



# On your radar

Key employment issues to be aware of internationally

# Welcome to the latest edition of CMS On your radar



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*The CMS Employment team*



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# Angola (1 of 2)

Development and date	Description	Impact and risk	Future actions
<b>Non-resident foreign employees</b>	<p>A Presidential Decree from 18 February revokes two previous Presidential Decrees in relation to the employment of non-resident foreign citizens in Angola.</p>	<p>A non-resident foreign employee must be paid in local currency (kwanzas) in accordance with the rules provided for by the General Labour Law (GLL).</p> <p>Furthermore, employment contracts with non-resident foreigners must be executed on a fixed-term and are subject to a maximum duration in the GLL, which varies between 6 and 60 months depending on the grounds for hiring.</p> <p>The new Presidential Decree clarifies that employment contracts with foreign citizens under a temporary residence visa must be subject to registration with the local Employment Centre.</p> <p>In addition, resident foreigners are deemed as part of “the national workforce”.</p>	<p>Employers should ensure that all non-resident foreign employees are paid in kwanzas.</p> <p>Employment contracts for non-resident foreign employees should be reviewed and updated to align with the maximum duration specified in the GLL.</p> <p>Employees with temporary residence visas should have their employment contracts registered with the local Employment Centre.</p>
<b>Penalties for non-compliance with the General Labour Law and minimum wage regulation</b>	<p>A Presidential Decree from 19 February revokes an earlier Presidential Decree and classifies administrative offences and their respective fines from failure to comply with the General Labour Law and the minimum wage regulation, as well as their enforcement procedure.</p> <p>Fines for minor offences range between 2 and 9 times the average monthly salary, for serious offences between 10 and 17 times the average monthly salary, and for very serious offences between 18 to 25 times the average monthly salary.</p>	<p>Managers and directors now have joint liability for payment of fines imposed on the employer.</p> <p>Very serious and repeated serious offences may be made public, as well as result in a prohibition to continue carrying out the activity in the workplace where the offence took place and exclusion from public tenders during a period of up to two years.</p> <p>In addition, it is expected there will be an increase in the frequency of labour inspections by the General Inspectorate of Labour (GIL).</p>	<p>Employers should ensure that they have complete records of all employment practices, including but not limited to, employment contracts, payroll records, and compliance with safety and health regulations ready for inspections by the GIL.</p> <p>Possible litigation costs involving managers or directors, along with potential fines and their appeals, should be accounted for in the budget.</p>

# Angola (2 of 2)

Development and date	Description	Impact and risk	Future actions
<b>Temporary employment contracts and provision of manpower</b>	A Presidential Decree from 19 February revokes an earlier Presidential Decree in relation to temporary employment and manpower agreements.	<p>The new legal diploma specifies that manpower agreements are only valid if executed under the same grounds and duration provided for in fixed-term employment contracts in the General Labour Law (GLL.)</p> <p>If the maximum duration of the manpower agreement is exceeded, the temporary employee may choose to remain employed by the temporary employment agency or be a permanent employer of the company using the manpower services.</p> <p>Temporary employment agencies are required to semi-annually submit an activity report to the public authorities.</p>	<p>Employers should ensure that manpower agreements specify the grounds and do not exceed the maximum duration for its execution.</p> <p>In addition, employers should apply a contract management system to track the duration of temporary work contracts and ensure timely renewals or terminations in compliance with the decree.</p>
<b>Proposed new law on pension funds</b>	The Angolan Insurance Regulatory and Supervision Agency (ARSEG) has made available a draft of a new Law on Pension Funds And Managing Entities.	Although it has not yet been subject to approval by the National Assembly, the proposal of the Law on Pension Funds and Managing Entities is set to revoke a previous Decree and Executive Decree. This proposal should align the Angolan regulatory framework with the recommendations of the International Organisation of Pension Supervisors (IOPS) and the Committee of Insurance, Securities, and Non-Banking Financial Institutions of Southern Africa (CISNA) by promoting healthy competition, protecting participants and beneficiaries, ensuring market stability and regular functioning, and preventing systemic risk.	

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<p><b>Pension reform</b></p> <p>The legal retirement age in Belgium increased from 65 to 66 years in February 2025.</p> <p>According to the newly formed Government, a new pension bonus will be introduced for individuals who continue working beyond their eligible retirement age.</p> <p>The income cap for pensioners will be abolished, enabling retirees to earn unlimited professional income alongside their pension and encouraging continued work.</p>	<p>The pension reform aims to address demographic challenges and ensure the sustainability of the pension system by gradually increasing the retirement age and incentivising longer participation in the workforce.</p> <p>The introduction of a pension bonus and the removal of income caps for pensioners are designed to make continued employment more attractive for seniors.</p>	<p>The increase in the legal retirement age will require employers to adapt workforce planning and talent management strategies, as employees may remain in the workforce for longer periods.</p> <p>The introduction of a pension bonus and the removal of income caps for pensioners may encourage experienced employees to continue working beyond the traditional retirement age. While this can help address labour shortages and retain valuable expertise, employers may need to invest in training and development to ensure ongoing productivity and engagement among older workers.</p>	<p>Review and update workforce planning and succession strategies to account for longer employee tenures and the evolving age profile of the workforce.</p> <p>Develop targeted retention and engagement initiatives for senior employees, including flexible work arrangements, health and wellness programs, and opportunities for knowledge transfer.</p>
<p><b>Working time duration and organisation</b></p> <p>According to the newly formed Government, the minimum weekly working time requirement (at least one-third of a full-time schedule) will be abolished. However, the prohibition on shifts of less than three hours and on-call contracts will remain in place.</p> <p>Up to 360 voluntary overtime hours will be permitted, of which 240 hours will be exempt from overtime pay, with associated tax benefits.</p>	<p>Changes to working time regulations provide greater flexibility for both employers and employees, while maintaining protections against excessively short shifts and precarious on-call work.</p> <p>The expansion of voluntary overtime hours, particularly with tax advantages, is intended to support labour market needs and employee income.</p>	<p>The abolition of the minimum weekly working time and the expansion of voluntary overtime, provides employers with more options to organise work according to business needs. However, there is a risk of increased administrative complexity and potential disputes if working time rules are not clearly communicated and consistently applied.</p>	<p>Ensure clear communication and training for HR and management teams regarding the new working time regulations and overtime provisions, to minimise compliance risks and maintain positive employee relations.</p>
<p><b>Employability measures</b></p> <p>Since 1 April 2025, employees dismissed with a notice period of at least 30 weeks are entitled to specific measures aimed at supporting their return to employment.</p>	<p>The new employability measures target workers facing longer notice periods, offering tailored support to facilitate their reintegration into the labour market and reduce the risk of long-term unemployment.</p>	<p>This may require employers to coordinate with external service providers and comply with additional administrative requirements. Employers should be prepared for potential increases in outplacement costs and the need to document compliance with employability obligations.</p>	<p>Establish robust processes for managing dismissals with long notice periods, including partnerships with employability service providers and systems for tracking compliance with new requirements.</p>

# Bosnia and Herzegovina

Development and date	Description	Impact and risk	Future actions
<p><b>Entry into Force of the FBiH Contributions Reduction</b></p> <p>The Law on Amendments to the Law on Contributions of the Federation of Bosnia and Herzegovina (FBiH), reducing the total social contribution rate adopted by the FBiH Parliament entered into force on 1 July 2025.</p> <p>Following the amendments to the Law, The Federal Ministry of Finance has adopted the Rulebook on Amendments to the Rulebook on the Manner of Calculation and Payment of Contributions (Rulebook), aligning it with the updated provisions of the amended Law on Contributions. This Rulebook also entered into force on 1 July 2025.</p>	<p>Following amendments to the employee contributions regulations, from 1 July 2025 employers are allowed to calculate lower contribution rates (the total contribution rate is reduced from 41.5% to 36%), which eases the burden on the economy and reduces the cost of wages for employees.</p> <p>As specified in the Rulebook, the new unified contribution rate applies exclusively to tax periods starting from 1 July 2025, thereby enabling precise planning and calculation of obligations for all employers and payroll processors in the Federation of BiH.</p>	<p>The amendments, even though welcomed by the employers, produced several practical dilemmas, one of the most common being whether such changes should be reflected in the employees' net salaries.</p> <p>Since the amendments relate only to employer-borne contributions, while employee-borne contributions remain unchanged, the net salaries of employees will, by default, remain unaffected. However, the amendments will result in a reduced overall cost of employment, thereby benefiting employers directly.</p>	<p>This development represents only a part of a package of fiscal measures, the purpose of which is the modernisation of the fiscal regulations in FBiH.</p> <p>In their efforts to accelerate the process of further fiscal reforms, chambers of commerce active in FBiH (e.g. AmCham and FIC) have called on the relevant authorities to take further steps and create more significant relief for the domestic economy.</p>

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<p><b>Assistance contribution for trade unions</b></p> <p>In 2023, the Federal Supreme Court (STF) ruled that assistance contributions from all employees to labour unions are constitutional, as long as employees have the option to submit a letter opposing the payment. However, legal uncertainty remains, particularly regarding the timing of the deduction. In June 2025, the court resumed the trial that will determine how these contributions will be transferred. In Brazil assistance contributions are fees paid to unions by employees even where an employee is not a union member.</p>	<p>The STF's 2023 decision lacked clear guidelines on how to implement the contribution and exercise the right of objection, creating legal uncertainty for both employers and employees. In practice, submitting a letter of objection is challenging, and there are no clear rules regarding the payment process. In 2025, the Supreme Court resumed the case to clarify these issues and has already issued a preliminary ruling stating that retrospective charges are prohibited, opting out must be freely allowed, and the contributions must be reasonable. A final decision is pending.</p>	<p>The lack of clear procedures regarding the collection of the assistance contribution and the exercise of the right to object has led to significant legal uncertainty for employees, unions, and employers alike. Without well-defined guidelines, there is a risk of inconsistent practices across different companies and sectors. This regulatory gap not only increases the likelihood of labour disputes but also opens the door to judicial challenges, as parties may interpret their rights and obligations differently.</p>	<p>It is essential to closely monitor the conclusion of the STF ruling, expected in September 2025, as it is expected to establish important guidelines on several critical aspects. These include the appropriate procedures for collecting the assistance contribution, the valid mechanisms by which employees can exercise their right to object, and the limits of union activity in this context. The Court's decision is expected to bring much needed clarity and legal certainty to all stakeholders. For employers, in particular, the decision will be crucial to avoid complications in relation to undue deductions from assistance contributions.</p>
<p><b>Rule on working on public holidays postponed until 2026</b></p> <p>The Ministry of Labour and Employment (MTE) has published the extension of the effective date of Ordinance No. 3,665/2023 to 1 March 2026. This ordinance regulates work on holidays in the retail sector, requiring authorisation through a collective agreement between employers and employees.</p>	<p>Ordinance No. 3,665/2023 seeks to reestablish the understanding that work on holidays in retail must be subject to provisions in collective bargaining agreements, in accordance with labour legislation and municipal regulations. With the extension, the previous rules remain in effect, ensuring that retail businesses can operate normally on holidays without new requirements until March 2026.</p>	<p>The decision to extend the effective date of Ordinance No. 3,665/2023 avoids immediate impacts on the retail sector and other sectors that require labour on Sundays and holidays, allowing companies to maintain their operations without the requirement of a collective bargaining agreement until 1 March 2026. The measure provides greater legal and operational certainty for employers and workers by ensuring an additional period for adaptation to the new requirements and for negotiation between unions and companies.</p>	<p>With the extension of the effective date of Ordinance No. 3,665/2023, companies, employer associations, and trade unions should take advantage of the new deadline to begin or intensify collective bargaining negotiations that include authorisation to operate on holidays.</p> <p>Another essential point is to constantly monitor municipal and federal legislation to ensure compliance with all applicable rules.</p>
<p><b>Psychosocial risk assessment at work</b></p> <p>An Ordinance by the MTE from 27 August 2024 made it mandatory to include psychosocial risks in the Risk Management Program (PGR) which was due to come into effect on 26 May 2025.</p> <p>However, in April 2025, the MTE announced that its application would initially be educational, with no immediate penalties for non-compliant companies, and that it would take effect in 2026.</p>	<p>At the end of April, the MTE announced that the update to NR-1 would be maintained for 26 May 2025, but for “educational and guidance” purposes. This meant that companies would not be fined if they did not comply with the new rules. The decision by the MTE seeks to broaden the dialogue with economic sectors and reassess the impacts of the new wording, given the technical and operational challenges that have been pointed out.</p>	<p>The inclusion of psychosocial risks in risk management programs represents an important change in the approach to occupational health and safety, as it takes into account factors such as stress, harassment, and overload. While this measure broadens the protection of workers' mental well-being, it also poses technical challenges in identifying, measuring, and managing these risks objectively.</p>	<p>The MTE initially adopted an educational approach but is already signaling progress toward enforcement. In the medium term, the focus is likely to shift to stricter requirements, with possible penalties for companies that fail to comply. Therefore, companies have this transition period to adapt to the standard.</p>

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<p><b>Residence and work permits legislation</b></p> <p>New amendments to the Foreigners in the Republic of Bulgaria Act have recently been adopted. The main objective of the changes is harmonisation with the EU regulations and adaptation to the specifics related to Bulgaria's membership in the Schengen Area. The core amendments include additional specification of the procedures for obtaining the EU Blue Card and Unified Work and Residence Permit, the conditions that foreigners must meet, and the documents required, as well as the introduction of the digital nomad visa.</p>	<p>The newly introduced digital nomad visa allows third-country nationals who work remotely for non-EU companies or run their own remote businesses to reside in Bulgaria for up to two years.</p> <p>The changes related to the procedure for obtaining the EU Blue Card or Unified Work and Residence Permit, include (i) the proof of accommodation to be submitted at a later stage (after the foreigner's entry into the country); (ii) a shorter period of compulsory medical insurance; (iii) a longer deadline for the foreigner to report to the Migration Directorate after entering the country. With respect to the EU Blue Card applicants – the law provides a longer deadline to submit the application for a long-term visa which is a mandatory step in the process to obtain the EU Blue Card.</p>	<p>The amendments to the procedure for obtaining the EU Blue Card or Unified Work and Residence Permit (particularly those concerning proof of accommodation and medical insurance) are advantageous for both employers and employees. The changes are expected to reduce costs and administrative burdens for all parties involved.</p>	<p>No actions are required.</p>
<p><b>Whistleblowing procedures</b></p> <p>New amendments were introduced to the Act on Protection of Persons Reporting Information or Publicly Disclosing Information about Breaches (the Whistleblowing Act), implementing the EU Whistleblowing Directive. The changes affect employers in the private sector (in their capacity as obligated entities) and the processes for investigating reports submitted through the internal whistleblowing channel.</p>	<p>The main changes include the following:</p> <ul style="list-style-type: none"><li>(i) Reports on breaches committed more than two years ago will also be investigated if the latter fall within the scope of the Whistleblowing Act.</li><li>(ii) Employers in the private sector are no longer allowed to use whistleblowing channels established for the group to which they belong.</li><li>(iii) Upon the express consent of the whistleblower, the oral report can be documented by recording it on a durable medium.</li></ul>	<p>The restriction on using group-wide whistleblowing channels leads to a greater administrative burden on Bulgarian employers. Consequently, all reports falling within the scope of the Whistleblowing Act concerning the company must be submitted through the internal reporting channel established at the local level.</p>	<p>Employers should update their internal whistleblowing procedures and whistleblowing notices to comply with the legislative amendments.</p>

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<p><b>The right of fathers to use maternity and childcare leave</b></p> <p>New amendments to the Ordinance on the Working Time Rest and Leave have been adopted, providing additional situations where fathers are allowed to use maternity and childcare leave normally granted to mothers.</p>	<p>Fathers can take maternity and childcare leave if they are granted parental rights or if the mother loses hers. To qualify, fathers must present a court decision confirming these circumstances.</p>	<p>Employers should allow fathers to take maternity and childcare leave if the requirements in the Ordinance on the Working Time, Rest and Leave are met.</p>	<p>No actions are required.</p>
<p><b>Digitalisation of employment records</b></p> <p>On 1 June 2025 the electronic employment register containing the employment records of all employees entered into force.</p>	<p>On 1 June 2025, the National Revenue Agency established the electronic employment register which consists of the uniform employment records of all employees. From this date, all employers are obliged to make entries related to the commencement, amendment and termination of employment in the uniform electronic employment record which replaces the former paper-based employment record books.</p>	<p>The time limits, manner and procedure for entering and storing data in the electronic employment register, as well as the conditions and procedure for accessing the data in the electronic employment register are regulated in a separate Ordinance.</p>	<p>Within a period of 1 year starting from 1 June 2025, all employers are obliged to complete the current paper-based employment record books with information on the length of service of their employees relevant to 1 June 2025.</p> <p>Employers must meet deadlines for updating employment details in the electronic register.</p>

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<b>Chilean pension system reform</b>	<p>On 26 March 2025, Bill N° 21,735 was published in the Official Journal, establishing a reform of the Chilean pension system. The main changes include:</p> <ul style="list-style-type: none"> <li>– A new 8.5% contribution, paid by the employer, with a gradual implementation starting in August 2025.</li> <li>– Increase in the Universal Guaranteed Pension (PGU).</li> <li>– Creation of a new Social Insurance.</li> </ul>	<p>Of the total new 8.5% contribution, 4.5% will go to the employees' individual account managed by the Pension Fund Administrators (AFP).</p> <p>The remaining 4% will be allocated to the new Social Insurance, through the Autonomous Pension Protection Fund. Of this 4%, 1.5% will have protected returns and will be gradually transferred to the individual account, while the remaining 2.5% will remain within the Social Insurance system.</p>	<p>Starting in August 2025, the contribution rate will increase by 1% of the taxable salary.</p> <p>This contribution will gradually increase each year until it reaches 8.5% in August 2033.</p> <p>The increase will occur in stages: 3.5% in 2026, 4.25% in 2027, 5% in 2028, 5.7% in 2029, 6.4% in 2030, 7.1% in 2031, 7.8% in 2032, and 8.5% in 2033.</p>
<b>Increase in the monthly minimum wage</b>	<p>On 28 June 2025, Law N°. 21,751 was published, adjusting the minimum wage in Chile.</p> <p>As of 1 May 2025:</p> <ul style="list-style-type: none"> <li>– CLP \$529,000 for employees aged 18 to 65.</li> <li>– CLP \$394,622 for employees under 18 or over 65.</li> <li>– CLP \$340,988 for non-remunerative purposes.</li> </ul>	<p>This law has been in effect since 1 May 2025 and therefore requires retrospective adjustments in cases where the minimum wage was not previously updated.</p> <p>It also increases the amounts granted under the family and maternity allowances, as well as the universal family subsidy.</p>	<p>As of 1 January 2026, the monthly minimum wage will be adjusted again:</p> <ul style="list-style-type: none"> <li>– CLP \$539,000 for employees aged 18 to 65.</li> <li>– CLP \$402,082 for employees under 18 or over 65.</li> <li>– CLP \$347,434 for non-remunerative purposes.</li> </ul>
<b>Law No. 21,746 amending the regulation on the granting and use of medical leave in Chile</b>	<p>Law N°. 21,746, published on 24 May 2025, was enacted in response to the abusive use of medical leave certificates, particularly in the public sector, but with a direct effect on the private sector as well.</p>	<p>The law aims to enhance regulatory oversight, promote greater transparency, and impose stricter penalties for the improper issue and misuse of medical leave certificates.</p>	<p>Employers will be required to:</p> <ul style="list-style-type: none"> <li>– Verify that medical leave certificates meet the new formal requirements.</li> <li>– Report fraudulent leave certificates.</li> <li>– Provide internal training to the Human Resources department on regulatory standards and verification procedures.</li> </ul>

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<p><b>New Regulation for Labour Capacity Appraisal</b></p> <p>On 13 May 2025, the PRC Ministry of Human Resources and Social Security and the PRC National Health Commission jointly released the Measures for Administration of Labour Capacity Appraisal (the “New Administration Measures”). (In China, a Labour Capacity Appraisal is a technical appraisal on the degree of an employee’s labour functional impairment or loss of labour capacity.)</p> <p>The Administration Measures took effect on 1 July 2025 and replace the original Measures for the Administration of Labour Capacity Appraisal for Work-Injured Employees released in 2014 (the “Original Administration Measures”).</p>	<p>In contrast to the Original Administration Measures the New Administration Measures expand coverage beyond work-related injuries to include employees with disabilities from illness or non-work-related injuries.</p> <p>The New Administration Measures address revocation and correction of labour capacity appraisal results, clarify appraisal procedures, and specify new circumstances for ending appraisals early.</p>	<p>According to the New Administration Measures, the labour capacity appraisal results obtained through fraudulent means, such as forging diagnostic certificates, medical records, work injury determination conclusions, or other application materials, or by impersonating others to undergo examinations, shall be revoked.</p> <p>The New Administration Measures state that those who fraudulently obtain labour capacity appraisals or insurance benefits using false documents will face criminal liability.</p>	<p>Employers are required to apply for a labour capacity appraisal for employees who have suffered work-related injuries. Such appraisals will be carried out by the labour capacity appraisal committee.</p> <p>Employers should therefore ensure they understand the new measures and avoid committing any fraudulent activity during the appraisal procedures.</p>

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<p><b>The Congress of the Republic of Colombia approves labour law reforms</b></p>	<p>On 25 June 2025, Law 2466 of 2025 was enacted, introducing substantial reforms to Colombian labour law. Key changes include: (i) a 4-year limit on fixed-term contracts, including renewals, (ii) an increase in the Sunday surcharge from 75% to 100% (iii) daytime hours defined as 6:00 a.m. to 7:00 p.m nighttime hours as 7:00 p.m. to 6:00 a.m. (iv) transformation of the apprentices' contracts as a special fixed-term employment relation, and other regulatory updates. These reforms aim to modernise labour legislation and strengthen worker protections.</p>	<p>This new legal framework will have a significant impact on all employers, who will be required to align their labour practices with the new provisions, assume the additional costs arising from changes in work shifts and surcharges, and revise their internal regulations or policies within the timeframes established by the reform.</p>	<p>Employers must carefully review the changes introduced by Law 2466 of 2025 and implement action plans to ensure its practical application. Additionally, they should comply with any regulatory guidelines or implementing decrees issued by the National Government or labour authorities.</p>
<p><b>The Constitutional Court suspends the entry into force of the pension reform</b></p>	<p>On 17 June 2025 the Constitutional Court decided to suspend the entry into force of the pension reform. Instead, the Court returned the bill to the plenary session of the House of Representatives in order to address the procedural flaws identified during the fourth debate and allow for a renewed discussion.</p> <p>Accordingly, on 28 June 2025, the House of Representatives reconvened to discuss and vote on the pension reform bill. However, it chose not to review the text and instead approved it without any additional amendments.</p>	<p>As a result, the pension reform did not take effect on 1 July 2025, as originally scheduled. Consequently, Law 100 of 1993 remains in force as the legal framework governing Colombia's pension system.</p>	<p>This means that the legislative process for the pension reform would now be considered complete, and the Constitutional Court will issue the final ruling on the law's constitutionality, which is expected before the end of the year.</p>

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<p><b>One year to implement the Pay Transparency Directive</b></p> <p>The EU Pay Transparency Directive adopted on 10 May 2023, represents a significant milestone in the European Union’s efforts to tackle the gender pay gap. Its primary aim is to strengthen the principle of equal pay for equal work – or work of equal value – between women and men.</p> <p>The Directive promotes this by increasing pay transparency and reinforcing enforcement mechanisms, making it easier for employees to understand how their pay is determined and to assert their right to fair and equal remuneration.</p> <p>EU Member States, including the Czech Republic, are required to transpose the Directive into national law by 7 June 2026. The new rules are expected to come into force from that date.</p> <p>The Czech Republic is actively working to transpose the Directive into national legislation. At present, internal consultations are underway to assess each article of the Directive and determine the most appropriate legislative approach.</p> <p>The aim is to implement the Directive without extending rights and obligations beyond what is strictly necessary, most likely by amending the existing Labour Code.</p>	<p>Although some rules on pay equality are already in place in the Czech Republic, and employers are required to provide equal pay for work of equal value, employees often lack visibility of their employer’s remuneration systems. As a result, they may be unaware of any potential pay gaps. This lack of transparency contributes to the gender pay gap, as reflected in Eurostat data for 2023, which ranked the Czech Republic third worst among all EU countries, with a gender pay gap of 18%.</p> <p>In addition, the Directive reinforces the position of employees in civil proceedings by placing the burden of proof on the employer in cases of alleged pay discrimination. The employer must demonstrate that no such discrimination has taken place. However, this approach is not new in the Czech Republic, where the reversal of the burden of proof in discrimination cases is already a well-established legal principle.</p> <p>Notably, the recent “Flexi” amendment to the Labour Code has already introduced a measure aligned with the Directive: it prohibits employers from restricting employees from sharing information about their pay, effectively banning salary confidentiality clauses.</p> <p>Key elements of the Directive that have yet to be implemented include obligations to: provide job applicants with information about remuneration systems, ensure employees have easy access to the criteria used to determine pay, allow employees to request information on their individual remuneration, as well as the average remuneration broken down by gender for employees performing the same work or work of equal value, and report on the gender pay gap to state authorities.</p>	<p>Non-compliance with the principle of equal remuneration will result in sanctions. The EU Directive requires each Member State to introduce effective, proportionate and dissuasive penalties for breaches of the rights and obligations relating to equal pay. In the Czech Republic, the current fine for breaching the principle of equal treatment in remuneration is CZK 1,000,000 (approximately EUR 40,000). An individual case of non-compliance – failing to provide equal pay to an employee performing the same or similar work as another – may result in a fine of up to CZK 500,000 (approximately EUR 20,000). It remains to be seen whether these amounts will be maintained or increased by the legislature.</p> <p>Employees affected by unequal pay may already claim compensation for the difference retrospectively for up to three years. The Directive requires that such compensation must provide real and effective redress or reparation, and that national legislation must not impose any upper limit on the amount recoverable. This requirement is already met under Czech law, which does not set any cap on compensation.</p> <p>In addition, a breach of equal pay rules on the grounds of gender may give rise to discrimination claims.</p> <p>A newly introduced fine also penalises employers for restricting employees from sharing information about their remuneration, with sanctions of up to CZK 400,000 (approximately EUR 16,000).</p>	<p>Employers must now address ineffective confidentiality clauses in employment contracts, as this obligation is already in effect. These clauses must be removed, or employees must be clearly informed that they will not be enforced. Failure to comply may result in a fine from Labour Inspection authorities.</p> <p>In light of the forthcoming legislative changes, employers must also review their existing remuneration systems. This will likely involve introducing transparent and structured pay frameworks to ensure equal pay for comparable roles throughout the organisation.</p> <p>To support enforcement, state authorities will monitor the gender pay gap through mandatory pay transparency reporting. Starting on 7 June 2027, employers with 250 or more employees will be required to submit annual gender pay gap data to a designated national monitoring body. Employers with 150 to 249 employees will report every three years from the same date. This obligation will be extended to employers with 100 to 149 employees, with their first reporting deadline set for 7 June 2031. Member States may choose to extend these reporting obligations to smaller employers, although this appears unlikely in the Czech Republic based on the information currently available to us.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Sickness and paid leave: European Commission gives France formal notice to comply with EU rules on working time</b></p> <p>In a press release dated 18 June 2025, the European Commission announced that it had "decided to open an infringement proceeding by sending a letter of formal notice to France for failure to comply with EU rules on working time (Directive 2003/88/EC)."</p>	<p>The Commission has determined that French legislation does not guarantee that workers who fall ill during their annual leave can subsequently recover the days of annual leave that coincided with their illness.</p>	<p>The Commission considers that French legislation is not in line with the Working Time Directive and does not guarantee the health and safety of workers.</p>	<p>After receiving the formal notice from the Commission, France has two months to respond and address the infringements.</p> <p>In the absence of a satisfactory response, the Commission may decide to issue a reasoned opinion.</p>
<p><b>The draft transposition of the Pay Transparency Directive</b></p> <p>The EU Pay Transparency Directive aims to end all direct and indirect discrimination in terms of remuneration.</p> <p>During a hearing on 14 May 2025, before the National Assembly's delegation for women's rights, the Minister of Labour announced a complete overhaul of the gender equality index for 2027. <i>"The year 2026 will be the last year in which the index will be published in its current form."</i></p>	<p>The new equality index will include the seven indicators set out in the European Directive and all companies with more than 50 employees will be affected, with a simplified system for small and medium-sized enterprises. The first six indicators will be automated via the DSN (Déclaration Sociale Nominative, or Social Security Declaration):</p> <ol style="list-style-type: none"> <li>1. the gender pay gap</li> <li>2. the gender pay gap in terms of variable or additional components</li> <li>3. the median gender pay gap</li> <li>4. the median gender pay gap in terms of variable or additional components</li> <li>5. the proportion of female and male workers receiving variable or additional components</li> <li>6. the proportion of female and male workers in each quartile.</li> </ol> <p>The seventh indicator, which measures differences by category of job of equal value, will be recorded annually (except for companies with 50 to 250 employees which is every three years).</p>	<p>In the event of non-compliance with their obligations, companies could be punished by an administrative fine that would ensure <i>"a real deterrent effect and take into account aggravating or mitigating circumstances."</i></p>	<p>The Directive must be transposed into national law by 7 June 2026, at the latest. The bill is expected to be examined by Parliament in the autumn, with a view to its adoption by the end of the year.</p> <p>In addition, the Minister of Labour has indicated that the publication date of the new index will not change. It will remain set for International Women's Day in March to maintain its high media visibility.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Vested virtual stock options on termination of employment</b></p>			
<p>In a ruling from 19 March 2025, the Federal Labour Court ruled that virtual stock options – that are already vested – may not automatically expire when the employee terminates their employment relationship. Furthermore, the court clarified that a clause stipulating that virtual options expire twice as quickly after termination of the employment relationship as they were to vest during employment, unreasonably disadvantages the employee and is therefore invalid.</p> <p>In this decision, the employee had received 23 virtual option rights as part of an employee stock option program during his employment. Under the terms of the Employee Stock Option Provisions (ESOP), the right to exercise these virtual options was linked to the achievement of a staggered four-year vesting period and the occurrence of a triggering event. The ESOP stipulated that all virtual options - regardless of whether they were already vested or not – would expire when the employee terminated their employment. In other cases of ending employment, vested but not yet exercised virtual options should expire gradually within two years of the end of the employment relationship.</p> <p>31.25% of the option rights allocated to the employee were vested at the time of leaving the company due to his own termination.</p>	<p>An expiry clause for virtual options linked to the end of the employment relationship for virtual options that are already vested does not stand up to a review of its content in connection with the relevant section of the German Civil Code.</p> <p>Such a clause does not sufficiently take into account that the vested virtual options and the associated opportunity to participate in the increase in the value of the company also constitute consideration for the work performed during the waiting period. As soon as a certain amount has been “earned” through work performance, the employee is therefore entitled to it.</p> <p>Furthermore, the expiry clause excessively restricted the employee's protected right of termination, as he would not be able to terminate the contract before the triggering event without fear of financial loss.</p> <p>A gradual expiry after termination also unreasonably disadvantages the departing employee if the virtual options allocated to the employee expire twice as quickly as they are vested. This provision does not take into account the time spent by the employee performing work during the vesting period in order to exercise the option rights.</p>	<p>With this decision, the Federal Labour Court has departed from its previous employer-friendly position.</p> <p>Previously, the court had taken the view that stock options that had already been vested but could not be exercised during the employment relationship could expire without replacement upon termination of the employment relationship. This was based on the view that stock options, as purely speculative acquisition opportunities, did not constitute a guaranteed component of remuneration.</p> <p>The court now expressly rejects this view, emphasising that vested virtual stock options constitute remuneration for work performed, provided that vesting is linked to the performance of work.</p> <p>In the present case, the decisive factor in determining whether vesting was linked to the performance of work was that the vesting period was suspended during the unpaid leave and was therefore directly and recognisably linked to the performance of work. In addition, the court took into account that the value of the option rights was linked to the proceeds achieved in the event of the triggering event and therefore also constituted an incentive to perform well.</p> <p>It is important to note that this is a case-specific decision and that the question of remuneration for work performed must therefore always be determined based on a specific interpretation of the provisions of the employee participation program.</p>	<p>The decision of the Federal Labour Court is final and therefore of central importance for employers.</p> <p>In view of the change in case law, employers are therefore strongly advised to review their current expiry clauses and adapt them to the new case law of the Federal Labour Court.</p> <p>Particular attention should also be paid to the drafting of clauses that provide for gradual expiry after termination of the employment relationship, as the expiry period must be at least as long as the vesting period.</p> <p>It also remains to be seen how the new case law of the Federal Labour Court will affect employee participation programs that do not exist at the employing company but at a (often foreign) group company.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Abolition of MPF offsetting arrangement</b></p> <p>On 1 May 2025, Hong Kong abolished the Mandatory Provident Fund (MPF) offsetting arrangement, ending employers' ability to use employers' mandatory MPF contributions to offset severance payment (SP) and long service payment (LSP).</p> <p>Prior to the abolition of the MPF Offsetting Arrangement, employers were entitled to offset an employee's SP or LSP against the accrued benefits derived from employers' mandatory contributions under the MPF System. Employers would first pay the severance payment or long service payment to the employee and then request a refund of the amount paid from the MPF trustee. This refund is withdrawn from the employee's MPF account, specifically from the benefits derived from the employer's MPF contributions.</p> <p>With effect from 1 May 2025 (Transition Date), the offsetting arrangement is abolished, and employers can no longer use the accrued benefits derived from their mandatory MPF contributions to offset an employee's SP or LSP. Accrued benefits derived from employers' voluntary MPF contributions as well as gratuities based on length of service can continue to be used to offset a severance payment or long service payment.</p>	<p>In order to prevent a surge in dismissals prior to the transition, the "grandfathering" arrangement is put in place for the pre-transition portion of SP or LSP of employees who are already in employment before the transition date. The SP or LSP for such employees will be divided into two portions: the pre-transition portion (covering the period of employment before the Transition Date) and the post-transition portion (covering the period from the Transition Date onwards). Employers may continue to use accrued benefits from both employers' mandatory and voluntary MPF contributions, regardless of when they were made, to offset the pre-transition portion of SP or LSP, but not the post-transition portion. The pre-transition portion will be calculated based on the employee's last full month's wages immediately preceding the Transition Date and the years of service before that date, while the post-transition portion will be calculated using the last full month's wages before termination and the years of service from the Transition Date onwards. The ceiling on the monthly wages for calculating SP or LSP is HKD 22,500 and the maximum SP or LSP amount is HKD 390,000.</p> <p>In order to support employers through this transition, the Government will implement a comprehensive 25-year subsidy scheme. During the first three years of the scheme, an employer's liability for the post-transition portion of SP or LSP is capped at HKD 3,000 per employee, provided that the total annual liability does not exceed HKD 500,000. Any excess above these caps will be reimbursed by the Government.</p>	<p>The abolition of the MPF offsetting arrangement has a far-reaching impact for both employers and employees. For employers, the most immediate effect is the increased financial burden, as they will be required to pay the full amount of SP or LSP for post-transition service without recourse to mandatory MPF contributions. This change necessitates careful financial planning and may have a significant impact on cash flow. The administrative complexity of the new regime is also considerable, as employers must update payroll systems to handle the dual calculation of SP or LSP for pre-transition and post-transition service and maintain detailed wage records for at least the 12 months preceding the Transition Date.</p> <p>For employees, the reform represents a substantial enhancement of retirement protection. Employees' MPF savings will be preserved, as employers' mandatory contributions are no longer to be used to offset SP or LSP for post-transition service. This ensures that employees receive the full benefit of their retirement savings, in addition to their statutory termination payments. The grandfathering arrangement provides equitable treatment for employees with long service spanning the transition, as their entitlements are calculated fairly for both pre-transition and post-transition periods. There has been concerns that some employers may dismiss staff before the transition to maximise offsetting, but the transitional arrangement is specifically designed to mitigate this risk by ensuring that the calculation of pre-transition SP or LSP is based on wages immediately before the Transition Date, regardless of subsequent changes in salary or length of service.</p>	<p>In light of the upcoming changes, employers should take proactive steps to ensure a smooth transition. It is essential to review and update employment contracts, termination letters, and employment policies to reflect the new legal requirements. Payroll systems must be upgraded to accommodate the dual calculation of SP or LSP and to apply the correct offsetting rules for pre-transition and post-transition service. Companies should receive comprehensive training on the new regime, including the use of Government-provided tools such as the "EasyCal" calculator, which assists in determining SP and LSP entitlements under the new rules.</p> <p>Moving forward, employees should take the time to understand how the abolition of the offsetting arrangement affects their SP, LSP and MPF savings, particularly if their service spans the transition. They may wish to seek clarification from HR or relevant authorities to ensure they are fully aware of their rights and entitlements under the new regime.</p>

Development and date	Description	Impact and risk	Future actions
<b>End of the social security booklet</b>	On 30 May 2025, the Act terminating the use of the social security booklet was published. The Act amends certain laws in the fields of public education, social affairs, child protection and disability, by ending the use of the social security booklet as an official certificate.	The Act creates an electronic platform for the determination of cash benefits, from which the insurance status, health insurance cash benefits and accident benefit data can be retrieved at the same time, thus replacing the paper social security booklet.	The provisions of the Act relating to the termination of the social security booklet will enter into force on 1 January 2026.
<b>Reserve military service</b>	According to the Minister of Defence, the number of reserve soldiers has been increasing. In mid-January 2025, the number of reserve soldiers reached 4,000 and by April 2025 it exceeded 5,000.	Employers have to take into account a period of reserve military service when terminating the employment as part of a qualifying when-calculating a severance payment and compensation for unused leave.	The Hungarian Defence Forces may offer compensation to employers who employ reserve soldiers, if the employers conclude an agreement with the Hungarian Defence Forces and ensure the fulfilment of the employees' reserve military service.
<b>Draft law amending Act I of 2012 on the Labour Code</b>	Representatives of "Demokratikus Koalíció" (in English: Democratic Coalition), a Hungarian opposition party, have submitted a draft law amending Act I of 2012 on the Labour Code, which aims to ensure fair and humane rights for women who suffer an early or mid-term foetal death or perinatal death during pregnancy.	According to the bill, if "a mother suffers an early or mid-term foetal death or perinatal death during pregnancy, she is entitled to fifteen working days of additional leave, or twenty working days in the case of twins, which must be granted at a time of her choosing". The mother is entitled to 100% of her absence fee (which is typically identical with the base salary) for the entire period of additional leave, and the draft law also defines the concept of perinatal death.	The draft law has been included in the agenda of the Hungarian Parliament. However, it has not yet been negotiated.

Development and date	Description	Impact and risk	Future actions
<p><b>Employment-related disclosures by companies</b></p> <p>On 30 May 2025, the Ministry of Corporate Affairs (MCA) notified the Companies (Accounts) Second Amendment Rules 2025 (Rules), which introduced additional disclosure requirements for companies relating to employment laws. The Rules will come into effect on 14 July 2025.</p>	<p>The Rules require companies to disclose in their board's report, details about the number of complaints of workplace sexual harassment that have been received and disposed of during the year, along with details of cases pending for more than 90 days under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 (POSH Act). Companies must also include a statement with respect to compliance with the Maternity Benefit Act 1961 (MB Act). The Rules mandate disclosure regarding employment demographics, including the number of female, male and transgender employees, as of the end of the financial year, in the report.</p>	<p>These enhanced disclosures align with filing requirements under the POSH Act, which will now be publicly accessible through MCA filings, implying greater reputational risk in case of non-compliance. The Rules also bring in greater gender parity in the workplace while focusing on workplace diversity and greater protection to women employees, both under the POSH Act and the MB Act. Non-compliance with the Rules is punishable with a penalty of INR 300,000 and imposes a fine of INR 50,000 for every officer of the company who is in default. Since the directors of the company could be held liable, the Rules may prove to be a significant step to hold the board of directors accountable for diversity, inclusivity and the safety of the workplace for women and other genders.</p>	<p>As employers are now legally obliged to make the stipulated disclosures on the public MCA portal, they are encouraged to establish and implement policies under the POSH Act, MB Act and Transgender Persons (Protection of Rights) Act 2019. Employers must create a non-hostile work environment and have effective practices for the collection of employee data to ensure equal opportunity and welfare of all employees.</p>
<p><b>Regulation of gig workers</b></p> <p>Recognising the imperative to protect gig and platform-based workers, State Governments in India, such as Karnataka, have issued the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Ordinance 2025 (Ordinance) on 27 May 2025. This Ordinance awaits enforcement through official notification. States such as Telangana and Haryana have also taken certain initiatives to recognise gig workers.</p>	<p>The Ordinance applies to platforms in sectors including ridesharing, delivery services, e-commerce and healthcare. Key provisions of the Ordinance include mandatory registration of platforms with the Karnataka Platform-Based Gig Workers Welfare Board (Board) within 45 days of commencement of the Ordinance. Platforms must also (i) pay 1–5% welfare fee per transaction to the Karnataka Gig Workers' Welfare Fund; and (ii) provide clear and fair contracts to gig and platform workers with 14 days prior notice for any changes to, including a mandatory 14-day notice period for termination, except in cases of bodily harm.</p>	<p>These measures indicate that aggregators will face increased operational costs and additional administrative requirements. The Ordinance creates a significant compliance obligation for platforms operating in Karnataka, and non-compliance with the same attracts penalties of a fine ranging from INR 5,000 for a first offence to INR 100,000 for repeated offences.</p>	<p>Upon enforcement of the Ordinance, platforms/aggregators must register with the Board and submit a database of all gig-workers engaged by them. Companies should be aware that the State legislative bodies must approve this Ordinance within 6 weeks of its parliamentary session for it to become an act. Therefore, companies must keep themselves updated regarding parliamentary approval/rejection, as non-approval will render the Ordinance ineffective as it ceases to exist after the 6-week period of the session.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Worker participation in Italy</b></p> <p>A new law has been introduced to give workers the ability to participate in the decisions of companies. This came into effect on 10 June 2025.</p>	<p>In May 2025, Italy introduced a landmark reform with the enactment of Law No. 76, which gives effect to Article 46 of the Italian Constitution.</p> <p>For the first time in over seven decades, Italian workers are granted a structured legal right to participate meaningfully in the life of the companies they work for – not only as employees but as active stakeholders in governance, profit-sharing, and organisational development.</p> <p>The new law envisions worker participation as a multifaceted process that goes well beyond consultation. In certain corporate structures, employees may now hold positions on company boards, including supervisory or management bodies, depending on the firm’s legal model. This participation is not imposed unilaterally but is shaped through collective bargaining agreements and company statutes, ensuring that both employers and unions jointly define the boundaries and mechanisms of representation. Even smaller firms, although not formally obliged, are encouraged to adopt similar practices.</p>	<p>Law 76/2025 marks a major shift in Italian labour relations by legally empowering workers to participate in company governance, profit-sharing, and organisational decision-making. It promotes greater employee engagement, enhances workplace democracy, and aligns workers’ interests with those of employers. The law is expected to improve productivity, job satisfaction, and corporate transparency, while also fostering social dialogue through collective bargaining.</p> <p>The main risks include bureaucratic complexity, especially for small and medium-sized enterprises (SMEs), and the potential for increased conflict with unions if participation structures are poorly implemented or politicised.</p>	<p>To comply with Law 76/2025, employers should first review their corporate governance structures and identify where worker participation can be integrated.</p> <p>They must open discussions with unions or worker representatives to define participation models through collective agreements. Companies may need to amend their bylaws to allow for employee involvement in boards or internal committees. Employers should assess their capacity to offer profit-sharing schemes or equity plans, making use of available tax incentives. Organisational roles dedicated to welfare, training, and workplace innovation should be created or formalised.</p> <p>Joint committees with equal employer-worker representation may be established to address process improvements and work conditions. Employers are responsible for ensuring at least ten hours of annual training for worker representatives, funded through appropriate channels. Transparent consultation procedures must be designed for significant organisational changes. Regular dialogue with the newly formed CNEL commission may be required to stay aligned with national guidelines.</p>

# Kenya (1 of 2)

Development and date	Description	Impact and risk	Future actions
<p><b>Introduction of the concept of constructive resignation by employees</b></p> <p>Abdulah Firimbi t/a Sinai Hotel v Imungu 2025</p>	<p>The employer had reorganised its employees' shifts due to challenges because of the Covid 19 pandemic. Being dissatisfied with the new working arrangements, the claimant employee refused to report to work despite the employer making several attempts to ask the employee to report back to work.</p> <p>Following the several failed attempts, the employer informed the employee that her employment had been terminated, and the employee brought a claim for unfair dismissal.</p> <p>The trial court declared the employee's dismissal unfair and unprocedural. On appeal however, the Employment and Labour Relations Court (E&amp;LRC) held that the dismissal was not unfair, and her refusal to return to work following the employer's attempts amounted to constructive resignation.</p>	<p>The E&amp;LRC has introduced a novel concept in employment law that had not been applied in Kenya before.</p> <p>The Courts have previously held that a resignation by an employee must be direct and unequivocal.</p> <p>In addition, the Courts have advised employers to follow strict procedures prior to terminating the employment of an employee who has absconded from their duties.</p>	<p>The E&amp;LRC judgment means Kenyan employers will have an easier alternative of severing an employment relationship with an employee who absconds their duties without having to undergo the long termination procedures stipulated under the employment act.</p>

# Kenya (2 of 2)

Development and date	Description	Impact and risk	Future actions
<p><b>The Court of Appeal provides clarity on the correct process of enforcing work injury related awards</b></p> <p>Charles v Cheto 2025</p>	<p>The Claimant was injured in the course of his employment. He lodged a complaint with the Director of Occupational Safety and Health Services as prescribed under the Work Injuries Benefits Act (WIBA). He secured an award of Kshs. 624,000.</p> <p>The employer neither objected nor appealed the award within the statutory window. He claimed that he was not notified of the award in order to allow him time to lodge his appeal against the award.</p> <p>Nonetheless, the employee made an application to Employment and Labour Relations Court for enforcement of the award. The employer challenged this enforcement. However, the Employment and Labour Relations Court, and later the Court of Appeal, upheld the enforcement of the award.</p> <p>In determining this dispute, the Court of Appeal, placed emphasis on Article 162 (2) (a) of the Constitution of Kenay, Section 12 of the Employment and Labour Relations Act, and Section 86 of the Employment Act, 2007.</p> <p>The Court held that the time for appealing the award had lapsed, and that the only remedy available was judicial review. The Court also held that the Employment and Labour Relations Court role is strictly limited to adoption; it cannot entertain factual or merit-based challenges to the Director's award.</p>	<p>Unchallenged WIBA awards carry the full weight of the law. Parties cannot raise objections at the enforcement stage.</p> <p>Compliance with WIBA's tight objection and appeal deadlines is non-negotiable. Employers must monitor award notifications and act without delay.</p> <p>The judgment does not support <b>any strategy designed to delay enforcement.</b></p> <p>The judgment reinforces the legislative intention behind WIBA being; to provide expeditious compensation to injured workers, free from prolonged litigation.</p>	<p>There are several actions employers should consider as a result of this judgment. These include: monitoring WIBA proceedings closely and acting within statutory timeframes, and judicial review must be pursued promptly and before enforcement takes hold.</p> <p>Employees on the other hand may confidently seek ELRC enforcement where awards remain unchallenged, and enforcement applications can proceed even in summary form where they are uncontested.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>New wage indexation from 1 May 2025</b></p>	<p>According to the Luxembourg's Labour Code, wage indexation is a matter of public order provision. This means that it applies to all employees, regardless of their salary level.</p> <p>Employers are legally obliged to comply with this wage increase.</p> <p>Based on provisional results published by STATEC (Luxembourg's National Institute of Statistics and Economic Studies), the annual inflation rate of the national consumer price index stood at 1.7% for the month of April 2025. As a result, this triggered a new indexation of 2.5%.</p> <p>Consequently, the new applicable value of the wage index scale is now set at 968.04 points (formerly 944.43 points) and came into effect on 1 May 2025.</p> <p>As a result, all salaries must have been increased by +2.5% as of 1 May 2025.</p>	<p>Failure to comply with this public order provision may result in a fine for employers, ranging from EUR 251 to EUR 25,000.</p> <p>In the event of a repeat offence within two years, the maximum fine may be doubled.</p>	<p>If employers have not already complied, they will have to pay the index-related salary increase retrospectively from 1 May 2025.</p> <p>If not, employees could bring an action before the Labour Court to obtain retrospective payment of the amounts due.</p> <p>For future employment contracts, we recommend that the index applicable to the salary on the day the contract is signed is indicated in the employment contract.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Employment reform on weekly working hours in Mexico</b></p> <p>On 1 May 2025, in the framework of Labour Day, President Claudia Sheinbaum announced the Federal Government's decision to implement a gradual reduction of the standard working week from 48 to 40 hours, with full enforcement expected by January 2030. This marks a major development in Mexico's labour policy and is intended to be built through consensus with employees, employers, trade unions and legislators.</p>	<p>The reform aims to guarantee better working conditions and work-life balance by ensuring that all employees enjoy a five-day working week and two full days of paid rest, without a reduction in salary. The policy is framed within the Government's commitment to labour justice and social well-being under the Second Stage of the Transformation. The Ministry of Labour and Social Welfare launched a national public consultation process, with forums that took place from 2 June to 7 July 2025 across several cities, to gather input from stakeholders and determine the terms and schedule of implementation.</p>	<p>Employers, especially in labour-intensive industries, are expected to face operational challenges due to shorter working weeks. These include the need to reorganise schedules, maintain productivity levels, and potentially hire additional employees. To mitigate these impacts, the Employers' Confederation of the Mexican Republic (Coparmex) has called for the 100% deductibility of labour-related benefits, which are currently only partially deductible under the Income Tax Law (ISR). Coparmex also proposes tax adjustments to avoid negative financial effects on formal employment and payroll management. Without such measures, there is a risk of informal hiring practices or cost-cutting actions that could undermine the reform's objectives.</p>	<p>Following the conclusion of the consultation period, the Ministry of Labour and Social Welfare is expected to publish a proposed transition framework. This may include a phased reduction of working hours (e.g. from 48 to 45, then 42, and eventually 40 hours). Employers will need to adapt internal policies, workforce distribution models and compliance strategies. Legislative amendments to the Federal Labour Law and corresponding tax regulations are likely to follow. The success of the reform will depend on the inclusion of fiscal incentives, legal clarity, and a shared commitment to formal, productive and sustainable employment.</p>
<p><b>Amendment to the Federal Labour Law – “Right to be Seated” Reform (“Ley Silla”)</b></p> <p>On 17 June 2025, a reform to the Federal Labour Law entered into force, establishing a new obligation for employers to provide seating during the working day.</p>	<p>The reform amends Articles 132, 133, 422 and 423 of the Federal Labour Law. Employers are now required to provide chairs with backrests for all employees in the service, retail, and similar sectors, both for performing job functions and for periodic rest during the workday. It is also prohibited to require employees to remain standing throughout their shift. The obligation must be reflected in each company's Internal Work Regulations.</p>	<p>Employers must ensure that workplaces are ergonomically adapted and that designated rest areas with sufficient seating are available. Failure to comply may lead to inspections, administrative sanctions, or labour claims. Companies must update internal regulations and ensure practical enforcement. The reform especially impacts retail, hospitality and service sectors.</p>	<p>Employers must review and update internal policies and workplace infrastructure to comply with the new legal standard. The Ministry of Labour and Social Welfare is expected to issue additional technical standards on ergonomic risk factors. Full compliance is now mandatory, and enforcement may increase through inspections and employee complaints.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>A bill to modernise labour relations</b></p> <p>The bill clarifies and modernises certain aspects of employment contract law. It covers several subjects (form of employment contract, emancipated minors, validity of employment contracts, probationary periods, termination of employment contracts, notice periods, part-time employment contracts and contracts for less than half-time work).</p> <p>If it is ratified, it will come into force on the day after the law is published, except for certain provisions that are subject to a transitional regime (for example, the provisions relating to part time work will come into force six months from publication).</p>	<p>Below are the key changes and how they will affect Monegasque labour law:</p> <ul style="list-style-type: none"> <li>– Form of the employment contract: for the time being, the form of the employment contract is unrestricted (written or verbal) except in certain exceptional cases (apprenticeship and telework contracts). The legislator intends to expand the list and introduce a requirement to conclude a written employment contract for part-time employees (less than 39 hours/week), which must be drawn up no later than the date on which the employee starts work.</li> <li>– Remuneration for half-time employment contracts (different from part-time work, 19.5 hours/week): Working hours in excess of the hours specified in the contract without additional pay are limited to this same duration. Beyond this, hours are paid at an overtime rate.</li> <li>– Notice period: Some employers set the notice period for executives with more than two years' length of service at three months. The bill enshrines this principle: workers in positions of responsibility with more than two years' length of service are entitled to a three-month notice period.</li> </ul>	<p>This bill, whose initial aim was to modernise Monaco and make it more competitive, has been criticised as being too restrictive for employers and complex:</p> <ul style="list-style-type: none"> <li>– Form of the employment contract: The absence of a written employment contract for part-time work is not subject to any specific penalty, which can lead to legal uncertainty and could weaken its enforceability. In addition, the very short time given to the employer to draft and sign the employment contract could have a negative effect and encourage employees to take legal action to claim damages.</li> <li>– Remuneration for half-time employment contracts (different from part-time work, 19.5 hours/week): These provisions complicate the current system, as employers will now have to know the threshold for overtime for each employee. This makes managing working hours more rigid, as employers will be careful not to exceed this number of hours in order to avoid overtime.</li> <li>– Notice period: This clarification is welcome, as the three-month period raised many questions, particularly regarding the notice period for executive staff. However, the bill does not target executive staff, but rather employees in positions of responsibility. This category is very vague and will undoubtedly be subject to discussion between employees and employers at the time of termination.</li> </ul>	<p>If the Bill comes into force without any changes, then employers should consider the following:</p> <ul style="list-style-type: none"> <li>– Form of the employment contract: It is advisable to establish employment contracts for all employees so that part-time and full-time employees are subject to the same clauses (confidentiality, discretion, etc.).</li> <li>– Remuneration for half-time employment contracts (different from part-time work, 19.5 hours/week): Closely monitor the working hours of part-time employees to avoid inadvertently triggering their overtime threshold – without falling into a counterproductive system.</li> <li>– Notice period: Specify the notice period in the employment contract to avoid any disputes</li> </ul>

Development and date	Description	Impact and risk	Future actions
<p><b>Organic law on the right to strike in Morocco</b></p> <p>Organic Law No. 97-15 was published in the Official Gazette on 24 March 2025. Under the provisions of the law, it will enter into force six months following its publication in the Official Gazette, i.e. on 24 September 2025. This new Organic Law is the first legal instrument regulating the exercise of the constitutional right to strike. It introduces detailed procedures and conditions under which strikes may be legally organised and carried out.</p> <p>Organic Law No. 97.15 regulates the right to strike, with a broad definition covering moral and economic interests, and applies to both public and private sectors, including contract workers.</p>	<p>A strike is defined as a temporary, total, or partial work stoppage initiated by a group of workers related directly or indirectly to a company, institution, or public service. The strike aims to defend social, economic, professional, or moral interests related to working conditions or the exercise of a profession.</p> <p>This includes both “most representative” and “representative” unions, as well as strike committees under certain conditions. Workers participating in a strike will not be paid during the strike period.</p> <p>The Organic Law introduces strict procedures (notice periods, thresholds, notifications) and expands the right to call a strike to representative unions and strike committees.</p> <p>In companies without a representative union, strike committees can initiate a strike if supported by 25% of workers and after a general assembly (35% quorum). Strike notices vary from 7 to 45 days depending on the context. Immediate action is allowed in case of imminent danger.</p> <p>The right to strike cannot be waived, except under collective agreements that ensure social peace and include dispute resolution mechanisms.</p> <p>Local authorities may intervene (including through courts) to ensure continuity in essential services or to prevent public disorder. Courts may suspend or end a strike to preserve public order.</p>	<p>The new legislation recognises not only economic strikes but also solidarity strikes and those defending moral interests such as dignity and freedom, thereby broadening the scope of lawful labour actions.</p> <p>This expansion could lead to a higher frequency and greater complexity of strikes. At the same time, it enhances inclusiveness and representation by democratising the right to strike, even in non-unionised companies.</p> <p>However, the requirement of at least 25% support among employees may prove difficult to achieve in large organisations, potentially limiting its effectiveness.</p> <p>While the law seeks to protect vital services such as health and safety, it also introduces the possibility of judicial restrictions on the right to strike, which could pose risks to the full exercise of this fundamental freedom.</p> <p>Employers face fines (MAD 20,000–200,000) for closing the company or replacing strikers. Strikers violating procedures face fines (MAD 1,200–8,000).</p>	<p>Although the Organic Law No. 97-15 has been adopted and validated by the Constitutional Court, its effective implementation remains to be built. No implementing decrees have been published to date, despite several key provisions depending on them.</p> <p>Key points still need clarification, and several provisions raise concerns, notably high representativity thresholds, possible restrictions on strikes by local authorities and complex procedures.</p> <p>Its impact remains uncertain and will depend on future implementation, judicial interpretation, and the quality of social dialogue.</p> <p>Employers should proactively manage collective disputes by formalising social dialogue, updating internal rules to align with the Organic Law 97-15, identifying minimum service roles, ensuring proper documentation, and training HR and staff representatives on the new procedures.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Bills to amend and extend benefits to workers</b></p> <p>Coinciding with the call for general elections to elect the President of the Republic and members of Congress in ten months' time, draft labour laws are being presented in the Congress of the Republic, with the aim of granting greater benefits to workers.</p> <p>The Bills include the following:</p> <ol style="list-style-type: none"> <li>1. A bill to extend the protection against dismissal in the case of pregnant workers, workers who have given birth, or are breastfeeding. The protection against dismissal in these cases implies that if the dismissal occurs during the period of pregnancy and up to one year after the birth, the dismissal is presumed to have been motivated by any of these circumstances, unless the employer proves the existence of just cause for dismissal and that the dismissal would have taken place even if she were not pregnant.</li> <li>2. A bill aims to prioritise teleworking in cases where there is a risk during pregnancy.</li> <li>3. Another bill proposes to redefine work outsourcing by introducing limitations not foreseen in the relevant law.</li> <li>4. Another proposes to extend the period of joint and several liability of the main company in cases of outsourcing.</li> </ol>	<p>In summary, the aim of these draft laws is the following:</p> <ol style="list-style-type: none"> <li>1. The extension of protection against dismissal in the first bill involves the following amendments: <ul style="list-style-type: none"> <li>– Extend the grounds of null and void dismissals to cases where the employer harasses or intimidates a female worker into resigning from the job, or when a fixed-term contract is not renewed despite the fact that the reasons that motivated its conclusion still exist.</li> <li>– Extend this legal protection to male workers who are fathers if they are under the same conditions of legal protection as female workers, if the mother of the child is not working.</li> <li>– Extend the grounds for null and void dismissals to managerial and trustworthy employees, who currently do not enjoy legal protection against dismissal.</li> </ul> </li> <li>2. The second draft law says that if there are risks during pregnancy, at the request of the pregnant worker, the employer should prioritise the possibility of changing her work processes, from face-to-face to teleworking, and if the employer refuses this prioritisation, this refusal should be considered unlawful and liable to be sanctioned.</li> </ol> <p>The third bill aims to limit outsourcing exclusively to specialised activities that are not part of the company's core business, despite the fact that in 2022 the Ministry of Labour issued a rule to the same effect that was annulled by another administrative body and also by the judiciary.</p> <p>The fourth bill seeks to extend from 1 to 4 years the period during which the main company is jointly and severally liable with the outsourcing company for the payment of labour rights and social security obligations of the contractor's workers in charge of the outsourced activities.</p>	<p>None of the bills have yet become law, and consequently, the proposed legal changes have not yet entered into force, but it is not unlikely that some of them will be approved and that some of the proposed changes will soon become enforceable.</p> <p>For employers adding situations where a dismissal is unlawful, imposing teleworking on employers under threat of fines, limiting the activities that can be outsourced, or extending the legal deadline for employers' joint and several liability for the labour obligations of their contractors, are all initiatives that would increase the costs of hiring staff as they would create greater difficulties for employers.</p>	<p>As we can see, if some of the draft laws come into force, employers will have to be careful and stay informed about the new obligations that will be imposed on them, about the risks of non-compliance and also about the best way to properly enforce the likely new labour obligations.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Employment of foreigners</b></p> <p>New rules on employing foreigners came into force in Poland on 1 June 2025.</p>	<p>These are major changes to the rules for employing and allowing foreigners to live in Poland. Employers no longer need to get confirmation from the local labour office that there are no available Polish workers for the job. Fines for hiring foreigners illegally have increased and can now reach up to PLN 50,000 (approx. EUR 11,759).</p> <p>All procedures for work permits and declarations of employment must now be done entirely online. Employers also have new reporting duties and must send a copy of the employment contract through the electronic system before the foreigner starts working. However, the system for sending these contracts is not fully working yet due to technical problems.</p>	<p>Although meant to streamline procedures, these changes add formalities, increase compliance risks, and impose tougher penalties on employers.</p>	<p>Companies should review their internal procedures for employing foreigners in Poland to ensure compliance with the new rules, which are already in force.</p>
<p><b>Pay transparency in recruitment</b></p> <p>Poland has introduced a new pay transparency law for recruitment. It will take effect on 24 December 2025. This is only a partial implementation of the EU Pay Transparency Directive. The Polish Ministry of Labour is still working on its own comprehensive draft law on this matter, which has not yet been published.</p>	<p>The new law requires employers to: (1) inform applicants about the offered salary, including the amount or range and any applicable pay rules; (2) provide this information early, on paper or electronically, for fair negotiations; (3) include this information in the job ad, or share it before the interview or employment; (4) use gender-neutral language in job titles and ads; (5) not ask applicants about their current or past salary.</p>	<p>These changes aim to make the recruitment process more transparent. However, they do not bring a big change because employers do not need to include salary information in job ads and can share it later in the recruitment process.</p>	<p>To comply with the new rules, companies should adjust their recruitment processes and review the language used in organisational charts and job ads.</p>
<p><b>Pilot project for reduced working hours</b></p> <p>The Polish Ministry of Labour has announced a voluntary pilot program to test reduced working hours. Both public and private employers can join. Applications will open this summer, and the program will start on 1 January 2026.</p>	<p>The pilot will explore different ways of reducing working time, such as a four-day workweek or shorter daily hours, while maintaining employees' full pay. This means employees will not face a salary reduction even though they will work fewer hours. The program's goal is to gather data and experience on the potential benefits and challenges of shorter working hours, including their impact on employee satisfaction, mental health, work-life balance, and company performance.</p>	<p>Employers who join the pilot will receive support from the Ministry, and the Government will use the results to decide whether to propose permanent changes to labour law on working time in the future.</p>	<p>Companies that want to join the pilot project should check the requirements to make sure they qualify and prepare their applications. They can submit applications from 14 August to 15 September 2025.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Proposal to amend the Citizenship Law</b></p> <p>On 23 June the Council of Ministers approved a significant proposal to amend Portugal's citizenship law, introducing profound changes that will affect long-term residents and applicants.</p> <p>The proposal took place on 4 July and is expected to be approved by the end of July. Some provisions are set to apply retrospectively from 19 June, including pending applications. The legislative process may extend into September or October due to the parliamentary calendar and the August recess.</p> <p>These proposed amendments are highly likely to be approved, as they have been introduced by the current Government – a coalition of two right-wing parties – and enjoy broad support from other right-wing factions. With right-wing parties holding over 59.33% of the parliamentary seats and only a simple majority of 116 votes required for passage, the approval of these changes appears virtually certain.</p>	<p>According to the Government, the proposed amendments aim to reinforce the connection between the applicant and the Portuguese state, emphasising solidarity, loyalty, and proximity.</p> <p>Key changes are:</p> <p>Legal residence required for naturalisation will rise from five to ten years for non-CPLP (Community of Portuguese Speaking Countries) citizens, and to seven years for CPLP citizens; Residence Period Calculation implies that only time with a physical residence permit will count (periods of irregular stay or pending legalisation are excluded); Applicants must pass new mandatory exams on Portuguese history and culture, and formally declare adherence to constitutional principles; Stricter rules for children born in Portugal will apply, namely parents must have three years of legal residence, and a formal application is required for children born in Portugal to acquire citizenship; Citizenship may be judicially revoked for serious crimes committed within ten years of naturalisation; The special naturalisation regimes for Sephardic Jews and grandchildren of Portuguese nationals will be eliminated, and rules for stateless persons will be revised.</p>	<p>As seen throughout the years, any change to citizenship laws is extremely impactful. The adaptations in the last few years have, according to the Government, had severe negative implications in the country's day to day lives: Portugal's "easy to obtain" citizenship made into a convenient one.</p> <p>The suggested adjustments leave a few questions in constitutional matters – e.g., revoking someone's citizenship might go against the Portuguese Constitution and, in the same way, altering the years of legal residence will frustrate expectations that were rightfully created since many residents who planned their lives around the previous 5-year requirement will now face up to double the waiting period, potentially affecting integration and family planning.</p> <p>With over 700,000 pending citizenship requests, the new requirements are likely to increase the backlog and delay processing further.</p> <p>The lack of a clear transition plan has caused anxiety among applicants and legal professionals, with concerns about fairness and legal certainty as well as arising political and social tension.</p>	<p>After parliamentary approval, the President of the Republic will review the law. While the President has the authority to request a constitutional review or veto the law, the strong parliamentary support and political momentum behind the proposal make significant alterations or a veto unlikely.</p> <p>There is currently no official plan for a smooth transition, but ongoing petitions and advocacy efforts are pushing for fair treatment of pending and future applicants, as well for the establishment of a transitional regime</p> <p>People continue to mobilise, with petitions gathering significant support (over 12,000 signatures as of 2 July), indicating ongoing public pressure for a fair and transparent process.</p> <p>Legal professionals, NGOs, and international observers are closely monitoring the situation, given Portugal's reputation for relatively open and inclusive citizenship policies. Any significant legal or constitutional challenges, as well as the practical impact of the new law on integration and migration, will be scrutinised both domestically and internationally.</p> <p>The Government's handling of the transition and its responsiveness to public and legal concerns will be critical in shaping the national and international perception of Portugal's approach to citizenship and migration policy.</p>

Development and date	Description	Impact and risk	Future actions
<b>Decree on the Termination of the Decree on the Criteria for Granting Incentives to Employers Hiring Newly Settled Individuals in the Republic of Serbia</b> (the Decree)	The Decree on the Criteria for Granting Incentives to Employers Hiring Newly Settled Individuals in the Republic of Serbia was abolished, however, incentives already granted remain valid until 31 December 2029.	Employers can no longer apply for new incentives under the abolished Decree. The rights acquired under the Decree before 21 June 2025 remain valid, and incentive payments will continue until 31 December 2029.  The Decree generously incentivised hiring of non-resident experts, and was abolished due to a significant increase in the number of applications and limited budget funds.	Employers may still use tax relief measures for newly settled individuals, in the form of a reduction of the salary tax base under the Personal Income Tax Law.

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<p><b>The Workplace Fairness Act</b></p> <p>The Workplace Fairness Bill was passed in parliament on 8 January 2025. The Workplace Fairness Act (the Act) builds on the tripartite partners' ongoing commitment to strengthen Singapore's model for fair and harmonious workplaces. Importantly, the provisions of the Act are mandatory and cannot be contracted out.</p> <p>The Act will apply to companies with at least 25 employees. The Ministry of Manpower ("MOM") will review its applicability to smaller firms five years after the Act comes into effect, giving them time to build up their capabilities.</p> <p>The Act is expected to come into force in either 2026 or 2027.</p>	<p>The Act allows the Singapore Government to enforce penalties based on breach severity, from educational workshops to fines and civil penalties.</p> <p>The Act defines what constitutes discrimination, and categorises discrimination 'against individuals', 'by direction, instruction or policy' and 'by advertisement or description.' This provides clear standards for employers, helps employees identify discriminatory practices, and strengthens enforcement by specifying prohibited conduct.</p> <p>The Act maintains flexibility for employers by allowing exceptions based on:</p> <ul style="list-style-type: none"> <li>(a) genuine job requirements, such as where the job needs to be performed by an individual who has (or does not have) the protected characteristic in order to preserve the health, safety or privacy of an individual;</li> <li>(b) age below the prescribed limit;</li> <li>(c) non-citizens and permanent residents of Singapore;</li> <li>(d) religious groups employing individuals for religious reasons; and</li> <li>(e) decisions not to hire due to the absence of a disability.</li> </ul> <p>The Act protects individuals who lodge complaints in good faith by shielding them from professional, civil, or criminal liability, and safeguards their identity during proceedings.</p>	<p>The Act marks a major leap in anti-discrimination legislation in Singapore, providing enforceable rights where guidelines once stood. It empowers vulnerable groups, demands accountability, and signals a shift toward more inclusive workplaces.</p> <p>However, small and medium enterprises may face challenges in establishing robust grievance mechanisms and implementing adequate training, given their limited resources. Whether they can bridge this gap before the Act becomes applicable to them remains to be seen. If not, compliance could become a substantial burden. Nevertheless, the Act is a welcome step forward in promoting fairness and inclusivity in the workplace.</p>	<p>While the Act introduces an additional layer of protection, MOM and the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) adopt an education-first approach to foster the right mindsets among employers and employees. For instance:</p> <ul style="list-style-type: none"> <li>– TAFEP has developed user-friendly and practical resources and templates and is currently creating new e-learning modules to help employers effectively implement grievance handling procedures.</li> <li>– TAFEP is collaborating with partners to build education and capability.</li> <li>– MOM will support employers who inadvertently breach the Act to rectify their practices.</li> </ul> <p>Currently, six in ten companies have established formal procedures to address workplace discrimination. The Act will ensure more employers implement firm-level processes for handling grievances in a professional and sensitive manner.</p> <p>Tripartite Guidelines on Fair Employment Practices (TGFEPP) will continue to address workplace discrimination based on characteristics not covered by the Act, working alongside it to promote fair and merit-based employment practices in Singapore.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Amendments to the Labour Market Regulation Act</b></p> <p>On 20 June 2025 the Parliament adopted the act (not in force yet).</p>	<p>Key updates include: higher unemployment benefits (70%–130% of gross minimum wage), part-time work incentives for older workers, expanded temporary work for retirees (increased monthly and yearly limits – from 60 hours to 85 hours per month), “80/90/100” model (working 80%, earning 90%, pension accrues at 100%) before retirement; incentives for employing employees over 59; stricter regulation of temporary work agencies; improved employment services by the Public Employment Service.</p>	<p>These changes introduce enhanced worker protection, greater labour flexibility and support for an ageing workforce. However, the stricter conditions will represent implementation challenges for temporary work agencies.</p>	<p>Monitor implementation from 1 January 2026 and continuous monitoring of labour market trends.</p>
<p><b>Draft Act on Worker Ownership Cooperatives</b></p> <p>On 19 May 2025 the draft act was sent for public discussion.</p>	<p>A public consultation has been launched for an ESOP-style act allowing gradual worker ownership through cooperatives. The draft act sets out a regulatory framework and incentives for establishing these schemes, as it provides special tax treatment and legal certainty for owners who decide to sell part of their business to their employees.</p>	<p>This initiative could lead to increased employee motivation and productivity.</p>	<p>Public consultation ended 6 June 2025; monitor stakeholder feedback.</p>
<p><b>Amendments to the Foreigners Act</b></p> <p>The Act applies from 21 May 2025 (some provisions will start to apply at a later date).</p>	<p>Key updates include: New residence permit for digital nomads, extension of first permits from one year to two years, streamlined application procedures, including clearer rules for identity verification (e.g. fingerprints), transposition of EU directives: Blue Card and ETIAS</p>	<p>The focus of this amendment is on the transposition of EU directives, reducing administrative burdens and improving Slovenia’s appeal to international remote workers (digital nomads).</p>	<p>Stay informed on updated procedures and required documentation.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>The National Labour Migration Policy (NLMP) white paper and Employment Services Amendment Bill (ESAB)</b></p> <p>NLMP establishes a framework on the movement and employment of foreign nationals as a response to high domestic unemployment and public concerns regarding the impact of foreign labour on job opportunities for South Africans.</p>	<p>The new framework aims to balance the need for economic growth and skills development while prioritising employment opportunities for South African citizens, permanent residents and refugees.</p> <p>The ESAB will give effect to the NLMP through the regulation of foreign labour and seeks to achieve consistency between the Immigration Act 13 of 2002 and the Refugees Act 130 of 1998.</p>	<p>Non-compliance may result in enforcement action, including fines of up to R 100,000 and other penalties as provided for in the ESAB.</p>	<p>Employers operating in the identified sectors (such as agriculture, hospitality, tourism and construction) should prepare for the introduction of sectoral quotas on the employment of foreign nationals by, among others, implementing a robust verification process to confirm legal status of foreign employees, and to develop and maintain skills transfer plans in recruitment of foreign nationals. The provisions have not been implemented yet and employers are advised to monitor the legislative process and begin reviewing their employment policies and practices.</p>
<p><b>The Employment Equity Regulations</b></p> <p>On 15 April 2025 the Minister of Employment and Labour published the Employment Equity Regulations 2025 and in connection with Sections 15A(1) and (2) of the Employment Equity Act 1998 (EEA) published a notice identifying national economic sectors and determining the applicable sectoral numerical targets.</p>	<p>When developing Employment Equity Plans (EE Plans) and setting annual numerical targets in the workplaces in Section 20(2) of the EEA, designated employers must take into account:</p> <ul style="list-style-type: none"> <li>(a) their workforce profile,</li> <li>(b) the relevant five-year sectoral numerical targets; and</li> <li>(c) the applicable Employee Assistance Program</li> </ul>	<p>Businesses that fail to comply with South Africa's new transformation laws face possible fines of R 1.5m or 2% of turnover, and the possibility of being excluded from doing business with the state.</p>	<p>Designated employers are now required to develop and implement an EE Plan covering the period from 1 September 2025 to 31 August 2030 taking into account the numerical targets. Employers who become designated after 1 April 2025 are required to formulate an EE Plan for the remaining duration of this period.</p>
<p><b>Steyn v Business Connexion Group Ltd 2025</b></p> <p>The Labour Court confirmed that when there is a transfer of a business as a going concern in section 197 of the Labour Relations Act, 1995 (LRA), the retirement age that has been agreed with the old employer, as stipulated in the employment contract, will transfer and apply to the employee's contract with the new employer.</p>	<p>The employee was initially employed on a contract that contained a retirement age of 60. The employer's business transferred to BCX whose retirement age was 65. The employee refused to sign a new contract with BCX. BCX sought to harmonise the retirement ages to 65. After the employee turned 60, she enquired about BCX's retirement age, stating that she thought it now had a retirement age of 65. BCX confirmed that the new retirement age of 65 only applied to staff who were employed under the new terms and conditions. The employee argued that she had not reached retirement age and that the employer's decision to retire/dismiss her three months after reaching retirement age (60) was automatically unfair.</p>	<p>The Labour Court held that the Constitutional Court had made it clear that all the terms and conditions of the employment contract are transferred to the new employer when there is a transfer of business as a going concern, and that the new employer is automatically substituted in the place of the old employer in respect of all contracts of employment in existence immediately before the transfer date. The employee's retirement age at the time of her dismissal was the age of 60, as contained in her employment contract with the original employer and which had transferred to BCX.</p> <p>Where a transfer of business takes place, the terms and conditions (including retirement ages) also transfer to the new employer.</p>	<p>Employers must ensure that either all employees sign new terms and conditions of employment upon transfer of a business in order to harmonise terms and conditions of employment or ensure that historical terms of employment are kept on record and enforced.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Statutory Minimum Wage</b></p>	<p>The minimum wage has been set at EUR 39.47 per day or EUR 1,184 per month for any work in Spain, regardless of the worker's age or gender. This change is effective retrospectively from 1 January 2025.</p>	<p>The measure reinforces workers' purchasing power amid inflation but may increase labour costs especially in low-wage sectors. There is a potential risk of job losses in economically vulnerable regions and sectors.</p>	<p>Companies should update payroll systems retrospectively and assess the impact on salary structures, collective bargaining and budget forecasts. Sectoral agreements may require renegotiation to comply with the new threshold.</p>
<p><b>Modification of the Spanish Workers Statute</b></p>	<p>From 1 May 2025, dismissals due to total or severe disability will no longer be automatic. Employers must first try to adjust the current role, find a suitable alternative job, or agree to a transfer. The contract will only finish if these options aren't possible. There will also be a suspension period of up to three months to evaluate the situation without the employee losing their job.</p>	<p>The reform strengthens employment protections for disabled workers and aligns with EU Court of Justice case law. However, it increases the procedural burden and legal uncertainty for employers managing long-term absences.</p>	<p>HR departments should revise internal dismissal protocols and adapt policies to include the new steps. Legal teams should be involved early in disability-related cases to assess options and risks.</p>
<p><b>Law on the reduction of working hours</b></p>	<p>Law to reduce working hours to 37.5 hours per week, to introduce time recording and the right to digital disconnection.</p> <p>The law is at the beginning of the legislative process and is not expected to be finalised until the end of the year.</p>	<p>Reduction of working hours without loss of salary. If approved, this would mark a major shift in working time regulation, impacting workforce planning and productivity. Different sectors may face significant operational challenges.</p>	<p>The law is expected to be approved before 31 December 2025. Employers should begin assessing the feasibility of adjusting working schedules and developing flexible work plans pending the legislative process.</p>
<p><b>Efficiency measures for the Public Justice Service</b></p>	<p>Important changes to labour procedures in Spain. The law reorganises the employment courts to make them more efficient by encouraging oral hearings and speeding up conciliations and trials. The law also strengthens protections for workers by addressing serious delays in salary payments and expanding the situations in which dismissals related to family leave or work schedule changes are considered invalid. Additionally, it promotes mediation to resolve disputes and gives the Labour Inspectorate a bigger role in helping solve conflicts.</p>	<p>The reform seeks to reduce court congestion and improve access to justice for workers. For employers, it could result in faster dispute resolution.</p>	<p>Legal and HR teams should monitor how courts apply the new procedural rules and assess litigation strategies accordingly. Enhanced use of mediation may offer opportunities to resolve disputes more efficiently.</p>

# Spain (2 of 2)

Development and date	Description	Impact and risk	Future actions
<b>Judgement of CJEU on the gender gap in pensions with the principle of equality between men and women</b>	<p>On 15 May the CJEU answered questions referred for a preliminary ruling by Spanish courts on Spanish legislation providing for a gender gap supplement to pensions, aimed at mitigating inequalities arising from the upbringing of children.</p> <p>The judgment declared that this supplement establishes unequal and discriminatory treatment between men and women, in contravention of Directive 79/7/EEC which guarantees equality in the field of social security.</p>	<p>The ruling is to be enforced by the Spanish courts. In addition, social security is facing substantial claims from men for discrimination during the years when the law did not guarantee such equality.</p>	<p>The ruling means the Government should review and amend Spanish legislation to eliminate the discriminatory supplement and ensure equal treatment in pensions.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Reporting of VAB and Parental Leave</b></p> <p>As of January 2025, employers must report employee absences due to parental leave or temporary parental benefits (VAB – care of a sick child) to the Swedish Tax Agency (<i>Sw. Skatteverket</i>) as part of the monthly employer declaration (<i>Sw. Arbetsgivardeklaration</i>).</p>	<p>Reporting is done through the employer's declaration and must include all relevant absence information. Employers are also required to inform each employee of the specific absence data submitted. It is important to note that corrections or additions can not be made retrospectively.</p> <p>The Swedish Tax Agency will forward the information to the Swedish Social Insurance Agency (<i>Sw. Försäkringskassan</i>), which will use the data submitted to verify entitlement to parental benefits.</p>	<p>The purpose of the data collection is to make the Swedish Social Insurance Agency's control more efficient.</p> <p>However, the collection of information means a certain increase in the administrative burden for employers, as they will have to compile and submit this information on a monthly basis.</p>	<p>Employers should ensure that payroll systems can accurately process and report VAB and parental leave data in connection with the monthly employer declaration.</p> <p>Internal policies and routines may need to be updated to ensure clear communication with employees about the information collected and reported.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Employee liability for breach of secrecy</b></p> <p>In a decision of 23 April 2025, the Swiss Federal Supreme Court ruled on the liability of an employee for breach of secrecy.</p> <p>The corresponding employee had been employed in a senior position. His employment contract contained strict confidentiality and return obligations regarding confidential information and documents at the end of the contract.</p> <p>After the end of the employment relationship, the employee passed on confidential information to a newspaper.</p> <p>In this context, the employer sued the employee for damages for breach of contract. In view of the media coverage, the employer commissioned communications agencies and a law firm to defend its reputation.</p> <p>In court, the employer demanded payment of approx. CHF 200,000 from the former employee as compensation for the costs of the external communication and legal advice. The first instance court dismissed the claim.</p>	<p>The Swiss Federal Supreme Court affirmed the liability of the former employee. It first established the four requirements for employee liability: damage suffered by the employer, breach of contract by the employee, causal link between breach and damage, and intentional or negligent behavior.</p> <p>The breach of contract was undisputed. The cantonal court had denied natural causation, as the employer's reputation had already been 'seriously damaged' before the employee's breach of confidentiality. Accordingly, the employer had already commissioned communications agencies prior to the breach by the employee. However, the fact that the reputation had already been tarnished did not mean to the Federal Supreme Court that the subsequent articles based on the defendant's information would not have caused further damage or that no (additional) mitigating costs would have been necessary. Hiring consultants to respond to these ongoing disclosures was part of the normal course of events. The costs were therefore a consequence of the employee's breach of contract.</p> <p>With regard to adequate causality, the Federal Supreme Court found that the disclosure of confidential documents to the media by a former manager of the company concerned was, in the normal course of events, likely to damage its reputation and cause costs for its defense. Adequate causation was therefore also given.</p> <p>The Federal Supreme Court upheld the employee's liability for damages, but considerably reduced the amount owed compared to the claim.</p>	<p>The judgment reaffirms the requirements for employee liability and confirms that the bar for a causal link between the breach and the damage must not be unreasonably high.</p>	<p>The decision gives helpful guidance for employers who wish to establish and enforce damage claims against (former) employees.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>FAQ Guide on occupational health and safety services for employers</b></p> <p>On 15 April 2025, the Ministry of Labour and Social Security published a FAQ Guide on Occupational Health and Safety (OHS) Services provided by Employers or Employer Representatives.</p>	<p>In low-risk workplaces with fewer than 50 employees, SGK-registered employers, partners, representatives, or managers may undertake OHS duties, excluding health checks, upon completing the required training. The training is open to all, no degree required, and the certificate is valid indefinitely.</p>	<p>Employers and employer representatives of low-risk workplaces with fewer than 50 employees can reduce reliance on external occupational health and safety services by completing the relevant training.</p>	<p>In low-risk workplaces with fewer than 50 employees, employers and employer representatives who wish to undertake occupational health and safety services must complete the relevant training.</p>
<p><b>Amendments to the Regulation on the procedures and principles for the implementation of active labour force services</b></p> <p>On 19 April 2025, the Turkish Employment Agency (İŞKUR) published amendments to the Regulation on Active Labour Force Services in the Official Gazette, which entered into force the same day.</p>	<p>The amendments lower the employment commitment rate for on-the-job training and vocational courses for private manufacturing workplaces from 60% to 50% and require employers to hire participants for at least 60 days and 1.5 times the programme length, applying to programmes until 31 December 2026.</p>	<p>These amendments provide greater flexibility for private sector employers in the manufacturing industry to benefit from İŞKUR-supported training programmes by lowering employment obligations and removing certain administrative requirements.</p>	<p>Employers in the manufacturing sector wishing to benefit from on-the-job training programmes should take the necessary steps to comply with the regulations related to on-the-job training programmes and vocational training courses under the Regulation.</p>
<p><b>Amendment to employers' obligation to pay salaries through bank transfers</b></p> <p>On 4 June 2025, the Regulation amending the rules on payment of salaries, bonuses, premiums, and similar entitlements through banks was published in the Official Gazette and entered into force on the same day.</p>	<p>The Amendment expands the requirement to pay salaries, bonuses, premiums, and similar entitlements via bank transfer from employers with at least five employees to those with three or more. As of 1 July 2025, all employers with three or more employees will be obliged to make such payments only through bank transfers.</p>	<p>The amendment expands the obligation to ensure secure, traceable, and formalised wage payments, particularly for small-scale workplaces.</p>	<p>Employers should consider reviewing their payment systems to adapt to these new regulations.</p>
<p><b>National occupational health and safety council circular</b></p> <p>On 20 June 2025, a circular regarding the working principles of the National Occupational Health and Safety Council was issued by the president.</p>	<p>The Council, chaired by the Minister of Labour and Social Security or a deputy, includes relevant ministries, unions, business and professional organisations. It reviews OHS legislation, prepares the National OHS Policy Document, and meets at least annually.</p>	<p>The Council is expected to review occupational health and safety legislation and prepare Türkiye's National Occupational Health and Safety Policy Document. Its work may influence future legal and policy changes in this field.</p>	<p>The circular requires all relevant institutions to support the Council's decisions. Employers should monitor the Council's activities, as future changes may bring new occupational health and safety obligations.</p>

# Turkiye (2 of 2)

Development and date	Description	Impact and risk	Future actions
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## Statutory Seniority Compensation Cap

The statutory seniority compensation (also known as 'severance pay') cap has been revised in line with the Circular dated 7 July 2025, issued by the General Directorate of Public Financial Management and Transformation under the Ministry of Treasury and Finance. Accordingly, as of 1 July 2025, the maximum annual amount of severance pay to be paid to employees is TRY 53,919.68.

As of the second half of 2025, the maximum annual amount of severance pay to be paid to employees has been adjusted to TRY 53,919.68. This change is expected to affect employees who are eligible for seniority compensation during the period between 1 July 2025 and 31 December 2025 (inclusive).

With the cap set at TRY 53,919.68, employees whose severance pays falls below this limit may receive the full amount they are entitled to, while for those whose entitlement exceeds the cap (e.g. TRY 53,919.68), the limit restricts the total severance pay they may receive.

Employers should ensure compliance with the new statutory seniority compensation during the second half of 2025.

Development and date	Description	Impact and risk	Future actions
<p><b>The procedure for recognising employment abroad as part of the pension insurance record has been adopted</b></p> <p>In May, the Cabinet of Ministers of Ukraine approved the procedure for confirming and including periods of employment abroad in the Ukrainian pension insurance record. This regulation introduces a mechanism for determining eligibility for an old-age pension in cases where the required insurance period is lacking, provided that such periods of foreign employment are recognised as part of the insurance record.</p>	<p>Work periods in foreign countries will be included in the pension insurance record, if a person does not have a minimum pension insurance record outlined by law.</p> <p>Periods of employment in a foreign country can be recognised and included in a person's insurance record under the conditions of a treaty between Ukraine and another country or by submitting confirmation documents to the territorial body of the Pension Fund of Ukraine.</p>	<p>The new regulation ensures that periods of employment in other countries are recognised for pension eligibility, reducing the risk of individuals being unable to claim their pensions due to insufficient domestic work history.</p>	<p>To ensure smooth implementation, it is essential to establish efficient communication channels with foreign pension authorities and streamline the process of document verification.</p>
<p><b>The possibility of holding employers accountable for non-payment of wages is currently under consideration</b></p> <p>On 30 April 2025 the Verkhovna Rada of Ukraine adopted the draft law on employer liability for wage arrears. The draft law aims to strengthen the protection of employees' rights in the event of wage arrears.</p>	<p>Employers would be required to pay employees a penalty for each day that wages are delayed by 15 days or more after the month for which the salary is due.</p> <p>In such cases, employees are also granted the right to temporarily stop working (with a two-day prior notice).</p> <p>In cases involving delays lasting for more than one month, an employer is also obliged to notify the labour authorities of such an incident.</p>	<p>The draft law introduces a more robust legal framework to protect employees from delayed wage payments, reinforcing their right to timely remuneration and enabling temporary work suspension in cases of prolonged delays.</p> <p>However, the new obligations may increase the administrative and financial burden on employers, particularly those already struggling due to economic instability or wartime disruptions.</p>	<p>As the draft law has only been adopted as a basis, the final text is yet to be approved by the Parliament. It is important to closely monitor the legislative process to stay informed about any changes. Employers should prepare for compliance by reviewing payroll practices and ensuring timely wage payments.</p>

Development and date	Description	Impact and risk	Future actions
<p><b>Additional amendments to the Employment Rights Bill</b></p> <p>On 7 July the UK Government published a further list of amendments to the Employment Rights Bill (ERB) following the House of Lords committee stage.</p> <p>Three notable Government backed developments include a ban on the use of Non-Disclosure Agreements (NDAs) in discrimination and harassment cases, miscarriage leave and a minor relaxation of one aspect of the restrictive rules prohibiting fire and rehire.</p> <p>In addition, on 1 July, a Roadmap was published by the Government setting out the proposed timetable for phasing in the changes over a two-year period.</p>	<p><b>Ban on NDAs</b> – a Government amendment would render confidentiality clauses void where they prevent a worker from making an allegation or disclosing information relating to workplace harassment or discrimination, or their employer’s response to workplace harassment or discrimination or the making of an allegation or disclosure about workplace harassment or discrimination. It is also broad enough to cover settlement agreements and contracts of employment. Confidentiality clauses in an ‘excepted agreement’ – the details of which will be specified in regulations – would be excluded.</p> <p><b>Bereavement leave before 24 weeks</b> – the amendment would see the right extended to those who suffer pregnancy loss after less than twenty-four weeks of pregnancy including as a result of a miscarriage.</p> <p><b>Fire and rehire</b> – as originally drafted the ERB imposed significant limitations on an employer’s ability to vary terms and conditions. The amendment would mean that the limitations would only apply where the variation is a ‘restricted variation’ which covers a reduction in pay, pensions related terms and conditions, changes to hours, shift changes, changes to time off, and other changes to be specified in regulations. Changes to an employee’s place of work and changes to an employee’s duties are currently excluded from the list of restricted variations.</p>	<p>The future ban on NDAs in discrimination and harassment claims is significant. In recent years we have seen this area regulated by the Solicitors Regulation Authority (SRA) to include appropriate carve outs to protect individuals. We will need to wait and see whether certain settlement agreements would be an excepted agreement. If there is a total ban, then some employers may see less benefit in settling a claim and may proceed to a full hearing.</p> <p>It had always been the intention of the Government to extend bereavement leave to a wider category of people than the current provisions in the UK, which apply to parents who lose a child under 18. This recent amendment confirms that the changes will cover pregnancy loss in the first 24 weeks, and we expect this to be part of a wider package of changes to bereavement leave.</p> <p>The original fire and rehire provisions in the ERB have been widely criticised. Unless an employer could show serious financial distress, they would be prohibited from making necessary changes to terms and conditions. This amendment means employers may be able to vary the location or the duties of an employee without triggering the provisions.</p>	<p>The ERB will not be finalised until after the summer recess of Parliament which is September 2025. Some long-trailed changes relating to industrial action will take place when the Bill receives Royal Assent. The next phase of changes will not take place until April 2026.</p> <p>Employers should pay close attention to the dates for implementation of the ERB.</p> <p>As yet, no date has been given for the potential ban on NDAs. Prior to this change coming into force, employers will need to review any relevant agreements with a confidentiality clause which would prevent a person talking about discrimination or harassment.</p> <p>The Roadmap says that the fire and rehire changes will come into force in October 2026, and we expect a consultation on this subject in autumn 2025. Employers who are considering revising terms and conditions should consider whether they want to do so in advance of the new rules coming into force.</p>



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