlecenia*), non-compete agreements, and volunteer agreements.	Widespread access to the official e-contracts system will accelerate the digitisation of HR processes, reducing operational costs and paper document workflows. However, the key risk lies in the staggered three-year timeline for full implementation and the two-stage entry into force. The six-month delay for ZUS-related regulations may cause transitional difficulties in reporting and data synchronisation.	HR departments and legal teams should evaluate the company's technical readiness to migrate contract-signing processes to the government platform; monitor upcoming ministerial announcements regarding the release of specific system modules; and adapt internal HR/payroll software to the new ZUS reporting obligations taking effect in six months.
Amendment to the Labour Code - mobbing and discrimination Adopted by the Sejm; currently in the Senate.	The Sejm adopted an amendment to the Labour Code changing the rules on preventing mobbing and discrimination. Among other things, the Act will simplify the definition of mobbing by recognising persistent harassment of an employee as its fundamental characteristic and will grant the employer a right of recourse against the perpetrator of mobbing. The current version of the Act will impose on employers a duty to systematically prevent mobbing. In addition, employers with at least ten employees will be required to establish anti-mobbing rules in a separate set of regulations, work regulations, or a collective bargaining agreement. The Act will enter into force three months after its publication.	The new provisions will also apply to mobbing or discrimination that began before the Act's entry into force, provided that such conduct continued after that date (retrospective effect). The minimum compensation for mobbing will be set at no less than six times the minimum wage. In cases of repeated discrimination, the minimum compensation will be set at three times the minimum wage.	Employers with at least 10 employees must establish anti-mobbing and anti-discrimination rules (in a separate regulation, work regulations, or a collective bargaining agreement) agreed with trade unions or employee representatives within six months. All employers should review and, if necessary, update their existing anti-mobbing policies and related procedures to ensure compliance.

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Portugal

On your radar

Development and date	Description	Impact and risk	Future actions
Minimum monthly salary Effective from 29 December 2025	A new Decree contains the updated figures for the minimum monthly salary to EUR 920.00, up from EUR 870.	Companies must ensure compliance with the updated salary regarding full-time workers (and the proportional monthly salary to part-time workers)	Monitor compliance with new minimum salary thresholds.
New enforcement powers for equality body Effective from 16 March 2026	Restructuring of CITE (the Commission for Equality in Labour and Employment) and its organisational structure which will impact on pay transparency by enhancing CITE's powers along three pillars.	(1) Allows CITE to issue opinions on the existence of pay discrimination on the grounds of sex, for work of equal value or of equal worth, at the request of an employee or a trade union representative; (2) grants CITE the power to issue recommendations on pay equality plans; and (3) confers enhanced advisory functions including the possibility of requesting visits to workplaces to verify discriminatory practices.	The proposal aims to find the balance between flexibility and protection. Employers should review their pay transparency measures and pay structures.
Transport social security changes In place from May – end of July 2026	Deferral of social security contributions for transport sector operators for May, June and July 2026.	Sector-specific measure impacting cash flow and contribution obligations for eligible operators; requires strict monitoring of deadlines and conditions, as the deferral is temporary and non-extendable.	Employers should confirm eligibility, deferred payment calendar and accounting/contribution treatment.
Labour reforms	The Government approved the "Trabalho XXI" bill in Council of Ministers on 14 May 2026 and submitted it to Parliament in June 2026, where it was rejected. The proposal included time banks by agreement, parental leave changes, strike rules, youth employment, AI and work-life balance provisions.	While this proposal was rejected it provides context on recent legislative trends.	No immediate implementation required. Employers should monitor for possible resubmission.
Campaign 'Together for mental health at work', led by EU-OSHA	EU-OSHA Healthy Workplaces Campaign focused on preventing and managing psychosocial risks and promoting mentally healthy workplaces.	Raises awareness of psychosocial risks and promotes supportive, inclusive and mentally healthy workplaces across all sectors.	Review psychosocial risk assessments, train managers and strengthen wellbeing/mental health measures.

Singapore

Development and date	Description	Impact and risk	Future actions
Minimum qualifying salary for new Employment Pass (EP) and S Pass holders increased The Singapore Government announced during the Singapore Budget on 12 February 2026 updates to: (1) Minimum qualifying salaries for Employment Passes and S Passes; (2) Local Qualifying Salary (“**LQS**”) used for S Pass / Work Permit Quota; and (3) Work Permit Levies. The changes will be implemented progressively, starting on 1 July 2026 until 2028.	**LQS** The LQS sets the minimum salary that local employees must be paid in firms that hire foreign workers. The Singapore Government will raise the LQS for full-time local employees from SGD 1,600 to SGD 1,800 effective 1 July 2026. Local employees who are not brought up to the new LQS may no longer be counted (or may only count as 0.5) towards your S Pass / Work Permit quota, which can reduce room for foreign hiring or renewals. **Minimum salary** From 1 January 2027 and 1 January 2028 (for renewals): • minimum qualifying salary for Employment Passes (in all sectors except Financial Services) will be increased from SGD 5,600 to SGD 6,000; • minimum qualifying salary for Employment Passes (in the Financial Services sector) will be increased from SGD 6,200 to SGD 6,600; • minimum qualifying salary for S Passes (in all sectors except Financial Services) will be increased from SGD 3,300 to SGD 3,600; • minimum qualifying salary for S Passes (in the Financial Services sector) will be increased from SGD 3,800 to SGD 4,000. **Work Permit Levies** The Singapore Government will also adjust Work Permit Levies: • for the Marine and Process sectors, levies for basic-skilled workers will be raised by SGD 100 and SGD 150, respectively; • for the Manufacturing and Services sectors, the Singapore Government will simplify the current tiered levy structure. To give businesses time to adjust, these changes will take effect from 2028.	Employers should expect their payroll costs to increase as a result of the higher salary thresholds and levies, especially if they hire a large proportion of foreign employees. Employers may face a reduction in their foreign hiring quota if local staff are not brought up to the new LQS. Employers will need to re-price roles that are currently budgeted near the existing EP and S Pass thresholds. In the long-term, employers need to integrate the higher salary floors into their workforce and compensation planning.	Employers in Singapore should take the following actions to mitigate risk and navigate this development: 1. In the immediate short-term, employers should review their local employee salaries ahead of the LQS change on 1 July 2026. 2. In the medium term, employers should audit the salaries of their current EP and S Pass holders against the new thresholds. 3. In the longer term, employers should assess the impact of the changes on their S Pass and Work Permit quota entitlements and review their hiring budgets for roles commencing or renewing from 2027 onwards. Employers should also plan for the levy increases in the relevant sectors from 2028.

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Slovenia

Development and date	Description	Impact and risk	Future actions
Interventional Measures for the Development of Slovenia Act (ZIURS) On 11 May 2026, the National Assembly adopted the Interventional Measures for the Development of Slovenia Act (ZIURS), amending ten pieces of legislation. Following its adoption, the proponents of a referendum initiative filed a request for a referendum on the Act. As the Act also contains provisions amending tax legislation, the National Assembly adopted a resolution declaring the referendum inadmissible. On 12 June 2026, the petitioners submitted a request to the Constitutional Court for a constitutional review of the resolution. The Constitutional Court is required to rule on the admissibility of the referendum within 30 days. Should the referendum be declared inadmissible and the Act enter into force, it will introduce the following key changes.	**Social security contributions – cap** A social security contribution cap was introduced for the first time. Contributions are only due on income up to EUR 7,500 per month	Reduces contribution costs for high earners and their employers.	Update payroll systems. Assess impact on total employment costs.
	Pension insurance – dual status Persons meeting old-age pension conditions who continue working may now receive 100% of their pension while remaining in their employment (dual status). This replaces the previous system, under which pension benefits were generally reduced when a pensioner remained economically active.	Encourages retention of older workers.	Consider retaining retirement-eligible employees, as they can now receive a full pension while continuing to work.
	Employment – automatic termination Under the new law, an employment contract terminates by operation of law on the date the employee becomes eligible for an old-age pension. The employee may, 90 days prior to that date, submit a written request to continue the employment relationship. The employer must respond within 30 days; if the employer fails to respond, the employment relationship is deemed to continue under the same terms. The employee has the right to seek judicial protection.	Fundamental change to employment continuity. Employers must manage strict procedural deadlines. Non-response leads to automatic continuation.	Identify pension-eligible employees. Establish internal procedures for the 90/30-day windows. Update contracts and HR policies.
	Long-term care contributions The long-term care contribution is no longer deducted or paid from pensions.		

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Development and date	Description	Impact and risk	Future actions
The Protected Disclosures Bill 2026 (“Bill”) was published by the Minister of Justice and Constitutional Development 9 April 2026	The Bill introduces an entirely new statutory regime governing whistleblowing in both the public and private sectors. The Bill represents a decisive shift toward a regulatory, investigative and enforcement-driven model, complete with criminal sanctions, compulsory investigations, financial incentives for whistleblowers and central state oversight. The Bill introduces a broader concept of “discloser” and of “retaliation”. There are now compulsory investigation obligations including: – a five-day timeline for acknowledging disclosures; – preliminary investigations to be done within five days; – full investigations subject to prescribed procedural standards; and – ongoing feedback to disclosers.	The expanded definition of discloser significantly increases employer exposure and liability. Protection is no longer confined to the employment relationship as retaliation against associates of whistleblowers may also trigger liability. Retaliation is now a criminal offence, punishable by up to 15 years imprisonment. In regard to the compulsory investigation obligations, employers must appoint designated officers, conduct investigations with administrative justice principles and mandatorily refer matters to law enforcement agencies (in some cases). Failure to comply may expose the employer to complaints, judicial oversight and/or criminal consequences.	Employers must: – redesign whistleblowing policies and procedures; – appoint and train designated officers; – build or outsource investigation capabilities; – ensure data protection and confidentiality compliance; – align HR, legal risk and compliance functions.
Employment Equity Amendment Bill 2026 30 April 2026 – a notice of intention to introduce a private members bill and invitation to comment on the draft bill was published by Parliament in respect of the Employment Equity Amendment Bill, 2026 (“the Bill”).	The Bill aims to promote fair pay in a manner that aligns with the constitutionally protected right to fair labour practices and equality and in alignment with the International Labour Organisation Convention, 1951 (No. 100). Employers are prohibited from using both past and current remuneration when recruiting and when determining pay. They cannot use prior or current pay to justify income differences or defend unfair discrimination claims. Employees and applicants will have a right to discuss remuneration freely and cannot be restricted in sharing pay information.	Employers will be required to disclose remuneration or salary ranges during job classification, in job advertisements and when filling positions. They may also be required to provide salary information on request relating to an employee’s current role and for roles the employee has applied for or intends to apply for.	Employers will likely need to: – review and adjust pay-setting practices; – increase internal salary transparency; – ensure objective justification for pay differences.

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South Africa | 2

Development and date	Description	Impact and risk	Future actions
Employment Services Amendment Bill 2025 On 26 May 2026, the Minister of Employment and Labour published her intention to introduce the Employment Services Amendment Bill, 2025 in the National Assembly ("the Bill")	The Bill seeks to introduce a comprehensive regulatory framework for labour migration and employment services with a strong focus on the employment of foreign nationals. The Minister may set maximum quotas for foreign nationals employed by sector, occupation or region. The Bill sets out a detailed legal framework governing when and how foreign nationals may be employed. The Bill intends to regulate both inward and outward migration, including South Africans working abroad and their reintegration.	The new framework regulating foreign nationals introduces strict conditions for employing foreign nationals including: – verifying that the foreign national is legally entitled to work in the Republic of South Africa; – confirm no suitable South African candidate is available; – preparation of a skills transfer plan; – ensure employment terms are not inferior to those of local employees; and – to keep records of permits/visas. Labour inspectors are empowered to enforce compliance and penalties can reach up to ZAR 1m or 10% of turnover for serious or repeated breaches.	Employers should: – conduct a workforce audit which identifies foreign nationals and assess their compliance status; – train HR teams on the new requirements and update contracts of employment and policies to ensure compliance.

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Spain | 1

Development and date	Description	Impact and risk	Future actions
Law on the promotion of the social economy April 2026	Law 1/2026 introduces a broad reform of the legal framework for the social economy. It updates the regime relating to cooperatives, strengthens participation and equality measures, introduces mechanisms to prevent fraudulent use of cooperative structures, reforms insertion companies and incorporates new concepts such as social enterprises. (An insertion company is a Spanish social-economy business whose principal purpose is to help people experiencing vulnerability or social exclusion move into ordinary employment.)	Potential impact on cooperatives, insertion companies and other social economy entities. The reform may require governance, equality, participation and compliance updates, while creating new opportunities for entities operating in inclusion, employment and social impact sectors.	Review corporate and employment structures within social economy entities. Assess whether internal governance, equality policies, insertion programmes and public support mechanisms should be adapted to the new framework.
New regulation on flexible retirement and pension-work compatibility May 2026	A new framework for flexible retirement has been introduced which regulates retirement, pensions and work. The regulation expands access to flexible retirement, including certain self-employment situations, and allows part-time work between 33% and 80% of the working time of a comparable full-time employee.	There may be an increase in requests from employees who want to combine retirement, pension access and continued work. Companies may need to adapt workforce planning, part-time arrangements and retirement transition policies. The incorrect application of the new law may create Social Security and pension compatibility risks.	Review retirement and workforce planning policies. Assess possible use of flexible retirement arrangements and coordinate with payroll/Social Security advisers before implementation.

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Spain | 2

Development and date	Description	Impact and risk	Future actions
Extension of restrictions on dismissals for companies receiving certain public aid June 2026	A new law extends support measures addressing the economic impact of the Middle East crisis. From an employment perspective, companies receiving certain direct aid are prohibited, until 30 September 2026, from making dismissals on force majeure or economic, technical, organisational or production-related grounds linked to the circumstances covered by the law.	Companies receiving aid are subject to significant restrictions on dismissals and other workforce adjustments. A breach of these obligations may result in repayment of the aid and may also lead to the dismissal being declared null and void. The same protection applies to fixed-discontinuous employees – permanent employees who work only during recurring or intermittent periods – including where the employer fails to call them back to work or ends an activity period for the same prohibited reasons.	Before implementing dismissals or workforce measures, verify whether the company has received aid subject to employment maintenance commitments. Review fixed-discontinuous arrangements and document the grounds for any employment decisions.
Possible upcoming regulation Draft Royal Decree amending Royal Decree 902/2020: partial transposition of EU Directive 2023/970 on Pay Transparency	The Government is working on the draft regulation that would partially transpose the EU Pay Transparency Directive into Spanish law by amending the law on equal pay between women and men. The reform is expected to strengthen transparency obligations regarding pay structures, pay audits and information rights.	Potential increase in compliance obligations for employers, particularly in relation to remuneration systems, gender pay gap analysis, pay audits and employee information requests. There will be an increased risk of litigation and inspections if pay differences are not properly justified.	Monitor the legislative process closely. Start reviewing job classification, pay structures, remuneration policies and gender pay gap data in anticipation of the new transparency requirements.

Sweden

Development and date	Description	Impact and risk	Future actions
Sweden's implementation of the EU Platform Work Directive Sweden is expected to implement the EU Platform Work Directive through a new standalone Platform Work Act (SOU 2026:3). The Directive must be implemented by 2 December 2026. It targets digital labour platforms that organise on-demand paid work using automated monitoring or decision-making. The Swedish implementation should be viewed in the context of Sweden's labour market model. Unlike many other European jurisdictions, the central issue in Sweden is not necessarily that platform workers are classified as self-employed. In Swedish platform models, workers may already be formally employed by an umbrella company, staffing company, subcontractor or other intermediary, i.e. rarely by the platform itself. Consequently, the systematic exclusion from employment status and its associated safeguards is not a primary problem in Sweden. The key question is therefore not employment status but whether the arrangement may be treated as agency work – and, if so, what obligations the employer needs to follow.	The proposed Platform Work Act introduces a rebuttable presumption of employment where platform work is performed under the direction and control of a digital labour platform. The presumption also applies where work is performed through an intermediary, which may include work agencies. Where a party qualifies both as an employer and as a work agency under Directive 2008/104/EC, the obligations under both regimes apply in parallel. Workers engaged through intermediaries are entitled to the same protection under the Platform Work Act as those contracting directly with the platform. Although the proposal does not automatically reclassify the platform as the employer, intermediary arrangements may also trigger the Swedish Agency Work Act and its equal treatment principle, requiring agency workers to receive at least the basic working and employment conditions that would have applied had they been directly employed by the platform. As most platform workers in Sweden already have formal employment contracts, the employment presumption is unlikely to significantly affect worker status. Instead, the proposal is more likely to highlight the application of the Swedish Agency Work Act and its equal treatment requirements.	For foreign platform companies, the Swedish implementation is likely to create practical compliance obligations, but not necessarily the same type of disruption as in jurisdictions where platform work is mainly structured as self-employment. The more significant consequences are likely to relate to transparency, algorithmic management, reporting obligations, trade union access and scrutiny of intermediary or staffing structures. The most practically important new area is algorithmic management: platforms will need to provide information about automated monitoring and decision-making systems, ensure human oversight and review of certain automated decisions, and maintain processes for decisions affecting access to work, allocation of assignments, pricing, ratings, suspension, termination or refusal of payment. Platforms will also need to report information to the Swedish Work Environment Authority and relevant trade unions and provide private and secure communication channels for workers and worker representatives. A residual risk: where platforms use staffing, subcontractor or group-company employers, the arrangement may be treated as agency work, but the benchmark for equal treatment may be hard to identify – an area likely to remain under union, political and legal scrutiny.	Businesses considering Swedish platform operations should assess whether their service functions solely as a digital marketplace or organises work. They should review automated systems for task allocation, pricing, ratings, monitoring, account restrictions, suspension, termination and payment decisions, and ensure processes for transparency, human review and responses to challenges. Companies should also review umbrella company, staffing, subcontracting and other intermediary arrangements to determine who exercises the real direction and control of the work. Where such arrangements may constitute agency work, businesses should assess the application of the Swedish Agency Work Act, particularly where no comparable employees or collective agreement exists for benchmarking. Foreign businesses should also consider Swedish labour relations expectations, including trade union engagement, information requests and scrutiny of structures separating formal employment from practical control.

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Switzerland

Development and date	Description	Impact and risk	Future actions
Reclassification of a consulting agreement A recent Swiss Federal Supreme Court decision confirms that a consulting agreement may be reclassified as an employment relationship where that reflects the practical reality of the arrangement.	The plaintiff had been working for a company active in the private equity sector, based on a "consulting agreement" under which she was to assume the role of an investment manager. A monthly fee of CHF 6,000 had been agreed upon. The Federal Supreme Court confirmed the classification as an employment contract. The decisive factor was not the designation used by the parties (as a "Consulting agreement"), but the overall picture of the actual collaboration in the "lived reality". The plaintiff's time commitment was particularly significant. She was generally required to be available starting at 7:30 a.m., work nine hours a day, and check her emails even on weekends. In the opinion of the Federal Supreme Court, such requirements went well beyond a mere right to issue instructions under a consulting agreement. There was additional evidence: The plaintiff was hired as an investment manager, a role that is typically integrated into the company's organisational structure. Furthermore, the plaintiff was listed on the company's website without being clearly identified there as an external consultant. Finally, a fixed monthly salary had been agreed upon that did not depend on specifically reported individual hours worked.	Under Swiss law, the question whether someone is an independent contractor or an employee is decided on the factual level and not based on the wording of a written contract. Consequently, irrespective of the wording chosen by the parties, the facts and the "lived reality" will be decisive. If the person is integrated in the hierarchy of the client (e.g. receives instructions from and gives instructions to employees of the client with regard to the performance of their work), the risk of a reclassification into an employment contract is high. Such reclassification may lead to an unwanted complex legal situation with regard to private law, social security and tax aspects.	Employers should ensure that the legal label that they apply matches the factual reality of the relationship.

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Development and date	Description	Impact and risk	Future actions
New Regulation on the Procedures and Principles of Occupational Health and Safety Training for Employees On 2 April 2026, the Regulation on the Procedures and Principles of Occupational Health and Safety Training for Employees was published in the Official Gazette, increasing employers' compliance obligations regarding occupational health and safety training.	The Regulation introduces a more prescriptive occupational health and safety training regime, including mandatory face-to-face onboarding training, a three-month deadline for completion of basic training, employee assessment requirements, enhanced documentation obligations and stricter conditions for the use of online training methods.	The introduction of mandatory examinations, additional employee participation requirements and enhanced documentation obligations may require employers to allocate additional resources to training administration and monitoring processes.	Employers should update their occupational health and safety training procedures to incorporate the new assessment and evaluation requirements, expanded record-keeping obligations and revised training delivery rules. They should also review existing training documentation in light of the transitional provisions and ensure that any previously undocumented trainings are properly recorded within the prescribed timeframe.
Amendments to maternity and paternity leave entitlements under the Labour Law On 1 May 2026, the new Law on Amendments to the Social Services Law and Certain Other Laws (the Law) was published in the Official Gazette, extending maternity and paternity leave.	The Law increases paid post-natal maternity leave from 8 weeks to 16 weeks, resulting in a total paid maternity leave period of 24 weeks. It also extends paid paternity leave from five days to ten days and introduces a ten-day unpaid leave entitlement for foster families following the placement of a child.	The amendments require employers to update leave administration practices to reflect the revised maternity and paternity leave entitlements and the new unpaid leave right granted to foster families. Employers should also consider the transitional provisions applicable to employees who may be entitled to additional maternity leave following the entry into force of the Law.	Employers should review and update their leave policies, employment handbooks, HR systems and payroll processes to reflect the revised maternity and paternity leave entitlements.

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On your radar

Development and date	Description	Impact and risk	Future actions
Court of Cassation decision regarding the calculation of annual paid leave entitlements In a decision dated 3 February 2026, the Court of Cassation (the Court) held that weekly rest days falling within an employee's annual leave period cannot be counted towards the employee's annual paid leave entitlement.	The Court confirmed that, pursuant to the Labour Law, weekly rest days, public holidays and general holidays falling within an annual leave period are not included in the calculation of annual leave. Accordingly, where such days coincide with approved annual leave, the employee may remain entitled to unused annual leave days and receive payment for those days upon termination of employment for any reason.	The decision highlights the importance of accurately calculating annual leave entitlements and maintaining supporting leave records. Employers that count weekly rest days towards annual leave periods may face claims for unused annual leave payments upon termination of employment.	Employers should review their annual leave calculation methods, leave tracking systems and personnel records to ensure that weekly rest days, public holidays and general holidays are excluded from annual leave calculations in accordance with the Labour Law.
Court of Cassation decision regarding compliance with statutory notice requirements In a decision dated 3 February 2026, the Court of Cassation (the Court) addressed the circumstances in which an employee may be entitled to notice compensation following termination of employment.	The Court confirmed that an employer who properly documents an employee's refusal to accept a termination notice and grants the full statutory notice period will not be liable for notice compensation. The Court recognised the date recorded in the refusal report, supported by witness testimony, as the effective notification date for calculating the notice period.	The decision provides guidance on the evidentiary value of refusal records and notice documentation in employment termination disputes. It highlights the importance of properly documenting notification procedures, as employers may rely on such records to demonstrate compliance with statutory notice obligations and defend claims for notice compensation.	Employers should review their termination procedures to ensure that notice communications, employee acknowledgements and any refusal records are properly documented and retained. Internal HR practices should also ensure that statutory notice periods and related employee rights, including job-search leave, are clearly communicated and recorded.

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United Kingdom

Development and date	Description	Impact and risk	Future actions
New trade union right of general access From 30 October 2026, trade unions will have a new right of access to places of work, both digitally and physically. The framework for the new regime is now clearer, following the updated Code of Practice: right of trade unions to access workplaces (the revised Code). The regime applies to all employers in the UK who employ 21 or more workers. There is no requirement for the union to be recognised or to demonstrate a minimum level of worker support. Access should be for the purpose of the union (i) meeting, supporting, representing, recruiting and organising workers; and (ii) facilitating collective bargaining; not for organising industrial action. Overall, this reform is about increasing trade union membership and presence in a UK workplace to increase the voting position for future recognition requests and collective bargaining. This new measure will operate alongside a new duty on employers to provide employees with information on their right to join a trade union, which is also due to come into force on 30 October 2026.	The new right will operate through the mechanism of access agreements. There is a presumption in favour of access where it does not unreasonably interfere with the employer's business. There remains an emphasis on reaching voluntary agreements where possible, but there is no requirement for the voluntary route to be exhausted before making a statutory request for access. The legislation establishes a formal statutory process under which employers and trade unions are expected to negotiate access arrangements within prescribed timescales. Access can be digital or physical or both. The model terms state that access may be weekly, although a different frequency may be agreed; there should be 5 working days' notice by the union before the first occasion of access and at least 2 working days' notice of subsequent access; access agreements should last for 2 years although the parties may agree to extend an agreement, the employer should make available to the union existing accommodation and facilities; communications between the union and workers should be private, and trade union officials are obliged to comply with the reasonable instructions of the employer. However, parties are free to negotiate beyond the model terms and employers should give careful consideration to how access may operate in their business.	Employers with little or no previous trade union engagement may need to consider, for the first time, how they will respond to access requests. The implications of the new regime are likely to vary considerably between employers. For example, a manufacturing business operating across multiple sites is likely to face very different challenges from an employer with a predominantly remote workforce. However, once a statutory access agreement is in place, the employer must take reasonable steps to facilitate the access provided for by its terms. The Central Arbitration Committee (CAC) has the power to award penalties, increasing from a maximum of GBP 75,000 for a first penalty order to GBP 150,000 for a second order and GBP 500,000 for a third or subsequent order, with further penalties possible for continuing breaches. Examples in the revised Code demonstrate that penalties could escalate quickly, particularly across multi-site employers. This places even greater emphasis on negotiating a workable access agreement in the first place. While there is some scope for the CAC to refuse a request, including where a union is already recognised or there is an access agreement in place, there is very limited scope for employers to reject a request, and an employer should be prepared to explain their reasons for refusal. Where agreement cannot be reached, either party can apply to the CAC to decide on whether access should be granted.	Employers should use the period before the new right is expected to take effect on 30 October 2026 to prepare. Key areas for consideration include: – identifying who will take ownership of trade union access requests and how requests will be escalated internally; – publishing an appropriate contact address for access requests and putting in place records of when requests and responses are sent and received; – reviewing existing trade union arrangements and considering whether to approach a recognised trade union to formalise or strengthen effective voluntary access arrangements, giving both parties greater flexibility to tailor the arrangements to the workplace; – preparing a short summary or 'heads of terms' document setting out the employer's preferred approach to access, for discussion with the relevant trade union in advance of any formal access agreement being negotiated; – planning training and awareness for line managers on how to recognise and respond to an access request and issues to be aware of when unions are on site; and – reviewing internal communication channels that may become relevant to digital access discussions.

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