On your radar

Key employment issues to be aware of internationally

Welcome to the latest edition of CMS On your radar

If you want to get in touch to find out more about a development in a particular country, please do speak to your usual contact within CMS or alternatively email employment@cmslegal.com. The information set out is correct at the time of writing in third week of March 2025.

The CMS Employment team

Index of countries in this edition

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

Belgium

Development and date	Description	Impact and risk	Future actions
Since 1 January 2025, all Belgian companies are required to use the e-Box Enterprise. From 1 March 2025 Government institutions will send their regular correspondence to companies exclusively via the e-Box Enterprise.	The e-Box Enterprise is a secure electronic mailbox that brings together all official communication between companies and Government institutions in one place. Many Government institutions already use this channel to communicate with companies, although not all companies are aware of this. Since 1 January 2025 all Belgian companies are compelled to use it and since 1 March 2025 all Government institutions send all of their regular correspondence exclusively through e-Box Enterprise. It only concerns regular correspondence; registered letters will still be sent by post.	The Federal Public Service Employment Labour and Social Dialogue (“the FPS”) will also communicate through e-Box Enterprise from 1 March 2025 onwards. This means the various departments of the FPS (i.e. the social inspection services, the administrative fines department, the department of collective labour relations, etc.) will use it to send out different types of communications, e.g. warnings, inspection announcements, invitations for hearings, payment reminders, acceptance or refusal of payment plans, regularisation requests, communications regarding collective labour agreements at company level, etc). Companies who did not activate their e-Box Enterprise and the notifications, and did not regulate the access to the e-Box Enterprise, will not receive (possibly important) communications from Government institutions and will not be able to react or respond in a timely manner.	Employers should check whether their e-Box Enterprise and the notifications of their e-Box Enterprise are activated. Only the legal representative of the company can activate e-Box Enterprise for the company. Employes should think about the person they want to put in charge of managing the e-Box Enterprise, keeping in mind that they might get access to some sensitive information regarding the company. During the activation process, the employer will have to appoint a Chief Access Administrator (CAA), i.e. a person authorised to manage e-Box Enterprise, and to grant access to other people associated with the company, if necessary.
Extension of the limitation period for, among others, labour law offences from 5 years to the current 10 years	The Criminal Procedure Act I, published in the Belgian Official Gazette on 18 April 2024 (“the Act”), has thoroughly reformed the existing statute of limitations system for criminal offences and crimes. The limitation period for a criminal offence – which includes offences under the Social Penal Code that are punishable by a level 2, 3 or 4 sanction – has, for example, been doubled from five years to ten years. This means that (former) employees, as well as the labour auditorate, (the prosecutor’s office in Belgium) will have ten years to assert their claim and file a lawsuit before the competent court.	The Act came into effect on 28 April 2024. It does not contain any transitional arrangements. In concrete terms, this means that from 28 April 2024, all labour law offences with a sanction of level 2, 3 or 4 in the Social Penal Code that were not yet prescribed on 18 of April 2024, will prescribe according to the new statute of limitations regime. In practice, this will mainly play a role in salary arrears claims.	Employers are legally obliged to keep a whole series of labour documents for a period of five years (i.e. the personnel register, the individual accounts (with eventually the salary slips), register for working time arrangements, employment contracts), etc. With the extension of the limitation period of labour law offences, bear in mind that disputes can still arise after this retention period of five years and that it may in this case be difficult to provide the required evidence. Taking this into account, an employer would do well to retain certain documents relating to employees for a longer period of time and to adjust its existing retention policy if necessary.

Back to index of countries →

Bosnia and Herzegovina

Development and date	Description	Impact and risk	Future actions
Fiscal reforms in the Federation of Bosnia and Herzegovina (FBiH)			
The long-announced process of fiscal regulations reform, aimed at reducing the costs related to employment relationships borne by employers will begin with the adoption of the draft Law on Amendments to the Law on Contributions of the Federation of Bosnia and Herzegovina (the Amendments to the Law on Contributions). The draft Amendments to the Law on Contributions, which was adopted and proposed by the FBiH Government last month was passed by the House of Representatives of the FBiH Parliament on 2 April 2025. In the coming period, it is also expected to be adopted by the House of Peoples (second house of the FBiH Parliament).	The proposed Amendments to the Law on Contributions represent a part of a package of fiscal measures, the purpose of which is the modernisation of the fiscal regulations in FBiH. These measures are intended to ease the burden on the economy and reduce the cost of wages for employees (total contribution rates in FBiH are currently the highest in the region). The amendments represent a significant step forward in achieving the objectives of the fiscal reform, especially in view of the recent decision of the FBiH Governmentto increase the minimum salary to BAM 1.000,00 from 1 January this year, which has placed an additional burden on employers.	The proposed legislative solution reduces the total contribution rate by 13.25% (i.e., from the current 41.5% to 36%). This includes the reduction in the contribution rate for pension and disability insurance at the expense of the employer, as well as a reduction in the contribution rate for health insurance at the expense of the employer. Once (and if) adopted by the FBiH Parliament, the Amendments to the Law on Contributions are expected to enter into force the day after their publication in the Official Gazette of the FBiH and would become effective from 1 July 2025.	Even though the adoption of the announced amendments would represent only a step towards a modern fiscal system in FBiH, it has been warmly welcomed by employers as an important development. It still remains to be seen whether the Amendments to the Law on Contributions will be adopted by the FBiH Parliament and what steps will follow.
Minimum salary increase in Republika Srpska			
On 28 January 2025, the Government of Republika Srpska adopted a Decision on the minimum salary in Republika Srpska for 2025.	According to the Decision, the minimum salaries of employees in Republika Srpska are determined for each education level separately (elementary level, secondary education levels and higher education level).	The decision of the Government of the Republika Srpska came after the adoption of the highly criticised decision on the minimum salary in the Federation of Bosnia and Herzegovina ("FBiH"). However, in contrast to the FBiH, where the minimum salary is set at a fixed amount, the newly adopted Decision sets the minimum salary in the Republika Srpska at several levels, depending on the level of professional education.	Since the minimum salary is now dependent on the level of professional education, employers‘ internal acts on systematisation of workplaces should now include the required level of professional education for each work position as a mandatory element.

Back to index of countries →

Brazil

Development and date	Description	Impact and risk	Future actions
Third cycle of the gender pay transparency report			
In 2024, the Salary Transparency Law (STL) required companies with over 100 employees to publish biannual pay equality reports. The first two cycles occurred in 2024, and the 2025 reporting deadline to the Ministry of Labour ended in February. By 31 March 2025, all companies must publish the 3rd report on their digital platforms.	Between 3 and 28 February, companies with 100 or more employees responded to the Salary Transparency and Remuneration Criteria Form through the Emprega Brasil portal. This is part of an ongoing movement to promote transparency and equity between men and women in the labour market, to ensure that all employees receive fair and equal pay for work of equal value.	In the third cycle, the Ministry of Labour will monitor report publication, even from companies missing the portal deadline. Non-compliance may result in a fine of up to 3% of payroll (capped at 100 times the minimum wage) and additional penalties for wage discrimination.	Adhering to STL requirements and meeting its deadlines is essential for fostering a more equitable and transparent workplace. Regularly reviewing reports and internal policies is key to enhancing compensation practices and addressing wage disparities within organisations. Furthermore, these actions contribute to minimising labour liabilities and mitigating the risk of legal disputes concerning salary matters.
Update to the regulatory act on occupational risks (NR-01)			
Ministry of Labour Ordinance 1,419/2024, published in 2024, which will come into force on 26 May 2025, amended regulatory act No. 01 (NR-1) on occupational risks, to include psychosocial risks within companies' risk management programmes (PGR).	The updated NR-1 requires companies to improve occupational health and safety, train teams, and address psychosocial risks. As well as complying with legislation, these actions can also increase company productivity and employee retention.	The new rules set out in NR-1 are mandatory, regardless of the company's segment, so it will have to identify, assess and manage these risks with the same rigour applied to physical and chemical risks. This includes factors such as occupational stress, moral harassment and work overload. Failure to comply with the norm can result in administrative fines of BRL 693.11 to BRL 6,935.56.	It is essential that companies begin to provide the necessary measures to meet the new requirements, training their teams and adopting concrete measures to mitigate psychosocial risks. These steps range from revising the PGR to staff training and ongoing monitoring.
Proposed amendment to the Constitution against the 6x1 scale			
The proposed amendment to the Constitution (PEC) on the 6x1 work schedule was filed in February 2025 as part of a legislative discussion on the modernisation of labour rules in Brazil: it aims to change provisions relating to working hours, making schedules more flexible and increasing companies' operational efficiency by reducing working time (daily and weekly).	The PEC provides for a reduction in weekly working hours to 36 hours, allowing for a 4x3 work schedule (four days of work and three of rest). The measure aims to offer more flexibility for workers and companies, maintaining the reduced weekly working hours without implying a reduction in wages, promoting a new model for organising work.	The PEC has the potential to improve workers' quality of life, increase productivity, reduce cases of burnout, attract more talent and modernise labour relations in Brazil; on the other hand, the PEC is strongly disapproved of by the business community, which claims that adapting to the new working schedule could entail additional costs and the need for reorganisation, especially in sectors that depend on continuous work, making workforce more expensive and reducing profits.	The PEC will be analysed by the Constitution, Justice and Citizenship Committee as to its legality, and constitutionality. If admitted, it will be examined by a special committee to be created, before being voted on in two rounds both by deputies and senators. If approved, it will be necessary to regulate its application through complementary laws, set deadlines for adaptation and define mechanisms to supervise and monitor the impact in the labour market.

Back to index of countries →

Bulgaria

Development and date	Description	Impact and risk	Future actions
Proposed amendments to the access to labour market for third-country nationals On 4 March 2025, a draft law was proposed in the National Assembly to amend and supplement the Foreigners in the Republic of Bulgaria Act. The law is still in a draft format.	The draft law aims to ensure that national laws comply with EU legislation concerning the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment and seasonal work, and the identity cards and residence documents issued to third-country nationals by the Bulgarian authorities. As a result of Bulgaria's recent entry into the Schengen Area, the draft law also introduces the EU law requirements on the movement of persons across borders (Schengen Borders Code) and some related provision on short-term visas. An additional ground for granting a long-term residence permit has been introduced – for students pursuing specialisation as part of their education. The proposal also expands the scope of eligibility of third-country nationals who may benefit from the state health insurance. Finally, implementation of an automated information system for residence and work permits is planned.	The draft law will amend the current procedures for residence and work permits and visas.	The adoption of the draft law, (if and when this is done), will require further changes to certain bylaws on the application of the Foreigners in the Republic of Bulgaria Act and other legal acts concerned. Employers who are applying for residence and work permits for third-country nationals should become familiar with the amendments to ensure a smooth application process.

China

Development and date	Description	Impact and risk	Future actions
Implementation of Chinese new retirement policies On 31 December 2024, the PRC Ministry of Human Resources and Social Security together with two other departments released the *Interim Methods for the Implementation of Flexible Retirement System* ("Implementing Rules"). This is to implement the Chinese new retirement policies as announced by the Standing Committee of Chinese National People's Congress on the increase in the statutory retirement age of employees from 1 January 2025.	Under the new Chinese retirement policies, starting from 1 January 2025 and until the end of 2039, the statutory retirement age of male employees whose original statutory retirement age was 60 and female employees at managerial positions/technical positions whose original statutory retirement age was 55 will be raised by one month for every four months and be progressively increased to age 63 and 58 respectively, while the statutory retirement age of female employees at blue collar positions whose original statutory retirement age was 50 shall be increased by one month for every two months and be progressively raised to 55. Employees will have some flexibility in deciding their retirement age – they can choose to retire early, before reaching the new statutory retirement age or delay the retirement age even after reaching the new retirement age. The Implementing Rules provide detailed operational procedures. If an employee decides to retire earlier before reaching the new statutory retirement age, they should notify the employer three months in advance. If an employee intends to further delay the retirement age after reaching the new statutory retirement age, the employee and the employer must reach an agreement at the latest in the month when the employee reaches the new statutory retirement age. During the delayed period of retirement, the employee will remain in the employment relationship and the employer should continue to provide social insurance for the employee.	Under the new retirement policies, the statutory retirement age for employees will not be decided based on a uniform standard. An employee has flexibility to decide their retirement age. Employees' retirement is complex, particularly for female employees with varying statutory retirement ages based on their job roles. Work for HR is likely to increase, and without clear workplace policies disputes may increase.	Companies should take measures to properly manage the retirement of employees as well as their employment contracts.

Back to index of countries →

Colombia

Development and date	Description	Impact and risk	Future actions
Constitutional actions against the pension reform	Over 200 claims of unconstitutionality have been filed against the new pension reform law, with some already under review by the Constitutional Court.	Although there are articles that came into effect on 16 July 2024, the full text will take effect on 1 July 2025, so it is expected that there will be a ruling from the Court before July that will decide the future of the pension reform in Colombia and the changes that have been made to the pension system.	Since the fate of the pension reform will be decided by the Constitutional Court, there is no need to take any action for the moment.
Non-approval of labour reform	The Senate's Seventh Commission voted to archive the labour reform due to insufficient support in Congress.	Since the bill was not approved by Congress, the national Government must prepare a referendum to allow Colombians to decide whether some of the proposals contained in the labour reform bill should be implemented. For the time being, the current rules governing labour relations remain unchanged.	As the outcome of the labour reform will ultimately be determined by the referendum, there is no need for employers to take any action.

Croatia

Development and date	Description	Impact and risk	Future actions
The amendments to the Foreigners Act entered into force on 15 March 2025	Recent changes to the Foreigner's Act impose stricter rules on hiring foreign employees, including the obligation not to have any debts on the basis of taxes and social contributions, having at least one Croatian/EEA/Swiss citizen continuously employed for 12 months, etc. Minimum turnover thresholds were also introduced. Permit durations have been extended: residence and work permits will now be issued for up to three years, seasonal permits for up to nine months, and permits without a labour market test for up to two years. The EU Blue Card can now be obtained based on high-level professional skills, not just higher education, with a maximum validity of 48 months. Changes that have already been implemented impact rules on unemployment, additional work, accommodation for foreign employees, and other related matters.	The amendments to the Foreigners Act have been implemented in response to the increase in the number of residence and work permits being issued. Official data shows that 206,529 residence and work permits were issued in 2024.	The implementation of the new Foreigner's Act will ensure administrative relief for employers and officials, more efficient procedures, as well as protection of third-country employees, while retaining the existing foreign workforce. Employers need to be aware of the new requirements.
The amendments to the Act on Maternity and Parental Benefits entered into force on 1 March 2025 Both Acts have been adopted in response to current demographic trends in Croatia.	Under the Amendments to the Act on Maternity and Parental Benefits, the parental monetary benefit for a duration of six months (if used by one parent) or eight months (if used by both parents) was increased to up to EUR 3,000, depending on the parent's salary (instead of the previous EUR 995). The Act also increases the one-time financial support for a newborn child (from EUR 309 to EUR 618) and extends paternity leave to 20 working days.	The amendments to the Act on Maternity and Parental Benefits were introduced as a birth-promoting measure, emphasising the need for better family support measures.	The Amendments to the Act on Maternity and Parental Benefits will create a more encouraging environment for families, with a focus on balancing work, family, and private life to address ongoing demographic challenges. There is no immediate action for employers, but they need to be aware of the new rules and (increased) employees' rights.

Back to index of countries →

Czech Republic

Development and date	Description	Impact and risk	Future actions
Changes to the employee's obstacles to work on the horizon			
The proposed update to the Government Regulation on Other Important Employee's Personal Obstacles at Work reflects ongoing efforts to align labour law with recent reforms in civil law. (In the Czech Republic, 'Obstacles at Work' is a legally recognised term used to describe a situation in which a worker is unable to perform their work obligations because of certain facts that make that impossible or considerably difficult.) It follows the amendment to the Civil Code, effective from 1 January 2025, which introduced the legal institution of "partnership" and granted same-sex couples broader rights, bringing them closer in status to married couples. Although the effective date of the amended Government Regulation has not yet been confirmed, the legislative process is underway. The proposal aims to ensure consistency between employment entitlements and the newly recognised legal status of same-sex partnerships under Czech law. The Regulation is expected to enter into force in the near future.	The draft introduces several important adjustments to personal obstacles at work experienced by employees. Firstly, it clarifies that attending one's own wedding qualifies as a justified absence not only for heterosexual marriages but also for same-sex unions. Employees will be entitled to two days of excused leave – one paid and one unpaid. Secondly, the draft extends leave entitlements in the event of a death in the family to same-sex couples. Partners will now be eligible to take leave when a relative of their partner passes away. In addition, employees will be entitled to up to five unpaid days of leave to grieve the loss of a close person – an option that was previously unavailable, forcing employees to use annual leave for this purpose. Another significant change concerns the period prior to termination of employment. The draft revises the rules on time off for job searching, introducing differentiated entitlements based on the reason for termination. Employees dismissed for disciplinary or performance-related reasons will be entitled to only two unpaid days. In contrast, those whose employment ends for other reasons will be entitled to four paid days. Employees whose employment ends by mutual agreement will also be eligible for up to four unpaid days of time off for job searching.	The proposed changes improve equality and inclusivity in the workplace, particularly for same-sex couples, by giving them the same rights as married heterosexual employees. This is in line with wider social developments and strengthens employee rights. However, the changes also carry potential employee relations and public relations risks. Employers who fail to comply may face employee claims or reputational damage, particularly in a labour market that increasingly values fairness and transparency.	Employers should monitor the legislative process closely and prepare for potential implementation by reviewing their internal HR policies and leave procedures.

France

Development and date	Description	Impact and risk	Future actions
Extending the ability to make a payment for "RTT" days			
In France RTT days are similar to time off in lieu, where employees who work overtime in excess of 35 hours a week can accumulate up to 2 days a month in reduced working time.	Currently, employees can choose to convert their RTT days into pay with the agreement of their employer. The option to be paid for RTT days was first implemented by the Amending Finance Act 2022 and was due to expire on 31 December 2025**.** Its application has now been extended to 31 December 2026.	Payment for RTT days includes an entitlement to reductions in employees' social security contributions and income tax exemption applicable to overtime work.	Employers who want to continue offering the option of payment for RTT time or introduce this should be aware that this must be implemented before 31 December 2026.
Creation of a "rebound" long-term part-time work scheme			
This scheme will come into force subject to the publication of a decree.	In response to the economic activity slowdown and the weakening of employment, the Government decided to create a new part-time work "APLD" scheme, similar to the one that was implemented during the Covid crisis.	The law provides for a new "Rebound APLD" scheme aiming to keep employees in work in companies facing a lasting reduction in their workforce that is not likely to compromise their long-term viability. It will allow employers to partially reduce their activities, with the State subsidising part of the part-time employees' pay.	The conditions for implementation are identical to those for the original APLD scheme set up during covid crisis. A decree will set out other implementation procedures.
Reform of social security contributions for low-wage earners			
This change entered into force on 1 March 2025.	Currently, employer's contributions rates are lower for low-wage earners, the health insurance contribution rate going down from 13% to 7% and the family allowance rate going down from 5.25% to 3.45%. The law provides for a gradual reform of the current reduction scheme for employer's contributions.	This reform will be carried out in two stages : - Currently, employer's contributions rates are lower for low-wage earners, the health insurance contribution rate going down from 13% to 7% and the family allowance rate going down from 5.25% to 3.45%. The law provides for a gradual reform of the current reduction scheme for employer's contributions. - In 2025 : the eligibility threshold for these reductions will be lowered; - In 2026 : the reduction mechanisms for employer's contributions rate will be abolished from 1 January 2026, and a new "single degressive reduction" mechanism will be implemented for salary not exceeding a certain amount and under others conditions.	Employers should pay special attention to the publication of a decree which will specify the implementing provisions of this new measure.
Increase in employer's contribution on the allocation of free shares			
In France there is scope for certain employers to allocate free shares to employees subject to strict rules in the Finance Act which have changed many times.	From 1 March 2025 the employer's contribution rate on the allocation of free shares will go up from 20% to 30%.	However, the law hasn't specified whether it also applies to the distribution of shares after 1 March that was decided during an extraordinary general shareholders' meeting that happened before1 March 2025.	The administration should clarify this point, and employers should keep up to date on developments.

Back to index of countries →

Hong Kong

Development and date	Description	Impact and risk	Future actions
Maximum severance payment raised under the Protection of Wages on Insolvency Fund			
The Protection of Wages on Insolvency Fund (“Fund”) was set up in 1985 to provide timely financial relief in the form of an ex-gratia payment to employees of insolvent employers. In early 2025, the Government reviewed the coverage of ex-gratia payments under the Fund to explore the increase in the ceiling of ex-gratia payments. Under The Protection of Wages on Insolvency Fund Ordinance, employees who are owed wages, wages in lieu of notice, severance payments, pay for untaken annual leave and/or pay for untaken statutory holidays by their insolvent employers may apply for an ex-gratia payment from the Fund. Once a winding up or bankruptcy order is made, the employees may also file their proof of debts with the Official Receiver’s Office regarding their dividend payments as soon as possible. An ex-gratia application has to be made in an approved form and supported by a statutory declaration within a period of six months from the applicant’s last day of service.	The ceiling levels for an ex-gratia payment from the Fund were substantially increased in June 2022, which covers (a) an increase of arrears of wages (“AW”) from USD 26,000 to USD 80,000 (a fully covered rate raised from 66% to 90%), (b) an increase of wages in lieu of notice (“WILON”) from USD 22,500 to USD 45,000 (fully covered rate from 68% to 90%), (c) an increase in a severance payment from USD 50,000 plus 50% of excess entitlement to USD 100,000 plus 50% of excess entitlement (fully covered rate raised from 57% to 78%), and (d) pay for untaken annual leave (“PUAL”) and/or Pay for untaken statutory holiday (“PUSH”) was raised from USD 10,500 to USD 26,000 (fully covered rate raised from 74% to 93%). Recently, the Labour Department and the Fund Board completed the review of the coverage of ex gratia payments of Severance Pay under PWIF. The PWIF Board at its meeting on 8 November 2024 reached a unanimous agreement to the adjustment proposal. The change would be (a) raising the severance payment ceiling from HKD 100,000 plus 50% of excess entitlement to HKD 200,000 plus 50% of excess entitlement, and (b) maintaining the existing maximum amounts of ex gratia payments on AW, WILON and PUAL and/or PUSH. With reference to the information on the PWIF applications received in 2023-24, the fully covered rates of AW, WILON and PUAL and/or PUSH will be 86%, 91% and 90% respectively.	The Protection of Wages on Insolvency Fund Board (“PWIF Board”) engaged two private law firms to help applicants file winding-up or bankruptcy petitions against employers, eliminating the need for legal aid and means tests from the Legal Aid Department and hired legal auxiliary staff to manage applications eligible for ex-gratia payments under PWIO. In terms of measures adopted for preventing abuse of PWIF, it was advised that an inter-departmental task force, comprising representatives from the Commercial Crime Bureau of the Hong Kong Police Force, the Official Receiver’s Office, Legal Aid Department and Labour Department, had been set up to strengthen the cooperation among the departments concerned. Suspected protection of wages on insolvency fund abuse cases involving illegal activities (e.g. illegal transfer of assets, theft of company funds, evasion of liability by deception and failure to keep proper accounting records) would be referred to the relevant law enforcement departments for action.	The Labour Department announced that the maximum level of ex-gratia payments made from the Protection of Wages on Insolvency Fund to employees who are owed severance by insolvent employers has been increased from 21 March 2025. Following a Legislative Council resolution under the Protection of Wages on Insolvency Ordinance, the maximum level of payment has been increased from HKD 100,000 to HKD 200,000, plus 50% of any excess entitlement. The adjusted maximum amount took effect upon the resolution’s publication in the Government Gazette on 21 March 2025, and will apply to a severance payment where the liability for payment arises on or after that date. This legislative amendment will strengthen protection of employees’ entitlement to a severance payment upon business closures.

Back to index of countries →

Hungary

Development and date	Description	Impact and risk	Future actions
New Ministerial Decree The Hungarian legislator adopted a new regulation, on recoverable attorney fees in legal proceedings (the “Ministerial Decree”). The Ministerial Decree is effective from 9 February 2025.	Under the rules prior to the entry into force of the Ministerial Decree, the court had the right to reduce the attorney fees at its own discretion, if the court considered such fees as excessive. In many cases, this led to employers being unable to recover their attorney fees from the wrongfully suing employees, i.e. employers in employment claims had to bear substantial legal costs even if they won the case.	In future employment claims, the winning party in a case may recover its attorney fees at a much higher level. There shall be no *ex officio* reduction of attorney fees by the court. A reduction in legal costs is only possible in exceptional cases, at the request of the other party in the proceedings. The party seeking a reduction must prove why the costs in question are excessive under the market circumstances.	The stakes in legal proceedings will therefore be immensely higher for all parties involved. On the other hand, it can also prevent a number of unfounded claims. Attorneys, as legal representatives, will also have a greater responsibility to be able to accurately assess the likelihood of winning a case at the start of legal proceedings. It is also expected that more employment law claims will end with a settlement agreement of the litigating parties.

Back to index of countries →

Italy

Development and date	Description	Impact and risk	Future actions
Implementing the Pay Transparency Directive in Italy	The EU Pay Transparency Directive is now in force, setting a clear deadline for all Member States to bring it into national law by June 2026. In Italy, the pay transparency topic has sparked a significant debate, as it is well known that there is a significant gender pay gap between men and women. The country ranks 87th in the 2024 World Economic Forum Global Gender Gap Report, a decline from 2023. These figures highlight an urgent need for action, making it crucial to implement stronger measures to address gender pay disparities and drive meaningful change. The Directive presents an opportunity for employers to modernise business practices, build trust with employees, help close the gender pay gap, and enhance corporate reputation.	The impact of pay transparency obligations will be significant, as they will apply to all companies, regardless of size, and encompass all components of employee remuneration. Pay transparency will apply both at the hiring stage and throughout the employment relationship. This will represent a paradigm shift in recruitment procedures, employers will be required to provide employees with information on the criteria for salary increases and career advancement. The pay transparency regulation poses significant risks for companies, including internal resistance, as employees may oppose salary disclosure, and pressure to retain top talent, requiring more competitive pay. Salary adjustments could create dissatisfaction among existing employees, while increased employee inquiries may burden management. Additionally, privacy concerns pose legal risks if salary data is mishandled. To mitigate these impacts, Italian companies must build trust, ensure clear communication, implement structured salary reviews, train managers and comply with data protection laws.	While awaiting the Italian legislator to establish a compliant framework, there are several steps employers can take to prepare for the EU Pay Transparency Directive. These include: - Evaluating current salaries and compensation packages. Reviewing existing pay policies to identify any gender pay gaps. Developing action plans or considering corrective measures to bridge these disparities. For example, implementing an impartial performance evaluation system for employees in comparable roles. Using competency-based criteria for assessments helps eliminate bias and highlights opportunities for employees to develop new skills. - Analysing employee categories to identify areas that require adjustments. For instance, comparing average salaries between men and women in similar roles can reveal potential gender pay gaps. - Salary benchmarking studies provide objective references for fair pay. These allow companies to assess average salaries, align compensation with industry standards, and detect potential disparities.

Kenya 1 of 2

Development and date	Description	Impact and risk	Future actions
Unfair termination safeguards extended to all employees, regardless of tenure *Gogni Rajope Construction Company Ltd & Another v Cornel Otieno Omondi*	This provision previously limited claims for unfair termination to employees who had worked for a minimum continuous period of thirteen months. The Court of Appeal held that the 13-months service requirement was discriminatory and violated the constitutional right to fair labour practices.	All employees, regardless of tenure can now claim unfair termination if due process is not followed. This change will result in a surge of cases, as the provision previously restricted many aggrieved employees from taking legal action due to the 13-months service requirement.	Employers are expected to adhere strictly to termination procedures under the Employment Act, 2007, regardless of an employee's length of service.
Trained and qualified interns recognised as employees *Forum for Good Governance and Human Rights v Teachers Service Commission (TSC) & 2 others*	The core precedent set by this judgment is that interns, specifically trained and qualified personnel employed to perform full duties, are for all intent and purposes, employees under the law of employment and labour relations. The court established that internships cannot be used as a disguise to avoid the full application of employment rights. The court emphasised that interns, when employed in a full capacity (as in the case of trained teachers), must be treated equally to permanent employees. They should not be subjected to discriminatory conditions, such as lower remuneration and inferior employment terms unless there are valid reasons justifiable by law. This ruling has broad implications for employment law and practices in Kenya, especially in the context of internships and internships for qualified professionals. It establishes that the designation of "intern" or "apprentice" cannot be used to bypass employee rights such as fair remuneration, job security, and fair treatment.	The case has established a significant precedent regarding the classification of interns and their rights under employment law. The court's decision is groundbreaking because it directly addresses the employment status of trained and qualified personnel who are designated as "interns" and clarifies their rights as employees under Kenyan law. This decision may lead to an upsurge of cases where interns may demand to be given similar treatment and benefits employees undertaking similar tasks.	This decision will cause organisations to review their human resource policies concerning the hiring of interns and the benefits applicable to them.

Back to index of countries →

Kenya 2 of 2

Development and date	Description	Impact and risk	Future actions
Probationary employees are entitled to procedural fairness before termination **Monica Munira Kibuchi & 6 Others vs. Mount Kenya University; Attorney General (Interested Party)**	The petition challenged the constitutionality of Section 42 (1) of the Employment Act 2007 which excludes employees under probationary contracts from the procedural safeguards in Section 41, particularly the right to a fair hearing before termination. The Employment and Labour Relations Court declared Section 42(1) unconstitutional for excluding probationary employees from procedural fairness safeguards under Section 41. The Court held that the exclusion violated Articles 24,41 and 47 of the Constitution which guarantee fair labour practices and fair administrative action.	This judgement establishes a precedent that procedural fairness applies even during probation. Employees on probation are now entitled to procedural fairness, including the right to be heard before termination, aligning Kenya's labour laws with constitutional provisions. Section 41(2) of the Employment Act 2007 is yet to be amended. Consequently, employers may not be aware of the unconstitutionality of this provision and may proceed to dismiss probationary employees without following due process.	Employers should review their probationary contract clauses to ensure compliance with the procedural safeguards contained in Section 41 of the Employment Act 2007. There are calls for legislative amendments to align the Employment Act 2007 with constitutional mandates on fair labour practices.

Mauritius

Development and date	Description	Impact and risk	
Landmark judgment on training bonds The intermediate court's decision in *GPO Ltd vs Mittoo* (2025) has provided significant clarification regarding the interpretation and enforcement of training bond agreements. There are very few judgments dealing with this topic and this judgment provides much needed clarity on this subject matter.	Mr Mittoo, the employee, signed a bond agreement with GPO Ltd, the employer, committing to remain employed for two years or pay Rs. 200,000 along with costs for recovering that amount in case of early departure. GPO Ltd, claimed the compensation amount after Mr. Mittoo resigned six months into his employment, alleging breach of the bond agreement. Mr. Mittoo contested the claim, stating that the training provided by GPO Ltd was minimal, basic, and necessary for his role, failing to meet the promised standards of comprehensive external training. The Intermediate Court examined the evidence and ruled that the company's training did not constitute meaningful or additional training under the bond agreement.	The judgment emphasised that companies cannot enforce bond agreements for minimal or inadequate training, exposing employers to potential legal challenges if their claims lack merit. It also highlights employees' right to contest unfair or ambiguous bond agreements, ensuring protection against arbitrary claims. Training bonds are common market practice in Mauritius and this case will create awareness and prompt companies to review their contractual promises and transparency in employee agreements.	Employers should ensure that bond agreements clearly define the scope, costs, and nature of training while providing proper and meaningful training to justify compensation claims. Reviewing existing agreements can help mitigate similar disputes in the future. Employees, on the other hand, should carefully review bond agreements, seek clarification on terms before signing, and document any discrepancies between promised and actual training received. This preparedness will help them contest compensation claims that lack substantiated evidence or are ambiguous. Legal practitioners can rely on this case as a reference point to challenge or defend bond agreement claims based on insufficient evidence or inadequate training, thus reinforcing the importance of clarity and fairness in such agreements.

Mexico

Development and date	Description	Impact and risk	Future actions
Employment reform on tipping practices and minimum wage for service-sector			
On 10 December 2024, a proposal to amend the Federal Labour Law *(Ley Federal del Trabajo) (“*LFT”) was submitted to the Chamber of Deputies. The initiative aims to regulate tipping practices and guarantee a minimum base salary for employees in sectors such as restaurants, hotels, gas stations, bars, and entertainment venues. This proposal represents a significant shift in employment regulations, seeking to establish fairer working conditions and provide clarity on the management and distribution of tips.	The proposal seeks to improve working conditions for employees whose income largely depends on voluntary tips from customers, guests, and diners. According to official estimates, approximately 1.7m employees in Mexico rely on tips, commissions, or service fees without receiving a fixed salary. The proposal establishes specific guidelines to ensure that employees receive a base salary and that tips remain an additional rather than substitutive form of income.	If approved, the reform will require service-sector employers to provide a base salary to all employees, ensuring that tips are treated as supplementary income. This could lead to increased payroll costs, impacting business profitability and potentially requiring operational adjustments. Additionally, labour inspections will be strengthened to ensure compliance with these new regulations, particularly regarding the fair distribution of tips and adherence to minimum wage requirements.	The proposal introduces amendments to six articles of the LFT, establishing that employers must pay at least the minimum wage to tipped employees. Furthermore, tips must be distributed equitably among employees, with employees themselves overseeing the distribution process. Businesses operating in affected sectors will need to review and adjust their salary structures and compliance frameworks in anticipation of these potential legal changes.
Employment reform on mandatory rest days in Mexico			
On 11 December 2024, an initiative to amend the LFT was presented to increase mandatory rest days for private-sector employees. The initiative seeks to add four new public holidays: the first Monday of May (commemorating the Battle of Puebla on 5 May), 15 September (Independence), and 1 and 2 November (Day of the Dead).	The proposal aims to boost tourism and economic activity while improving employees' well-being. Currently, Mexico recognises nine mandatory rest days, fewer than the 13–14 public holidays observed in most Latin American countries, according to the International Labour Organisation (ILO). The last addition to the LFT was in 1987, highlighting the need for an update.	If approved, companies operating in Mexico may face increased operational costs due to more mandatory rest days, impacting profitability and requiring adjustments to work schedules. Employers must ensure compliance with labour regulations while maintaining business continuity.	The proposal is under review in the Chamber of Deputies. If enacted, employers will need to recognise additional rest days and update work schedules accordingly. This reform would bring Mexico closer to international labour standards, improving work-life balance for employees.
Employment reform on mourning			
On 4 March 2025, an initiative to grant five days of paid bereavement leave was introduced in the Chamber of Deputies. The initiative is now pending in the Originating Committee.	The proposal establishes five days of paid leave for employees upon the death of parents, children, siblings, spouses, or cohabitants. Currently, the LFT does not mandate such leave, leaving it to employers' discretion.	If approved, companies operating in Mexico must provide paid mourning leave, increasing operational costs and requiring adjustments in workforce planning.	The reform will extend labour rights for employees facing a loss. Companies must review internal policies and ensure compliance with new legal obligations.

Monaco

Development and date

Whistleblowing

The Bill on whistleblowers could finally be voted by the Monaco Parliament before the end of the year.

This Bill proposes the introduction of regulation on this subject, as Monaco law currently offers only partial protection for whistleblowers, particularly in cases related to money laundering.

The Government had submitted the bill to Parliament on 21 December 2018. Since then, the elected representatives had not shown any sign of progress on it.

Movement is anticipated this year because, during its fifth evaluation round for Monaco, the GRECO noted the lack of general protective rules for whistleblowers. One of its recommendations specifically addressed the need for such regulations.

The GRECO insists on this implementation within the Public sector and in particular within the Police. However, the Bill as it is currently drafted would also apply to employees of private sector.

The scope of the law (public/private sector) will be one of the points of attention when the Law is adopted, later this year, the next Parliament session being held from 1 October to 31 December.

Description

To date, and subject to any modification that the Parliament might insert, the Bill defines the whistleblower, as someone employed, either by a private or public employer and who, (i) reveals, (ii) in good faith and (iii) selflessly, (iv) in the forms defined by the law, information that (v) he or she has been made aware in the course of his/her duty, (vi) that he/she has been personally aware of, (vii) that he/she could legitimately consider accurate and (viii) relating the occurrence of (vi):

- A crime or an offense;
- A serious threat or prejudice to the general interest in the environmental.

When matching all those conditions, the employee is deemed as a whistleblower, benefitting from legal protection from criminal actions in relation to the breach of secret.

Whistleblowers are safeguarded from employer retaliation that could harm their career (such as denying a bonus or a salary increase, deciding to terminate the contract, etc).

Finally, obstructing a whistleblowing alert is a criminal offence.

Impact and risk

Although the implementation of this protection appears necessary and will undoubtedly be well perceived, there are fears that some people may take advantage of this status, as it has been observed on some occasions before the French Court.

Notably, when an employee anticipates that their employer intends to terminate their contract for any reason, they may raise a whistleblowing alert.

Following such an alert, any measure taken by the employer would require, in case of litigation, evidence that the measure taken by the employer is not related to the alert.

This may create an issue when the measure which is contemplated by the employer is a termination based on article 6 of law n°729, i.e. a termination where the employer does not state any grounds for the dismissal.

This type of termination is very frequent in Monaco, as it allows an employer to dismiss without having to explain the grounds for dismissal. It might be impossible to use this approach as the employee's alert will require the employer to provide the grounds for their dismissal in order to demonstrate the absence of connection with the alert.

This is likely to occur as the scope of the topics protected as whistleblowing alerts is broad, including any criminal offences, i.e. for example, breach of maximum working time provisions, overtime hours regulation, staff representative regulations.

Future actions

The law sets out a series of duties for companies, in line with what was previously done for moral harassment.

Firstly, depending on the size of the workforce, companies will be bound to designate a person in charge of this subject. That person will benefit from the legal protection applicable to a staff representative, meaning that their termination will be made subject to the prior approval of a specific commission composed notably of the Labour inspectorate.

Also, an internal process to deal with whistleblowing alerts must be drawn up.

Finally, in any case, when the employer is informed of such an alert, it must, following a 15 days' timeframe, inform the judiciary of the content of the alert. Failing to do so would constitute a criminal offence of obstructing a whistleblower.

Back to index of countries →

The Netherlands

Development and date

Enforcement action against bogus self-employment

From 1 January 2025, the enforcement moratorium has been lifted. This means that the Dutch Tax Authority is once again actively enforcing regulations against bogus self-employment.

The numbers show that this has already had a significant impact. The number of workers quitting as self-employed persons has increased by 47% compared to a year earlier. In contrast, the number of self-employed people starting as of 1 January 2025 has decreased by 18%.

Recent development

An important legal development in this context is the recent ruling by the Supreme Court on the status of Uber drivers. This ruling of 21 February 2025, affects the assessment of employment relationships in the Netherlands.

Description

The case between Uber and trade union FNV is one of the best-known examples in the debate about bogus self-employment. The legal status of Uber drivers has been the subject of litigation for several years now. FNV argues that Uber drivers are *de facto* employees and therefore subject to the Collective Labour Agreement Taxi Transport. The court ruled in favour of FNV in 2021, but Uber has appealed the decision. Instead of issuing a final judgment, the Amsterdam Court of Appeal posed preliminary questions to the Supreme Court. These questions focused on the application of the Deliveroo judgment from earlier that year.

Deliveroo judgement

In the Deliveroo judgment, the Supreme Court determined that all relevant factors must be considered collectively when evaluating an employment agreement. The court highlighted several criteria that may be significant in this evaluation. Clarification was sought from the Supreme Court on the entrepreneurship of the worker, among other criteria.

Supreme Court answers

The Supreme Court has clarified that all relevant circumstances must be considered when assessing an employment agreement, without a fixed ranking. This means that external factors outside the direct employment relationship can also be taken into account. The ruling confirms that the working person's entrepreneurship, both within and outside the specific working relationship, plays a role in the assessment.

Impact and risk

The Supreme Court's ruling has implications for companies that work with self-employed persons.

The criterion of (external) entrepreneurship can lead to workers who work for the same client being assessed differently. This increases the risk for companies of unintentionally facilitating bogus self-employment which can lead to additional assessments and fines from the Tax Authority. From an employment law perspective, the agreement would be subject to Dutch employment and dismissal law, which includes obligations such as continued payment during illness, holiday entitlement and dismissal protection.

The answers provided by the Supreme Court in the Uber case provides more clarity, but also a more complex assessment of labour relations, which forces companies to critically evaluate their current contracts and working methods.

Future actions

Companies are advised to thoroughly review their working relationships and adjust them where necessary to meet the new criteria. It is advisable to seek legal advice and ensure clear contracts that emphasise the independence of self-employed persons.

It is also important to stay up to date on further developments and legislation, such as the bill on the Clarification of the Assessment of Employment Relationships and Legal Presumption (in Dutch: *Verduidelijking beoordeling arbeidsrelaties en rechtsvermoeden* (Vbar)).

North Macedonia

Development and date	Description	Impact and risk	Future actions
Decision not to initiate proceedings regarding overtime for strategic national projects **3 April 2024**	In 2023, amendments were made to the Law on Labour Relations, allowing exceptions to the standard overtime limits (8 hours per week, 190 hours annually) for strategic national projects, as long as the worker provides written consent. Following this, in 2024 several initiatives were submitted to the Constitutional Court of the Republic of North Macedonia, challenging the amendments as unconstitutional. The Court ultimately decided not to proceed with assessing the constitutionality of these provisions concerning overtime for strategic projects. The claims from various organisations were dismissed, with the Court finding no constitutional violations. However, one constitutional judge expressed a dissenting opinion, stating that the amendments infringed on workers' constitutional rights.	Employers working on projects designated as having strategic national importance may request extended overtime with the worker's written consent. However, labour organisations have raised concerns about potential worker exploitation despite formal consent, emphasising risks to health and safety. Oversight of these issues falls under labour inspections, which are responsible for ensuring compliance with labour standards.	Potential new constitutional challenges may be submitted before the Constitutional Court.

Back to index of countries →

Poland

Development and date	Description	Impact and risk	Future actions
Additional maternity leave			
Since 19 March 2025, Poland has introduced additional maternity leave for parents of premature or hospitalised children.	The length of additional maternity leave is up to 8 or 15 weeks, depending on the child's hospitalisation time, birth week, or birth weight. Foster and adoptive parents may also take this leave if the child was hospitalised after adoption. The employee must take this leave immediately following regular maternity leave.	Some employees may take longer absences from work due to parenthood. These employees enjoy the same protection from dismissal as those on regular maternity leave.	HR departments should check what documents they need from employees to legally authorise this leave. For example, employees have to provide the employer with a hospital certificate.
Employment of foreigners			
The Polish parliament has passed a new law changing the rules for employment of foreigners (mainly outside of the EU, EEA and Switzerland). The Act has been sent to the President. If the President signs it, the Act will come into force on the first day of the month following the lapse of 14 days from the date of publication.	The work permit application process will move entirely online, and penalties for illegal employment of foreigners in Poland will increase. The law restricts the outsourcing of foreign workers to reduce the grey market and allows the outsourcing of foreigners only as temporary workers. Local authorities will also have the power to specify professions for which they will not issue work permits in a given county (PL: *powiat*).	Some companies will have a tougher time using foreign workers, especially if they try to obstruct Government inspections or have just started operating in Poland. However, fully switching to an electronic system will make it faster for foreigners to get work permits in Poland. Companies with overdue tax or social security contributions will not qualify for work permits.	Companies should audit their immigration procedures to ensure compliance with the new law, as violations can make it harder to obtain work permits for foreign workers.
New definition of mobbing			
The Polish Government is drafting a new law to redefine mobbing and increase employers' responsibilities to prevent it. The draft law is at a very early stage, and we do not yet know when this amendment will come into force.	The proposal aims to simplify the definition of mobbing, defining it as persistent harassment of an employee. Employers will have to include anti-mobbing rules in their work regulations. The Government plans to raise the minimum compensation for mobbing to the equivalent of six months' salary of a given employee.	The simplified definition of mobbing may lead to an increase in employee lawsuits. When trade unions are present, employers will have to agree with them before making changes to work regulations.	As the change approaches, employers will need to review their anti-mobbing procedures and determine how to adapt them to the new regulations.

Portugal

Development and date	Description	Impact and risk	Future actions
Corporate Social Responsibility Corporate social responsibility has evolved significantly, integrating key issues such as wage inequality and salary transparency. In Portugal, legislative measures like Law no. 60/2018, August 21, which promotes equal pay between men and women, and Law no. 4/2019, January 10, which establishes employment quotas for people with disabilities, reinforce the commitment to fair and inclusive labour practices. According to the 7th Edition of the Wage Gap Barometer (2024), based on the 2023 Companies Single Report, the average wage gap between men and women stands at 12.5% to the detriment of women, i.e., there is a difference between the average salaries of women and the average salaries of men. In absolute terms, this disparity increased from EUR 160.00 to EUR 161.30 in base salary and from EUR 235.10 to EUR 241.60 in total earnings. According to the latest Wage Gap Barometer, published by the Ministry of Labour in 2024 (using data from 2022), women earned 13.2% less in base salary.	Regarding the application of the equal pay regime, as a result of the inspections carried out by the Authority for Working Conditions (“ACT”) in 2023, 2025 will be a year where employers need to establish a plan to assess pay differences and implement measures to reduce the pay gap. Employers notified in previous years by ACT have made progress in reducing the pay gap between women and men. An unadjusted Gender Pay Gap of 12.5 % means that the difference between the average salary of women and men is 12.5 % for the disadvantage of women, for equal or equivalent work showing discrimination persists. This gap has been decreasing and was 17.9% in 2010. Wage disparities become even more pronounced in higher-level positions, where the gap can reach 26%, whereas in lower-paying jobs, salaries tend to be more balanced. Meanwhile, if we consider more objective variables, such as the sector of activity, level of professional qualification, qualifications or profession, we get an adjusted gender pay gap, i.e. one that minimises the effect of objective variables that may contribute to explaining the differences in pay between women and men, and which is therefore lower, corresponding to 11.1%.	The lack of salary transparency and failure to meet employment quotas for people with disabilities pose several risks for companies, including legal consequences, such as being unable to participate in public tenders, reputational damage, and employee dissatisfaction. Companies that do not comply with wage equality regulations face potential fines and legal action. Reputationally, businesses that fail to promote equal pay and inclusion may suffer from loss of consumer trust, investor confidence, and employee loyalty. Internally, perceived wage disparities can demotivate staff, reduce productivity, and increase employee turnover. Conversely, adopting transparent and inclusive salary policies leads to improved employee satisfaction, enhances corporate reputation, and provides a competitive advantage in the market. Law No. 4/2019, came into effect on 1 February 2019, and established transition periods for companies to adapt: (i) companies with more than 100 employees, had a four-year transition period, meaning they had until 1February 2023, to comply. (ii) companies with 75 to 100 employees, had a five-year transition period, meaning they had until 1 February 2024, to comply. Thus, by 2025, all these companies should already be complying with the established quotas. It is imperative for all affected companies to fulfill their legal obligations, not only to avoid penalties but also to promote diversity and corporate social responsibility.	To reduce wage inequality and promote a fairer work environment, companies should implement salary transparency policies, comply with employment quotas for people with disabilities, and invest in training on equity and inclusion. Internal audits are essential to identify and correct pay disparities. Also, implementation of diversity and inclusion programs, ongoing training for managers and employees, and constant monitoring of working practices. At the European level, countries like Iceland offer valuable lessons, as they have implemented stricter transparency regulations, mandatory reporting on wage disparities, and fines for non-compliance. Similar approaches could be applied in Portugal to accelerate progress toward wage equality. Finally, the transposition of the Pay Transparency Directive, which must take place by June 2026, will also have a significant impact on companies' actions, which will require companies to disclose gender pay gaps and justify salary differences using objective criteria by June 2026. Increased litigation is also expected, which will push businesses to scrutinise their internal salary policies more closely and correct unjustified disparities.

Singapore

Development and date	Description	Impact and risk	Future actions
Several amendments to the Child Development Co-Savings Act (CDCA) were passed in Parliament on 13 November 2024. From 1 April 2025, enhanced provisions for Government-Paid Paternity Leave (GPPL) and a new Shared Parental Leave ("SPL) scheme will come into effect. A new notice period requirement has also been imposed on employees before they can commence parental leave. Additionally, starting 1 April 2025, it will be unlawful for an employer to give a notice of dismissal to fathers and adoptive parents who are on GPPL or Adoption Leave (AL).	GPPL: Currently, fathers are entitled to two weeks of GPPL, with an option to take an additional two weeks if employers agree. Starting from 1 April 2025, the additional two weeks will be made mandatory. Hence, eligible fathers of Singaporean children born on or after 1 April 2025 will be entitled to a total of four weeks of mandatory GPPL. SPL: This will replace the existing scheme, allowing parents of children born on or after 1 April 2025 to share up to ten weeks of paid leave. This scheme will be implemented in two stages, starting with six weeks from 1 April 2025 and increasing to ten weeks from 1 April 2026. This approach will aid in managing the impact on employers and provide them with time to adapt their operations. New notice period requirement: To give employers time to make the necessary covering arrangements, employees will be legally required to provide their employers with a minimum of four weeks' notice before taking parental leave. If this notice period is not met, employers are not obligated to approve the leave, although a shorter notice period can be mutually agreed by both parties. Unlawful dismissal of fathers and adoptive parents: Currently, it is unlawful for an employer to dismiss or issue a notice of dismissal to a female employee on maternity leave. Employers who violate this protection may face prosecution and, upon conviction, fines, or imprisonment. Starting 1 April 2025, this protection will be extended to fathers and adoptive parents.	The new employment protections will provide greater security to both mothers and fathers when taking maternity, paternity, or adoption leave. Coupled with support from employers, this will assist in fostering a supportive workplace environment. Employers will be required to update their internal policies to incorporate the enhanced GPPL and SPL. Adjustments to workforce management practices to accommodate the increased leave entitlements may be required. The amendments will contribute towards a more family-friendly work culture in Singapore. Further, it fosters gender equality by shifting societal norms concerning parenting. Such inclusive policies will contribute towards a more resilient workforce. Business operations may be disrupted, requiring changes to arrangements such as manpower allocation. This risk is likely to be amplified in small and medium-sized enterprises. However, this can be mitigated through the joint efforts of the Government and employers.	The changes to the CDCA will be welcomed by employees with young children and those who intend to embark on family planning (i.e., having children). The Government can provide resources and support for employers to help them to navigate this transition smoothly. This can include financial incentives and/or provision of guidelines or recommendations on effective workforce management. Encouraging a shift in workplace culture to support the enhanced GPPL and SPL is important. This can be done by recognising and rewarding family-friendly employers and promoting flexible work arrangements.

Back to index of countries →

Slovakia

Development and date	Description	Impact and risk	Future actions
New Financial Transaction Tax The Financial Transaction Tax will be introduced from 1 April 2025 and will be imposed on all businesses. The tax will apply to most of the transactions done via bank transfers.	In relation to the employer obligations, the transaction tax will mainly apply in relation to transfers relating to the payment of salary, bonuses, meal allowances and certain types of benefits (e. g. multi sport card contribution and other voluntary benefits).	The tax rate for this operation will be 0.40% on bank transfer with a maximum tax of EUR 40 per transaction. Payments in respect of employment to which the Financial Transaction Tax will not apply are for example: – contributions to the Social Insurance Agency; – contributions to the Health Insurance Agency; – income tax to Tax Authority.	Employers should monitor the development and practice around the new tax, since this is a novelty in the Slovak legal system. Various groups have already indicated an intention to file complaint with the European Commission.
Gender Pay Gap Slovakia is required to transpose the EU Pay Transparency Directive by 7 June 2026. So far there is slow progress with its transposition. We presume that at least the first draft should be ready by the end of 2025.	The new directive introduces a framework for more transparency and effective enforcement of the equal pay principle between women and men.	The new regulation will protect employees from direct and indirect discrimination caused by gender bias. Employers who do not follow the new regulation may face sanctions (including financial penalties).	Employers and HR personal (especially companies operating in several EU countries) should watch how the Directive is transposed within different member states within the EU.
Employment of self-employed In 2024 the Slovak Ministry of Labour announced that it plans to prepare a legislative update that blocks employers using self-employed people as employees. While the original deadline was the end of 2024 the Ministry is supposedly still working on the new legislation.	While bogus employment is already regulated (illegal employment) the Ministry intends to implement stricter rules. The aim is to protect self-employed people, who are de facto employees and sanction employers for illegal employment.	At the moment, it is not known how far the Slovak Government will go in its battle against bogus employment. However, employers relying on self-employed workers (e.g.from the gig economy) should closely watch the legal developments in this area.	Employers should closely monitor the legislative process in order to understand and prepare for the new legislation.

Back to index of countries →

South Africa

Development and date	Description	Impact and risk	Future actions
Draft Code of Good Practice on Dismissal **(21 January 2025)**	A new Draft Code of Good Practice on Dismissal (Draft Code), was published on 21 January 2025 by the Department of Employment and Labour (DEL). The Draft Code is intended to replace the present Code of Good Practice: Dismissal (Schedule 8 to the Labour Relations Act 66 of 1995 (LRA) and introduces new principles and codifies several principles previously recognised by the courts.	The Draft Code formally recognises the informality of disciplinary processes and that senior employees may not need to be warned concerning their poor performance prior to dismissal. For the first time there is guidance on redundancy and the duration of redundancy consultation processes being linked to both the size of the employer and the complexity of the redundancy.	Many of the principles being introduced have already been recognised by our courts, however, they have not always been put into practice. The codification of these principles, once adopted, will assist employers to address disciplinary and other employment related processes with less formality, where applicable.
National Minimum Wage (4 February 2025) and BCEA Earnings Threshold increase (7 March 2025)	On 4 February 2025, the DEL Minister increased the national minimum wage by approximately 4.3%, from ZAR 27.58 to ZAR 28.79 per hour. This increase was effective from 1 March 2025. Additionally, on 7 March 2025, the DEL Minister increased the BCEA Earnings Threshold by 2.9% from the previous threshold of ZAR 254,371.67 per annum to ZAR 261,748.45 per annum (being ZAR 21,812.37 per month). This increase will take effect from 1 April 2025.	Employers are required to remunerate employees no lower than the national minimum wage (except where exempted). Employees earning under the BCEA Earnings Threshold are entitled to additional basic conditions of employment such as the payment of overtime, limited working hours and entitlement to overtime pay. Additional protections apply to such employees where they are employed by temporary employment service agencies and/or on fixed term contracts.	It is recommended that employers review their employees' salaries/wages in light of the increased BCEA Earnings Threshold and National Minimum Wage, where applicable. Where wages are below the National Minimum Wage, these should be increased. Where employees earn under the BCEA Earnings Threshold, employers should assess the additional entitlements and protections these employees may now have and/or consider increasing wages above the BCEA Earnings Threshold.
***Motor Industry Staff Association (MISA) and Another v Great South Autobody CC t/a Great South Panelbeaters; Solidarity obo Strydom and Others v State Information Technology Agency SOC Limited* ZACC 29; 2025 (3)**	The Constitutional Court (CC), had to decide whether a dismissal, where the employee was dismissed after they had reached the retirement age, is considered automatically unfair. The CC was unable to reach consensus and delivered three different judgements, with the following differing conclusions: 1. that an employer may fairly dismiss an employee on the day on which the employee reaches retirement age; 2. that an employer may dismiss the employee within a reasonable time, upon reaching retirement age; 3. that an employer may dismiss the employee any time after having reached retirement age.	The fairness of retiring employees after they have continued to work beyond the normal or agreed retirement age remains unsettled in South African employment law. While the prevailing jurisprudence appears to be that employers may retire employees at any time after they have reached the retirement age, the risk remains that courts will find that this is the incorrect position and that any employees whose employment has been terminated in this manner will be found to have been automatically unfairly dismissed – which could result in reinstatement with full backpay or up to 24 months' remuneration as compensation, being ordered by the court.	In practice, it is recommended that employers do not retain employees past the agreed or normal retirement age. Where certain employees are still operationally required, they may be retired on the agreed or normal retirement age and a separate fixed term contract of employment concluded. Where employees have been allowed to continue to work past the agreed retirement age, employers should seek legal advice before taking any steps to terminate the employee's employment. Further steps could include seeking to reach agreement on the termination of employment or initiating a formal process.

Back to index of countries →

Sweden

Development and date	Description	Impact and risk	Future actions
Recent rulings on non-competition clauses Non-competition clauses are commonly included in employment contracts to protect a company's interests. While these clauses can be justified in specific situations, they must be carefully crafted to ensure they are enforceable. In two recent rulings, the Arbitration Board for Employee Invention and Non-Competition Disputes (*Swe: Skiljenämnden i uppfinnar- och konkurrensklausulstvister*) assessed the validity of such clauses.	**Case 1 (17 October 2024)** This case involved a sales manager employed by a flooring company since 2017. Her contract included a twelve-month non-competition clause. In April 2024, the employee resigned to join a German construction firm, and her former employer claimed this violated the non-competition clause. Although the employee was hired by the parent company and not the subsidiary selling competing products, her senior role in the corporate leadership still linked her indirectly to competitive operations. Consequently, the Arbitration Board upheld the non-competition clause but deemed its duration excessive, reducing it to six months. **Case 2 (22 November 2024)** This case concerned a store salesperson. His contract included a six-month non-competition clause with financial penalties. After resigning in March 2024, he joined a competing retailer in June 2024, and the employer sought damages, claiming a breach in the agreement. The employee contended that the employer had failed to initiate legal action under the relevant collective agreement. The Arbitration Board rejected this argument, affirming that the employer still had the right to enforce the clause. However, after assessing the employee's job responsibilities, access to sensitive information, and financial burden imposed by the clause, the Arbitration Board determined that the non-competition clause was unreasonable and void.	Both rulings emphasise that non-competition clauses must not be unduly restrictive. The cases highlight that access to confidential information is a key factor in determining the justification of a non-competition clause. In the first case, the employee's senior position, along with the value and relevance of the sensitive information, warranted a restriction, although with a shortened duration. In contrast, the second case involved a salesperson without strategic decision-making power, rendering the clause unjustifiable. These decisions reaffirm that the employer's need to protect business interests must be balanced with the employee's right to freely participate in the labour market. Employers enforcing restrictive agreements must ensure they are proportionate and justifiable. Overly broad or financially punitive clauses risk being invalidated, potentially leaving employers without legal recourse.	Employers should carefully review their non-competition agreements to ensure they are necessary, proportionate, and legally compliant. Alternative measures, such as confidentiality agreements, should be considered where appropriate. To minimise legal risks, non-competition clauses should be limited to key personnel with access to strategic information, and under all circumstances have reasonable and justified restriction periods.

Back to index of countries →

Switzerland

Development and date	Description	Impact and risk	Future actions
Duties of employee in relation to absence In a decision of 15 January 2025, the Swiss Federal Supreme Court has ruled on the duties of employees in the case of absences and the possible consequences in case of a violation of such duties.	The judgment clarifies that employees must notify their employer of foreseeable absences as early as possible (ideally on day 1 of absence) and report unforeseeable absences as soon as they occur. This notification obligation also applies to absences due to illness and accidents. As soon as the employee's state of health permits, they must contact the employer immediately on their own initiative and inform the employer of the expected duration and extent of their incapacity to work. If necessary, the employee must adjust their prognosis to new medical findings. If a shorter or longer recovery period is subsequently expected, they must inform the employer of this fact immediately. The employee is therefore obliged to inform the employer quickly, continuously and completely about their incapacity for work for the entire duration of their health impairment. This applies in particular to persons who fulfil an important function in the company. The principle of notifying the employer promptly of any sickness absence is not a new one. However, the decision clearly emphasises the consequences where the principle is not complied with. According to the decision of the Swiss Federal Supreme Court, a repeated violation of such duties, despite a written warning with the threat of a notice of termination with immediate effect in case of reoccurrence, may even justify a notice of termination with immediate effect.	The judgment reiterates the duties of employees where they are absent and confirms the right of the employer to issue a notice of termination with immediate effect in certain cases.	A Swiss employer may wish to consider issuing a general reminder to employees about their duties when they are absent. In cases where an employee is in breach of these duties, in particular where an employee fulfils an important function in the company, the employer may consider sending a formal written warning to the employee, reminding them of their duties and threatening a notice of termination (with or without notice) in case of reoccurrence.

Back to index of countries →

Turkiye

Development and date	Description	Impact and risk	Future actions
Constitutional Court annuls provision allowing choice of foreign law in employment contracts			
The Constitutional Court annulled Article 27(1) of the Private International Law and Procedural Law Act, which allowed the choice of foreign law in employment contracts involving a foreign element. The Court's decision was published in the Official Gazette on 10 March 2025, and will take effect six months later, on 10 September 2025.	Article 27(1) permitted the parties to an employment contract to choose the applicable foreign law, provided minimum protections under the law of the employee's habitual workplace were maintained. The Constitutional Court ruled that this could undermine the constitutional principle of employee protection, especially given the unequal bargaining power between employer and employee.	Once in force, the annulment will prohibit the selection of foreign law in employment contracts.	Companies may need to monitor this change and consider its potential effects on existing or future employment contracts.
Presidential Circular issued on Preventing Workplace Mobbing			
A Presidential Circular on the Prevention of Psychological Harassment in Workplaces was published in the Official Gazette on 6 March 2025 and entered into force the same day.	The Circular re-establishes the National Committee for Combating Psychological Harassment and instructs employers to implement preventive policies. It emphasises awareness training, confidentiality in investigations, and the inclusion of anti-mobbing clauses in collective agreements.	The Circular increases expectations on employers to proactively address workplace mobbing. Lack of compliance may heighten reputational and legal risks.	Employers may review workplace conduct policies and ensure alignment with the Circular's guidance.
Occupational safety specialist and workplace doctor obligation enforced for small low-risk workplaces			
From 1 January 2025, the obligation to appoint occupational safety specialists and workplace doctors now applies to all workplaces, including those with fewer than 50 employees in the low-risk category.	The temporary exemption for small, low-risk workplaces under the Occupational Health and Safety Law expired on 31 December 2024. As of January 2025, all employers are required to assign certified occupational safety specialists and workplace doctors.	Employers who fail to comply are subject to administrative fines of TRY 88,663 per professional per month, significantly increasing legal and financial exposure.	Employers should ensure timely assignment of required professionals to avoid penalties and ensure compliance with health and safety regulations.
Meal allowance cap updated for social security premium exemption			
A regulation published in the Official Gazette on 2 December 2024, updated the daily exemption limit for meal payments not subject to social security premiums.	Effective from 1 January 2025, the maximum daily amount of meal allowance exempt from social security premiums was set at TRY 158.00.	Employers exceeding the exemption limit or not complying with payment conditions may face additional premium obligations.	Employers should ensure meal payments align with the new exemption rules from January 2025 onward.

Ukraine

Development and date	Description	Impact and risk	Future actions
The procedure for booking employees has been updated			
In March, the Government adopted a resolution establishing new rules for reserving (exempting) employees from mobilisation. The changes include faster cancellation of deferrals, new features for accounting for mobilised employees, and reporting for calculating the average salary.	Starting from 5 March, the head of a critical enterprise can request the cancellation of an employee's deferral once every 5 days (previously, it was possible only once a month). Also, automatic verification of compliance of employees' salaries with the criteria for booking has been also introduced. Now companies are obliged to submit monthly reports on the amount of employees' salaries instead of quarterly reports.	The new booking rules aim to reduce corruption risks and optimise the work of Government agencies and employers. The requirement of monthly reporting makes the process of booking employees more transparent, but it can also create an additional burden on the company.	Martial law-related legislation and mobilisation-specific regulations remain very dynamic and unpredictable. Employers should closely monitor any updates or changes to reservation regulations, military conscription rules, and related policies.
New features of employment of persons with disabilities			
On 28 February 2025 the President of Ukraine signed the Law "On Amendments to Certain Laws of Ukraine on Creation of Favourable Conditions for Employment of People with Disabilities". The law changes the approach to the employment of people with disabilities, providing them with equal opportunities in the labour market and a support system.	The new legislation creates an opportunity for employers to receive compensation for making reasonable workplace accommodations for employees with disabilities from a specially created fund replenished by targeted contributions. The law also introduces options for employers to choose between hiring people with disabilities or paying a targeted contribution. The benefits and compensation will be available to any company that employs the number of people with disabilities specified in the law.	The changes will facilitate the social integration of employees with disabilities and reduce the financial burden on businesses in Ukraine.	Employers should familiarise themselves with the new regulation before it comes into effect on 1 January 2026.

United Kingdom

Development and date	Description	Impact and risk	Future actions
Publication of amendments to the Employment Rights Bill (ERB) In March 2025 the Government published an updated version of the ERB containing significant amendments and incorporating responses to Government consultations. Until the Bill is finalised, which is expected in mid 2025, further amendments are likely.	The latest set of amendments contain the following changes: – The time limit for bringing most employment-related claims has been extended from three months to six months. – Additional provisions have been introduced on zero hours contracts, including a duty to inform workers and extending the rights to agency workers. – Significant changes have been made to the rules on collective redundancies. The maximum protective award for failing to comply has been increased from 90 to 180 days' actual pay. The 'at one establishment' test will be retained, but a new threshold trigger for multi-site redundancies will be introduced at a figure yet to be determined. – The three-day waiting period for SSP (statutory sick pay) has been removed, meaning SSP will be paid from day one of sickness absence. A new rate of SSP has been introduced, set at 80% of average weekly earnings or the flat rate, whichever is lower. – Changes have been made to the law on industrial action with notice periods reduced from 14 to 10 days, and the duration of ballot mandates doubled from 6 to 12 months. Ballot information and notices to employers have been simplified. – Umbrella companies will be regulated by the Fair Work Agency, ensuring workers engaged by these companies have the same rights and protections as those engaged by employment businesses. PAYE responsibility will shift from the umbrella company to the recruitment agency or end hirer.	The removal of the qualifying period for unfair dismissal (to be replaced with a lighter touch statutory probationary period) combined with the longer period to bring a claim, is expected to lead to more tribunal claims. The zero hours provisions are complex and will mean employers have less flexibility in shift variations and will need to consider more consistent workforce planning to avoid penalties for shift changes or cancellation of shifts or to avoid making an offer of increased hours. The latest amendments include the possibility of an employer excluding the zero hours rules where an employer enters a collective agreement with a union. The full impact of the changes to collective redundancy consultation and multisite consultation will be clearer when the threshold figure is published. What is clear is that the financial risks will increase if employers are found to be in breach of the provisions. Payment of SSP from day one of absence and the extension of SSP to lower paid workers will increase the cost of absence for some employers. It may also increase the level of absence. The changes to industrial action will make it easier for unions to call industrial action. Employers who use umbrella company arrangements should review their arrangements.	At this stage, employers should keep a watching brief to follow developments. We do not expect to see the substantial changes in the Bill come into effect until 2026, although we will know more about timelines once the Bill is finalised. Employers will need to ensure that there is significant HR resource allocated in late 2025/early 2026 to implement the changes which are far reaching. Policies, training, contracts of employment, workforce planning, redundancies, changing terms and conditions and family leave are all affected by the Bill.

Back to index of countries →

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