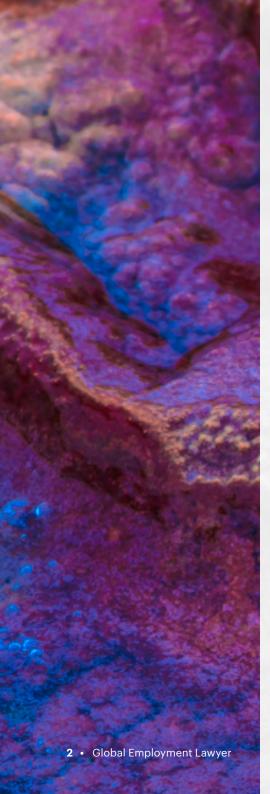


Global Employment Lawyer Global Employment & Labor Quarterly Review





Welcome to the Q3 2025 edition of our global employment and labour newsletter. This edition brings together a broad spectrum of legal updates, ranging from statutory reforms and court decisions to regulatory changes and compliance requirements. The breadth of developments covered reflects the challenges faced by employers in adapting to rapidly changing legal frameworks across multiple jurisdictions.

In Africa, Nigerian courts have provided much-needed clarity on the application of limitation periods to employment claims and reinforced the absolute right of employees to resign, even under fixed-term contracts. While South Africa has implemented reforms to its employment equity regime, introducing new sector-specific targets and compliance obligations for employers. Across Asia, we see significant updates to non-compete enforcement, workplace mental health guidance, and the protection of vulnerable groups, including new rules for the protection of transgender employees in India and expanded pension entitlements in Taiwan.

Turning to the Americas, several jurisdictions have enacted or proposed major reforms. Colombia's new labour law reforms reshape employment agreements and expand employer obligations, while Mexico and Uruguay have introduced new rules and protections for digital platform workers. The United States continues to grapple with the evolving landscape of diversity, equity, and inclusion, where a memo from the Attorney General places continued scrutiny on workplace policies and practices.

Europe, too, is witnessing progressive developments. The United Kingdom's amendments to its Employment Rights Bill address guaranteed hours, bereavement leave, and restrictions on non-disclosure agreements. Meanwhile, countries such as Ireland and Spain are advancing gender balance and parental leave initiatives, and France faces pressure to align its paid leave rules with European Union standards.

As always, our global team of employment and labour lawyers remains committed to providing practical insight and forward-looking guidance to help you navigate these developments. Thank you for reading, and please do not hesitate to contact us for further information or tailored advice.

Editors



Purvis Ghani
Partner, Global Chair
Employment and Labor
London, UK
D +44 20 7320 6133
purvis.ghani@dentons.com



Jenny Zhuang
Of Counsel
Hong Kong
D +852 2533 3660
jenny.zhuang@dentons.com

IN THIS ISSUE

4	Legal Updates		
4	Africa		
4	Mauritius		
5	Nigeria		
6	South Africa		
7	Tunisia		
8	Asia		
8	China		
9	Hong Kong		
10	India		
11	Philippines		
12	South Korea		
13	Taiwan		
14	Vietnam		
16	Australasia		
16	Australia		
17	New Zealand		
18	Central and South America and		
	The Caribbean		
18	Argentina		
19	Barbados		
20	Bolivia		
20	Chile		
21	Colombia		
22	Costa Rica		
23	Ecuador		
24	Mexico		
25	Nicaragua		
26	Peru		
26	Uruguay		
27	Venezuela		

28	Europe
28	Czech Republic
29	France
30	Germany
30	Hungary
32	Ireland
33	Italy
34	Netherlands
35	Romania
36	Spain
37	Türkiye
37	United Kingdom
38	Middle East
38	Kuwait
39	Lebanon
40	Oman
41	Saudi Arabia
42	North America
42	Canada
43	United States of America
44	In conversation with
46	News and Events
48	Key Contacts



Legal Updates Africa

Mauritius

Leave to care for spouses – Currently, leave to care for family members is limited to an employee's child, parents, and grandparents (including those of the spouse). The law now extends this entitlement to include care leave for a spouse with healthcare-related issues. This legislative development recognises the important role of spousal care within the family unit and ensures that employees are not forced to choose between their professional responsibilities and providing necessary support to their partners. This underscores a broader commitment to employee welfare and the recognition of the family-oriented culture prevalent in Mauritius.

Computation of days in employment termination

– Under law, before dismissing a worker for alleged misconduct, the employer must give the worker at least seven days' notice before the oral hearing where the worker can respond to the charges. The Supreme Court of Mauritius recently clarified that this seven-day notice period includes the day the notice is given. Therefore, in practice, employers meet this requirement if the notice is given at least seven calendar days before the oral hearing, counting the day the employee is notified. This decision provides legal certainty, helping employers avoid procedural errors that could otherwise invalidate a dismissal process.

Contributors:

Natasha Behary Paray natasha.beharyparay@dentons.com

Lylah Joorawon lylah.joorawon@dentons.com

Rebecca Gulbul rebecca.gulbul@dentons.com

Hei Wen Chan heiwen.chan@dentons.com



Nigeria

Limitation laws apply to employment claims -

The Supreme Court of Nigeria recently ruled that limitation laws apply to employment contracts. This means that claims arising from employment contracts must be filed within the prescribed time limit of six years. The ruling overturned earlier decisions by the National Industrial Court of Nigeria, which had held that limitation laws do not apply to employment cases. This decision brings clarity to this issue and affects pending employment disputes. Parties must therefore bring employment claims within the limitation period.

No obligation to renew fixed-term contract even if work continues - The National Industrial Court of Nigeria recently held that fixed-term contracts end naturally when the agreed term expires. Continued work and salary payments after the contract ends do not renew the contract. Employers are not required to give reasons for non-renewal. This highlights the need for clear contract terms and proper documentation of any extensions.

Limited court role in church disputes without **employment relationship** - The National Industrial Court clarified that it will not intervene in internal church governance or spiritual matters unless a clear employment relationship exists. Employment claims such as wrongful termination or unpaid salary can be heard against churches, but theological or spiritual disputes fall outside the court's jurisdiction unless linked to employment.

Employees retain the right to resign – In a recent National Industrial Court of Nigeria decision, it was confirmed that employees have an absolute right to resign, even under fixed-term contracts or minimum service agreements. Employers may require proper notice or payment in lieu of notice, but cannot prevent the resignation. Any attempt to restrict this right may be considered an unlawful restraint of trade or forced labour, prohibited under the Nigerian Constitution.

Employee data protection now a constitutional right - With Nigeria's Data Protection Act and the coming into force of General Application and Implementation Directive (GAID 2025), employers must align their data practices with recognised privacy rights. The Nigerian Court of Appeal had earlier affirmed that employee data is protected under the constitutional right to privacy. As such, workplace monitoring, cross-border data transfers, and HR systems must now meet stricter standards. Multinationals with operations in Nigeria are advised to review internal policies to minimise legal and reputational exposure.

Contributor:

Alicia Adefarasin alicia.adefarasin@dentons.com





South Africa

Significant labour law changes take effect – The Employment Equity Amendment Act 4 of 2022, effective 1 January 2025, now limits the definition of "designated employers" to those with more than 50 employees, removing the previous turnover thresholds. On 15 April 2025, the new Employment Equity Regulations introduced mandatory, sector-specific numerical targets across 18 economic sectors, with five-year equity plans due by 31 August 2025 and implementation beginning on 1 September 2025.

At the same time, substantial draft reforms remain under consideration at the National Economic Development and Labour Council (NEDLAC), including 47 proposed amendments to the Labour Relations Act 66 of 1995, 13 to the Basic Conditions of Employment Act 75 of 1997, and further changes to the National Minimum Wage Act 9 of 2018 and Employment Equity Act 55 of 1998. Among the notable proposals are measures to ease procedural requirements for small employers and to limit protection against unfair dismissal during the first three months of employment (or a longer probation period where justified), except in cases of automatically unfair dismissals.

In addition, on 28 May 2025, the government approved the National Labour Migration Policy 2025 White Paper and the Employment Services Amendment Bill, which introduce sectoral quotas and restrictions for foreign nationals. The Department of Employment and Labour has also stepped up its inspection and enforcement activities, with a focus on protecting vulnerable workers and ensuring compliance with procedural fairness requirements.

Contributor:

Bongi Maseko bongi.maseko@dentons.com

Tunisia

New labour contract reform and prohibition on sub-contracting – Law No. 2025-9 of 21 May 2025 establishes new rules on employment contracts and labour subcontracting, including the following:

- Fixed-term contracts. All fixed-term contracts are automatically converted into indefinite-term contracts, except in the following cases:
 - exceptional and temporary increase in activity;
 - replacement of an absent employee;
 - seasonal work.

Any contract concluded outside of these exceptions is reclassified as an indefinite-term contract, with preservation of acquired rights including seniority.

Labour subcontracting. Labour subcontracting, defined as the supply of workers by one company to another, is prohibited. Violations are subject to fines between TND 10,000 and 20,000, depending on whether the offender is an individual or a legal entity. An additional fine of TND 10,000 may be imposed on the legal representative if complicity is established. In the event of repeated violations, imprisonment from three to six months may apply. The law permits the use of external service providers for specialised services, provided that:

- the services are not related to the client company's core activity;
- the provider's employees remain under its authority; and
- the provider offers sufficient financial guarantees covering salaries and social contributions.
- Probation period. Probationary periods are limited to six months and may be renewed once for the same period. For contracts signed before the entry into force of the law, the initial probation period applies if it is less than six months. Termination during the probation period must be notified in writing, at least 15 days before its expiration, by registered letter with acknowledgment of receipt or any other written means. If a contract is terminated during the first or second probation period, any subsequent contract concluded between the same parties is automatically classified as an indefinite-term contract.

Contributors:

Imen Sarsar imen.sarsar@dentons.com

Ines Khiari ines.khiari@dentons.com



Asia 8 • Global Employment Lawyer

China

New judicial interpretation clarifies labour dispute rules – On 31 July 2025, the Supreme People's Court issued Judicial Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labour Dispute Cases (Interpretation II), which will take effect on 1 September 2025. Together with China's Labor Law, Labor Contract Law, and Interpretation I, Interpretation II forms a core part of the judicial framework governing labour matters.

Interpretation II revises and reaffirms several principles that have long been settled in judicial practice, including the identification of employment relationships, circumstances under which contracts cannot be performed, and social insurance arrangements.

The following discussion will focus on selected provisions that are particularly relevant to foreign-invested enterprises.

1. Restriction on the scope of non-compete clauses

Non-compete agreements were originally intended for employees who handle confidential information – typically senior managers, senior technical staff, or other employees with access to trade secrets.

The purpose of the non-compete system under the Labor Contract Law is to protect the employer's trade secrets and prevent employees from exploiting confidential information for personal gain or for the benefit of others, thereby harming the employer's interests. However, in practice, some employers have misused the system by imposing unreasonable non-compete obligations on employees who do not have confidentiality duties and who are neither senior managers nor senior technical personnel.

Interpretation II empowers courts to conduct substantive review of non-compete agreements. Under the new rules:

- Only employees who actually access or handle trade secrets or IP-related confidential matters can be bound by non-competes.
- The scope, geographical coverage and duration must be proportionate to the nature and level of confidential information.
- Any part of a non-compete exceeding what is reasonably necessary may be deemed invalid.

Employers are therefore advised to tailor noncompete clauses to an employee's specific role, responsibilities and level of access to sensitive information.

2. Confirmation of litigation standing for foreign representative offices in labour disputes

Previously, it was unclear whether a foreign enterprise's representative office (**RO**) could act as a litigation subject in labour disputes. Interpretation II now confirms that ROs have litigation standing, and the foreign enterprise establishing the RO may also be joined as a co-litigant in such disputes.

3. Clarification on recognition of foreign employees

Interpretation II further clarifies that foreign nationals in China who:

- hold permanent residence (a "green card");
- possess a valid work permit and lawful residence or stay; or
- have completed the relevant formalities under national regulations,

are entitled to the full set of protections under China's labour laws on the same basis as Chinese nationals.

Contributor:

Joanie (Jie) Zhang joanie.zhang@dentons.cn

Hong Kong

New guidance for Hong Kong employers on managing mental health - To reflect the growing recognition of the importance of mental health and the need for employers to fulfil both legal and ethical responsibilities, the Equal Opportunities Commission (EOC) has released new guidelines titled "How to Support Employees with Mental Health Conditions at Work" on 29 July 2025.

Under the Disability Discrimination Ordinance (Cap. 487), certain mental health conditions may fall within the statutory definition of "disability." As such, employees with such conditions are protected from:

- direct discrimination for example, not being offered a job or on-job training due to a mental health diagnosis;
- indirect discrimination such as rigid work policies that disadvantaged employees needing time off for treatment:
- harassment including offensive comments or exclusion based on mental health status.

The EOC's guidelines urge employers to move beyond mere compliance and adopt a proactive approach to mental health. Key recommendations include:

- maintaining effective communication channels to understand employees' needs and jointly develop suitable work arrangements;
- educating staff and management on common mental health conditions:
- offering mental health training, including common mental health symptoms, mental health first aid and techniques for positive interaction;

- · being alert to early signs of mental distress, including emotional signs, physical signs and work performance, and respond appropriately;
- · implementing reasonable accommodations, such as flexible working hours and location, workload adjustments, or granting regular short breaks: and
- fostering a stigma-free workplace culture where employees feel safe to disclose mental health concerns without fear of reprisal.

Various real-life examples of the difficulties employees faced and support employers gave when handling mental health issues are also included in the guidelines.

Employers are advised to review their existing policies and employment practices to ensure alignment with the EOC's recommendations, in order to create a more inclusive and legally compliant workplace. Although the guidelines have no force in law, noncompliance could potentially be used as evidence against an employer in civil litigation.

Contributors:

Jenny Zhuang jenny.zhuang@dentons.com

Hugo Lo hugo.lo@dentons.com,

Alvin Yeung alvin.yeung@dentons.com



India

Rules for the protection of transgender persons in Delhi – The Delhi Government, by notification dated 11 July 2025, published the Delhi Transgender Persons (Protection of Rights) Rules, 2025 to among other things promote inclusion and facilitate access to welfare schemes for transgender persons. All establishments in Delhi are now required to create a safe working environment, publish an equal opportunity policy and designate a complaint officer within 30 days of 11 July 2025. Grievances raised by transgender employees must be resolved within 30 days of being reported.

Increase in daily working hours in Telangana -

The Government of Telangana, by notification dated 5 July 2025, has exempted commercial establishments from certain provisions of the Telangana Shops and Establishments Act, 1988 relating to daily working hours and rest intervals. Under the exemption, daily working hours may extend up to 10 hours (as against the standard 8 hours), while the weekly limit remains unchanged. Employees may be required to work additional hours without overtime wages, subject to a maximum of 144 hours in any quarter. No employee may be required to work more than six hours in a day without at least a 30-minute rest interval. The exemption is subject to withdrawal for non-compliance by employers.

Mandatory disclosure on sexual harassment complaints – The Ministry of Corporate Affairs, Government of India by notification dated 30 May 2025 amended the Companies (Accounts) Rules, 2014 (Rules), which are effective from 14 July 2025 onwards. The amended Rules mandate companies to now disclose in their annual filings the total number of sexual harassment complaints received during the financial year, the number of complaints resolved and those pending for more than 90 days.

Contributor:

Anuj Trivedi anuj.trivedi@dentonslinklegal.com

Philippines

Supreme Court clarifies effect of signed job offers - A Supreme Court decision, promulgated on 2 April 2025 but only recently publicised, has significant implications for employers and HR professionals.

In this case the Court held that a signed job offer often called an Offer Letter - can be sufficient to create an employer-employee relationship, even if the employee has not yet physically reported for work and even if the letter anticipates a formal employment contract will be executed later.

The employee signed an Offer Letter dated 1 April 2016 stating that employment would commence on 1 July 2016. The letter also required him to sign a formal contract on his first day. However, in May 2016, before the start date, the company informed him that his position had been abolished as part of a global restructuring. Although severance pay was offered, he refused and instead filed a case for illegal dismissal.

The Court ruled that:

- The stated start date merely postponed the parties' obligations; it did not prevent the creation of the employment relationship.
- The requirement of signing a contract on the first day did not negate the fact that an employeremployee relationship had already arisen upon acceptance of the Offer Letter.
- The employee was illegally dismissed, as the employer failed to substantiate the redundancy claim.

This decision underscores the need for greater care in extending and managing job offers. Employers should consider the following:

- · Signed offers create obligations.
- Once an Offer Letter is signed, an employment relationship may already exist. Withdrawing the offer after acceptance can potentially lead to claims of illegal dismissal.
- · Use conditional language.
- To retain flexibility, Offer Letters should expressly state that employment is subject to conditions precedent—such as successful background checks, compliance with medical requirements, or final approval.
- · Clarify start dates
- Indicate that start dates are tentative or conditional, to avoid creating binding obligations if business needs change.
- Review HR processes.
- HR teams should review onboarding templates and processes in light of this ruling, especially where deferred start dates or restructuring risks may arise.
- · Given the risks, always consult legal counsel before withdrawing an accepted job offer.

This ruling highlights the binding effect of what may seem like a "preliminary" document. Employers should treat Offer Letters with the same care as formal contracts - because in the eyes of the law, they very well might be.

Contributors:

Roberto Ramiro roberto.ramiro@pjslaw.com

Rachelle Lim-Magtanggol rachelle.magtanggol@pjslaw.com



South Korea

Stronger spotlight on workplace harassment investigations – Korean regulators and courts continue to stress the importance of prompt and impartial workplace harassment investigations. Employers are expected to act quickly when a complaint is raised, protect employees from retaliation and keep a clear written record of each step. For multinational employers, this means reinforcing HR protocols: accessible reporting channels, trained investigators and consistent follow-up actions. Failure to respond properly can expose companies to reputational damage and financial liability.

Workplace safety law now covers small businesses – Korea's workplace safety law on "serious accidents" has been expanded to cover companies with as few as five employees. Company leaders may face personal liability if they cannot demonstrate effective safety management systems. Small and mid-sized businesses should ensure they have proper risk assessments, clear executive oversight and controls over contractors. These measures, once seen as burdensome for smaller firms, are now legally expected.

Expected Legislative Changes under the New Government – the new administration has signalled a pro-labour agenda and several reforms are under discussion:

- Working time and leave policies may be tightened. Proposals include reducing maximum working hours, stricter overtime monitoring, and expanded family-related leave entitlements to promote work-life balance.
- Retirement age extension is being debated, which would require employers to keep older employees longer, potentially coupled with phased retirement or wage-peak systems to manage costs.
- Labour union law reforms are expected to strengthen union rights, expand the scope of collective bargaining, and limit employer claims for damages from strikes.

Contributors:

Eun Jee Kim eunjee.kim@dentons.com

Da Youn Joung dayoun.joung@dentons.com

Taiwan

Workers can now claim two pensions at the same time – Taiwan has introduced a major improvement to its labour protection system. Employees who have retired and are already receiving a monthly old-age pension under the national labour insurance scheme can now also claim a disability pension under the occupational accident insurance scheme if they suffer a work-related injury or illness.

Previously, workers had to choose between one pension or the other. Now, both can be claimed at the same time, with only minor adjustments if the combined amount exceeds the worker's insured salary. This change ensures that older employees who return to the workforce and then experience an occupational accident are not forced to forfeit the pension they were already entitled to.

For employers, this reform provides stronger social safety nets for employees, especially as Taiwan encourages more senior and mid-career workers to remain active in the labour market. The enhanced system reduces financial hardship for affected employees and may also ease pressure on employers when it comes to occupational accident compensation. Multinational companies with Taiwan-based staff should be aware of this change, as it may improve employee confidence in the social insurance system and support workforce participation among older workers.

Workplace safety reforms and zero tolerance for bullying – Taiwan is preparing a major update to its workplace safety rules. A draft amendment to the Occupational Safety and Health Act has been submitted for government review, representing the most significant change in over a decade.

The amendment focuses on three areas:

- First, it strengthens safety obligations in high-risk industries such as construction. Project owners will need to assess potential hazards, budget for safety measures, and appoint a contractor to take overall responsibility for accident prevention.
- Second, it introduces new rules to prevent workplace bullying. Employers must set up clear prevention policies, reporting channels, investigation procedures and must act quickly when bullying occurs. Complainants will receive protection throughout the process.
- Finally, penalties will be tougher. Fines for breaches will increase and companies found in violation will be publicly named along with details of the incident.

For international employers, the reforms highlight higher expectations in Taiwan around both worker safety and workplace culture. Companies should review local policies and strengthen compliance to meet these new standards.

Contributor:

Chengkai Wang chengkai.wang@dentons.com.tw



Vietnam

Replacement of Social Insurance Code with National ID – On 4 August 2025, Vietnam Social Security issued Official Letter No. 1804/BHXH-QLT on the replacement of social insurance (SI) codes with personal identification numbers (PIN)/ citizen identification numbers (CIN):

- Accordingly, from 1 August 2025, the PIN/CIN will replace the SI code of participants in social insurance and health insurance.
- The new identification system also applies to employers, state agencies, social/charity organisations, religious institutions and other entities as prescribed by law.
- During the transition, the existing SI codes (10 digits) and unit management codes remain valid for administrative and data purposes until the system upgrade is completed.

Key updates on compulsory social insurance

- The Government has issued Decree 158/2025/
 ND-CP, introducing significant changes to Vietnam's compulsory social insurance regime:
- Part-time employees earning below the minimum wage, probationary employees and beneficiaries receiving SI allowances or monthly benefits as regulated by Law on SI are not subject to compulsory SI participation.
- A new "reference level" is used to calculate contributions and benefits, which is initially equivalent to the basic salary, but adjustable by

- the Government to reflect inflation, economic growth and fiscal capacity.
- Managerial roles without salaries (e.g., managers, directors, board members, or controllers) are now required to participate in compulsory SI when they fall under any mandatory category.
- Employers must make retroactive SI contributions in more cases (e.g., salary increases, employees returning from work abroad), complete payments by the end of the following month and pay interest in case of late payment.

Key reforms under Employment Law 2025

- Effective from 1 January 2026, Employment Law 2025 introduces significant reforms to the unemployment insurance (UI) regime:
- Scope: Besides employees with indefinite-term or fixed-term contracts of three months or more as previously covered, the scope now includes employees on fixed-term contracts of 1–3 months, part-time employees, salaried enterprise managers and all paid employment relationships under employer supervision.

- Contributions: Employee contributes up to 1% of monthly salary and employer pays up to 1%, with the exact rate set by the Government (not fixed as previously), and the State may support up to 1%.
- Registration: A national Labor Registration
 Database and Labor Market Information System
 are established. Employers and employees must
 register and maintain accurate personal and
 employment data, including SI/UI participation.
 Registered data will integrate with the national
 population database and other sectoral systems.

Contributors:

Canh Tran canh.tran@dentons.com

Thu Le thu.le@dentons.com

Tinh Nguyen tinh.nguyen@dentons.com



Australasia

Australia

New overtime and penalty rates Bill – The Fair Work Amendment (Protecting Penalty and Overtime Rates) Bill 2025 is set to reshape the Fair Work Commission's approach to modern awards and signals increased scrutiny on pay structures for award-covered employees. With AU\$1.5 billion in back-payments recovered by the Fair Work Ombudsman between FY22–FY24, payroll compliance is under intense spotlight. It is a critical time for employers to review award entitlements, modern award interpretations and governance systems to prepare for further reforms.

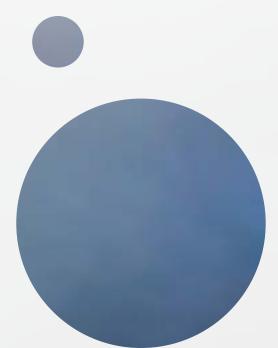
Largest ever industrial relations penalty – In a recent decision of the Federal Court, an airline had an AU\$90M penalty imposed following its decision to unlawfully outsource more than 1,800 ground staff handling jobs at ten airports during the Covid-19 crisis, the biggest fine ever to be imposed for industrial relations breaches in Australian history.

High Court examines redeployment obligations on redundancy – In an August 2025 decision,
Australia's High Court clarified the nature of inquiry required by an employer on redundancy as to redeployment options. The High Court held that not only does the employer have to consider existing vacancies but also is required to consider the feasibility of rearranging its workforce including the use of contractors to free up the ability to redeploy an employee displaced by redundancy, the test being to consider whether such redeployment was reasonable in all of the circumstances. This arguably extends the nature of the redeployment inquiry employers have been conducting in Australia to date.

Contributors:

Helene Lee helene.lee@dentons.com Ruth Nocka

ruth.nocka@dentons.com



New Zealand

Employment Relations Amendment Bill – The Government has introduced an Employment Relations Amendment Bill, which proposes several significant changes (including the NZ\$180,000 income threshold for unjustified dismissal claims mentioned in last quarter's review). Key reforms include:

- the implementation of a gateway test for independent contractors;
- removal of a rule requiring new employees to be covered by existing collective agreements for the first 30-days of employment;
- expansion of 90-day trial periods to all employers; and
- adjusting the employee claims system by limiting remedies where an employee has contributed to their grievance.

Genuine reasons for fixed term agreements -

A recent Employment Court decision reinforced the strict legal requirements for fixed-term employment agreements. The employer had dismissed an employee during a valid 90-day trial but offered them a subsequent two-month fixed-term contract out of goodwill, with the expressed purpose of allowing them to work while seeking new employment. The employee challenged the termination at the end of the two-month period, arguing this was not a legitimate reason for a fixed term. The Court agreed, holding that while the employer's intent to help the employee find

work post-holidays was genuine, it was not an appropriate basis for a fixed term. The dismissal was ruled unjustified and the employee was awarded compensation.

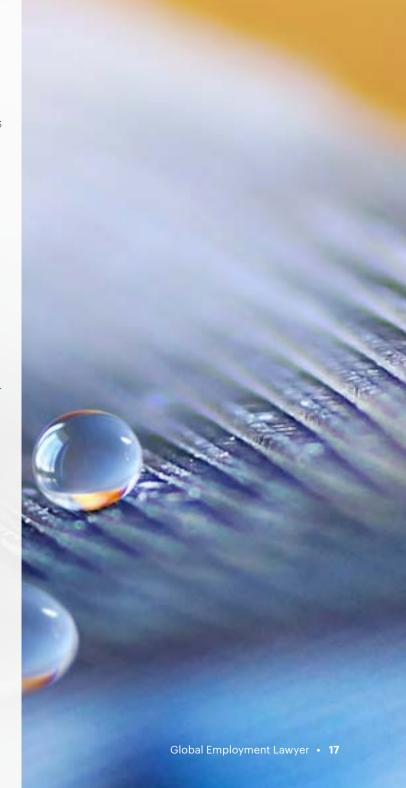
Prohibition on enforcing pay secrecy – A bill protecting employees who disclose or discuss their pay has just been passed into law. The legislation amends the current law to introduce a new legal complaint of adverse conduct for a "remuneration disclosure" reason. While pay secrecy clauses are still legal, it will not be possible to enforce them without being exposed to liability.

Consultation obligations – The Employment Court addressed the extent of employer consultation obligations during restructures in a recent judgment. Unions argued an employer had breached the terms of collective agreements by not involving them in developing a proposal to restructure. The Court found that the employer had met its legal obligations, holding that while relevant terms encouraged cooperative engagement, input from the union when developing the proposal was not required. It was sufficient for the employer to consult on the proposal, even if it was at a well-developed and well-defined stage.

Contributors:

James Warren james.warren@dentons.com

Mary Holden mary.holden@dentons.com



Central and **South America** and The Caribbean

Argentina

Decree regulating right to strike suspended -

The National Labor Court of Appeals upheld a lower court's ruling granting the injunction filed by the General Confederation of Labor (main organisation for trade unions) temporarily blocking the enforcement of Decree No. 340/2025, which seeks to regulate the right to strike. This decree expands the previous list of activities considered "essential" and introduces a new category called "activities of transcendental importance." Both categories impose minimum service requirements during strikes: essential activities must continue operating at 75% capacity, while activities of transcendental importance must operate at 50%.

Supreme Court restricts liability of directors in labour fraud cases - On 10 July, the Supreme Court issued a landmark ruling by overturning a lower court decision that had held company directors jointly and severally liable for alleged labour violations.

In this case, an employee claimed unpaid wages and severance compensations, arguing that although he had been formally hired by two other companies, he performed services under a third company's direct supervision. The first-instance labour court and the Court of Appeals considered that labour fraud had occurred and held all three co-defendant companies jointly liable. They also extended personal liability to the third company's board members, considering they knew the real employment relationship and intentionally failed to register it.

The Supreme Court reversed that decision, finding it arbitrary. It emphasised that the legal separation between a company and its directors is a basic principle of corporate law. This can only be disregarded in exceptional cases and with concrete proof of misconduct or intent by the directors. The Supreme Court also noted that, in large corporations, directors cannot be expected to personally oversee all operations and that having internal control systems in place is sufficient.

Furthermore, the Supreme Court stated that the Court of Appeals should have analysed whether hiring tasks had been properly delegated, whether adequate control mechanisms existed and whether the directors were in office at the time of the alleged employment relationship.

This decision sets a stricter standard for extending personal liability to directors in labour fraud cases. The Supreme Court held that personal liability may only be assigned to board members after a thorough and individualised analysis supported by sufficient evidence of their specific conduct.

Contributors:

Juan R. Larrouy juan.larrouy@dentons.com

Fernando Neville fernando.neville@dentons.com

Barbados

Minimum wage increases – Effective 1 June 2025, the government has increased the national minimum wage and sectoral wage for security guards.

The national wage increases from:

- \$340.00 to \$420.00 for a 40-hour workweek for employees who are paid weekly;
- \$68.00 to \$84.00 for an 8-hour workday where employees are not employed on a weekly basis; and;
- \$8.50 to \$10.50 per hour where employees are not employed on a weekly or daily basis.

The sectoral wage for security guards was \$9.25 and is now \$11.43 per hour where employees are paid on an hourly basis.

Extension of maternity leave and implementation of paternity leave – In a progressive move that reflects the evolving values of contemporary society and underscores the vital importance of nurturing early familial bonds, the government has taken decisive steps to implement paternity leave and to extend maternity leave. Though no legislation has yet been passed, persons may still apply for the following benefits through the National Insurance and Social Security Service:

- Fathers of children born or after 1 June 2025, are eligible for three weeks of paternity leave, which must be taken within six months following the birth of the child
- Mothers are eligible for 14 weeks' maternity leave for single births and 17 weeks for multiple births. This marks an increase from the previous entitlement of 12 weeks' maternity leave.

Contributor:

Ashlea Edwards ashlea.edwards@dentons.com



Bolivia

Salary increase and new national minimum wage

- As usual, the Bolivian Government has established the base amount of salary increase and the new minimum wage for the 2025 administration. The salary increase is 5% on the monthly basic salary and the new minimum wage is BOB. 2.750 (US\$ 395 appx.)

All workers, regardless of hiring type (fixed term, indefinite term, seasonal, etc) are entitled to the salary increase. Executive staff are exempt from the salary increase.

The salary increase and new national minimum wage also have impacts on other rights and obligations, including:

- increase of some labour rights such as seniority bonus, border subsidy, etc.;
- increase in employer's social security contributions; and
- tax payment increase.

Submission of Profit Bonus Payroll in hard copy -

The Ministry of Labor has established that the Profit Bonus Payroll must be submitted exclusively in hard copy, not online. This procedure must be carried out within a maximum period of 30 business days after the payment of the Profit Bonus to the workers.

Contributors:

Primitivo Gutierrez primitivo.gutierrez@dentons.com

Luis Gutierrez
luis.gutierrez@dentons.com

Sebastián Salas sebastian.salas@dentons.com

Chile

Minimum wage increase – Law No. 21,751 established a new increase in the minimum monthly wage. As of 1 May 2025, the minimum monthly income for employees between 18 and 65 years of age increased to CLP \$529,000. For employees under 18 or over 65, the minimum monthly income increased to CLP \$394,622 and for non-remunerational purposes, to CLP \$340,988. A further increase to CLP \$539,000 is scheduled to take effect on 1 January 2026. Employers must ensure payroll adjustments are implemented accordingly to remain compliant.

First stage of increased employer pension contribution – The Pension Reform Law introduced a gradual increase in employer contributions to the pension system. Starting with remuneration accrued in August 2025, employers must contribute an additional 1% of employees' taxable remuneration, entirely borne by the employer. This is the first stage of a phased increase that will reach 8.5% by 2033, with 4.5 percentage points allocated to individual accounts and 4 percentage points to a new Social Security Fund. The reform does not affect employees' net pay, but requires companies to update payroll systems and budget forecasts to accommodate the increased labour cost.

Contributor:

Francisca Vivaldi francisca.vivaldi@dentons.com

Colombia

Labour reform – On 25 June 2025, Law 2466 was enacted, introducing substantial reforms to Colombia's labour framework. The law reshapes employment agreements, employer obligations, working conditions and sector-specific rules.

The main aspects covered by the reform include:

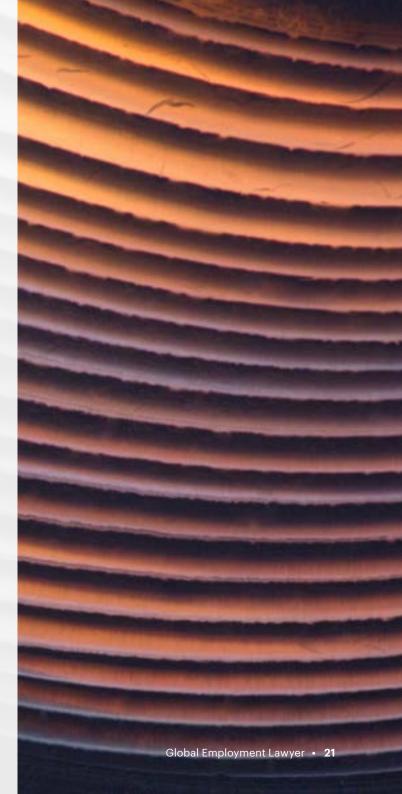
- Indefinite-term agreements are established as the general rule, limiting the use of fixed-term contracts, and covering certain types of hiring, seeking to strengthen job stability and reduce precarious hiring practices.
- Increase of employer obligations, directly affecting labour costs. Among the most relevant changes are:
 - higher remuneration for mandatory rest days and holidays;
 - adjustments to night work surcharges;
 - a mandatory connectivity allowance to teleworkers; and
 - expansion of paid leaves and permits, introducing new categories beyond those already recognised.

- Regulation of emerging forms of work and update of procedural rules introducing new teleworking modalities, flexible work arrangements for specific categories of employees, clearer guidelines for disciplinary procedures, ensuring greater transparency and due process, regulation of support animals in the workplace, defining employer obligations and employee rights, and stricter oversight of temporary staffing agencies to ensure compliance with labour standards. Tailored rules for industries traditionally lacking robust protections. New provisions address labour conditions for: workers on digital platforms (e.g., delivery and ride-hailing apps), agricultural workers, community mothers and fathers, food handlers, and green and blue jobs promoting sustainability-related employment, among other provisions.
- Additional regulations are expected to clarify how these new obligations will be fulfilled in order to adapt effectively to this new legal landscape.

Contributors:

Lorena Arambula lorena.arambula@dentons.com

Angela Cubides angela.cubides@dentons.com



Costa Rica

Ratification of ILO Convention 190 on violence and harassment in the world of work – ILO

Convention 190, adopted in 2019, establishes the right of every individual to work in an environment free from violence and harassment, explicitly including gender-based violence. It requires ratifying States to adopt laws, policies, and mechanisms to prevent, address and sanction such conduct in the world of work. The Convention also emphasises the disproportionate impact of gender-based violence and acknowledges the effects that domestic violence can have on employees' professional lives, urging States to implement inclusive and gender-sensitive approaches.

In Costa Rica, the Legislative Assembly approved the bill for ratification, in first debate, in April 2025. However, the second debate – still pending – has sparked parliamentary discussion about whether the Convention imposes "excessive" responsibilities on employers and duplicates existing national regulations. The Costa Rican Union of Chambers and Associations of the Private Business Sector (UCCAEP) has publicly opposed ratification, arguing that it is "not the appropriate mechanism" to strengthen workplace protections in Costa Rica. UCCAEP has further warned that ratification could lead to legal ambiguity, disproportionate obligations for employers, and intrusion into employees' private lives.

Before proceeding, the Constitutional Chamber must review the Convention to confirm both the legislative process and its substantive content are consistent with Costa Rica's constitutional framework.

If ultimately approved in second debate and ratified, Costa Rica would formally commit to adopting public policies and legal reforms aimed at eradicating violence and harassment in all sectors of the workforce, reinforcing international labour standards, and advancing protections for employees' rights.

New Regulation on Conditions for Breastfeeding Spaces in Workplaces - On 2 July 2025, Executive Decree No. 44943-MTSS-S was published in the Official Gazette, issuing a new Regulation on Conditions for Breastfeeding Spaces in Workplaces and repealing the previous decree. The Regulation sets minimum standards that all employers must follow to guarantee their employees' right to breastfeed. Employers are required to provide a designated breastfeeding space, which may be a room, booth, or area, and must ensure it meets hygiene, safety, privacy and accessibility requirements. These spaces cannot be located in restrooms, bathrooms, storage rooms, or similar areas. Employers have 12 months, from July 2025, to establish and register the breastfeeding spaces with the Ministry of Labor. Non-compliance may result in fines ranging from 8 to 23 base salaries, along with corrective measures from the Ministry of Health.

Contributors:

Anna Karina Jiménez annakarina.jimenez@dentons.com

Adriana Fernández adriana.fernandez@dentons.com

Sebastián Rodríguez sebastian.rodriguez@dentons.com

Dafne Rodríguez dafne.rodriguez@dentons.com





Ecuador

Law reforms and age discrimination – Labor regulations establish mandatory minimum training of 10 hours for all personnel, focused on fostering a healthy environment and preventing discrimination, harassment, and violence. Additionally, companies with 25 or more employees must hire at least one person over 40 years of age and, if the payroll is larger, ensure that 1% belongs to this age group, with a minimum obligation of 4%, subject to economic sanctions in case of non-compliance. Age limits in job offers, disproportionate requirements and age-based exclusions in training or promotions are prohibited, while also recognising the right to a formal response in cases of discrimination.

General Standards Applicable to the Control of Employer Obligations and Inspection

Procedures – According to the reform of Ministerial Agreement No. MDT-2023-140, employers have a maximum period of 15 calendar days from the termination of the employment relationship to generate and sign the settlement record, pay the final settlement and register it in the Ministry of Labor system, reducing the previous 30-day period. If the employee cannot be contacted or does not sign, the employer will have an additional 15 days to make payment by consignment, provided they have express acceptance of the applied deductions. Furthermore, it is mandatory to provide the employee with the original or certified copy of all employment documentation, detailing the income received. Non-compliance may result in sanctions.

Organic Law for Persons with Disabilities -

This regulation guarantees the right to work with equality and without discrimination for persons with disabilities, requiring companies with 25 or more employees to hire at least 4% of their personnel from this group. Additionally, it promotes inclusion with principles of equity and diversity, regulates adapted working conditions, grants tax incentives for voluntary hiring, and protects job stability, as well as access to leave for treatment, rehabilitation, and care, favouring their full labour and social integration. We have supported our clients throughout the entire process of developing and registering their Equality Plan, accompanying them from the initial diagnosis to the formal presentation before the Ministry of Labor.

Contributors:

Patricia Andrade patricia.andrade@dentons.com

María José Donoso mariajose.donoso@dentons.com



Mexico

"Chair Law" set to take effect in December 2025

 On 17 July 2025, Mexico's Ministry of Labor and Social Welfare published an agreement in the Official Gazette establishing specific regulations to prevent occupational risks related to employees who perform their duties while standing for extended periods.

These regulations target employees in the service, commerce, and industrial sectors who work in a standing position, provided safety conditions permit. The goal is to protect workers' health and ensure their right to rest during working hours.

New regulations, part of the so-called "Chair Law", require employers to:

- Implement scheduled active breaks and regular rest periods.
- Ensure ergonomic workplace conditions to minimise fatigue and related risks.
- Maintain detailed risk analysis to which each employee is exposed, using a scoring procedure to determine the level of risk (low, medium, or high).
- Inform and train employees about the risks associated with standing work and the preventive measures to take.
- Provide chairs or seating options for employees when feasible.

Failure to comply with these requirements can result in fines ranging from MXN 28,285 to MXN 565,700 (approximately US\$ 1,529 to US\$ 30,578) per affected employee.

It is important to note that these new regulations do not apply if employees stand for less than three consecutive hours during their shift.

Employers should verify whether this agreement applies to their operations and take the necessary steps to ensure compliance with these new regulations.

Mandatory social security for digital platform workers – On 24 June 2025, the H. Technical Council of the Mexican Institute of Social Security published the agreement ACDO.AS2. HCT.270525/132.P.DIR in the Official Gazette approving General Rules for the pilot programme for the incorporation of workers of digital platforms to the mandatory social security regime.

The content and scope of the General Rules, which became effective on 1 July 2025, establish, among other things, the following obligations for employers of digital platform workers:

- Register at the Mexican Institute of Social Security (IMSS) as a digital platform company and obtain an employer registration number.
- Register with the IMSS all individuals who may provide their services through the digital platform companies.
- · Report on work-related risks.
- Register workers with the National Workers' Housing Fund Institute.

- Submit notices required under Article 31 of the Law of the National Worker's Housing Fund Institute.
- Determine and pay contribution amounts to the Mexican Institute of Social Security and to the National Workers' Housing Fund Institute (INFONAVIT).

It is important to analyse the impact these new obligations may have for companies that operate or contract services through digital platforms, especially regarding costs, payroll administration, social security and legal compliance.

Update to the reform of the INFONAVIT Law - On

15 May 2025, the INFONAVIT published a notice in the Official Gazette informing the public of the statutory deadline for employers to implement necessary adjustments to their internal systems and administrative processes. These adjustments are essential to accurately determine, execute, and remit payroll deductions related to employees' wages, designated for the repayment of loans granted by the INFONAVIT, in accordance with the reform to Article 29 of the INFONAVIT Law.

Through this notice, INFONAVIT announced a transition period to assist companies in complying with the new obligation of deducting housing loan payments from employees' wages, including those who are incapacitated or absent.

This change was established by the reform to Article 29 of the INFONAVIT Law, published on 21 February 2025.

Although the reform is now in effect, INFONAVIT recognises the operational challenges involved in its implementation. Therefore, employers are required to apply this measure no later than the fourth bimonthly period of 2025 (July – August), with a final deadline of 17 September 2025, to ensure correct deduction procedures are followed in accordance with the regulations.

It is crucial that payroll and human resources departments begin making the necessary adjustments immediately to ensure compliance with this regulation, avoiding errors or adverse effects on employees.

Contributor:

Mercedes Espinoza mercedes.espinoza@dentons.com

Nicaragua

Minimum wage increase – In March 2025, Nicaragua implemented a new minimum wage adjustment, varying by economic sector. The increase ranges from 4% to 7%, with the latter applicable to the free trade zone regime, encompassing export-oriented industries such as textiles, light manufacturing and services. This adjustment was agreed upon by the government, employers and unions within a context of macroeconomic stability.

Nicaragua continues to offer one of the lowest labour costs in the Central American region, positioning the country as an attractive destination for multinational companies seeking operational cost efficiency and access to skilled labour at competitive wages. For employers already established in Nicaragua, the economic impact of the increase remains manageable and does not pose a threat to profitability or ongoing operations.

Furthermore, the regulatory environment has remained stable, favouring predictability for business planning and reinforcing investor confidence.

Maternity subsidy reform: expanded coverage and shared responsibility – Nicaragua recently reformed its maternity subsidy scheme to enhance benefits for female workers during their leave. The primary change is the extension of the post-natal period from eight to nine weeks, bringing the total paid maternity leave to 13 weeks.

The reform also maintained the shared financing model: 60% of the subsidy is covered by the national social security system, while the remaining 40% must be borne by the employer. This additional obligation requires companies to incorporate these costs into their human resources planning and labour budgets.

This reform represents progress in labour welfare and family support. It may also positively impact the retention of female talent, corporate reputation and compliance with international corporate social responsibility standards.

Contributor:

David Sánchez david.sanchez@dentons.com

Peru

Digital wallets now permitted for salary and benefits payments - In July 2025, a law was enacted allowing companies in both the private and public sectors to pay wages, bonuses, severance compensation and other employment benefits through a digital wallet. This payment method, accessible via a mobile app, can be linked to either a bank account or an electronic money account issued by an authorised provider.

Its implementation requires mutual agreement between the employer and the employee, either at the start of the employment relationship or at any time during its course. The regulation outlining the guidelines for applying this measure is still pending publication.

End of social worker requirement for companies with over 100 employees - In June 2025, a law was enacted ending the requirement for private companies with more than 100 employees to retain a licensed social worker on their payroll. With this change, the obligation is no longer applicable, giving organisations greater freedom to define their internal structure according to their specific needs.

This requirement, in force since the 1960s, formed part of industrial relations functions and was monitored by the Labor Authority, even leading to significant fines in cases of non-compliance. Following this amendment, not having such a position is no longer considered an infraction. However, companies may still choose to hire social work professionals if they deem it relevant to their operations or as part of their internal benefits.

Contributor:

Pamela Duffy pamela.duffy@dentons.com



Uruguay

Protection of digital platform workers - A new decree has been issued to regulate Statute No. 20.396, which establishes minimum protection standards for workers engaged in tasks via digital platforms. The decree introduces the following key developments:

- The Decree reaffirms the possibility that work performed through digital platforms may be carried out by either dependent or independent workers, taking into account the principle of primacy of reality when determining the nature of the relationship. In the event of a dispute regarding this classification, the guidance set out in the thirteenth clause of Recommendation No. 198 on Labour Relations by the International Labour Organization will be given particular consideration.
- The Decree introduces a new obligation for digital platform operators to provide designated venues for hygiene and nutrition for workers delivering goods, as well as parking spaces for vehicles where applicable. This requirement applies to both dependent and independent workers, but excludes urban transportation services.
- When the work is performed in Montevideo, digital platforms must provide one or more suitable establishments specifically for workers engaged in food delivery services.

- The Decree clarifies that, for dependent workers, any period spent in "pause mode" will not be counted as effective working time. Time in "pause mode" will only be considered after the completion of the legal or conventional shift.
- Companies operating digital platforms must maintain a branch office or permanent representation in Uruguay. Alternatively, they must register an address with Uruguay's State Insurance Bank (BSE).
- Employers are now required to report all incidents involving their dependent or independent workers that could result in a workplace accident or occupational disease.
 The digital platform must submit this information to the BSE within 72 hours of the incident.
- The Decree also establishes a broad obligation to maintain and provide information regarding working time, including records of log-ins, pauses, order acceptances and GPS data.
 This information must be stored in a database located in Uruguay.

Contributors:

Ignacio Demarco ignacio.demarco@dentons.com

Victoria Zarauz victoria.zarauz@dentons.com

Venezuela

Employment relationship and foreign currency payment – In a recent case, the Supreme Tribunal of Justice confirmed the existence of a labour relationship between a pilot and an airline. The Court applied the presumption of labour and the principle of primacy of reality, ordering that labour benefits be paid in U.S. dollars, convertible to Bolivars at the exchange rate on the date of payment. However, the Court denied indexation.

Protection of employment source – The Supreme Court has annulled a cost order against workers who had challenged a settlement agreement. The Supreme Court highlighted the protective nature of labour law. Although the claim for nullity was rejected, the Court corrected procedural errors in the process.

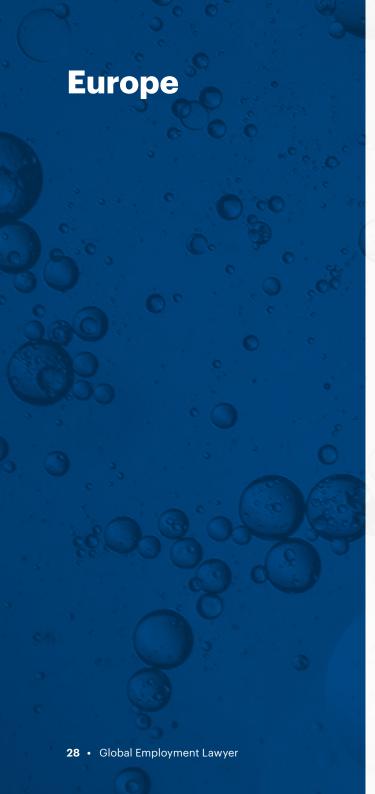
Intern workplace accident – The Court addressed a jurisdictional conflict involving an intern injured at work. The Court held that interns are included in the social work process and that employers are objectively liable for their safety. Jurisdiction was confirmed as belonging to the labour courts.

Economic war: bonus not salary – In a recent decision, the Court declared inadmissible a legal control appeal concerning the classification of an "economic war bonus". The Court upheld that this payment does not meet the criteria for salary or food benefit under the Cestaticket Law.

Contributor:

Yanet Aguiar yanet.aguiar@dentons.com





Czech Republic

Unified monthly employer reporting to streamline compliance from 2026 – On 21 August 2025, the President approved a bill on unified monthly employer reporting, which aims to reduce the administrative burden on employers and simplify reporting obligations. Although the Act on the Unified Monthly Employer Reporting is expected to come into force on 1 January 2026, the obligation to submit the unified monthly employer report will apply only from 1 April 2026.

The act introduces the so-called unified monthly report to consolidate and replace up to 25 different notification and reporting forms. This single form will contain information about the employer, contributions paid, employees and their earnings. The specific scope of the data to be reported under the unified monthly report will be defined by a government regulation that will be accompanying the act

Employers will be obliged to submit the unified monthly report to the Czech Social Security Administration (CSSA). The CSSA will then forward the relevant data to other public authorities, such as the Ministry of Labor and Social Affairs, the Czech Statistical Office or the tax administration authorities. The report can only be submitted electronically, via the CSSA application or by data box and it must be submitted by the 20th day of the following calendar month at the latest

The act will also change the obligations of employers regarding registration in the register of employers. All employers will now be obliged to register in the register of employers no later than two calendar days before the first employee commences work. Employers will also be required to register their payroll within the same period. In case no employee subsequently commences work, the employer will be obliged to notify the CSSA of this fact within eight calendar days at the latest.

If the employer fails to comply with the obligations imposed by the Act on the Uniform Monthly Employer Reporting, the CSSA must request the employer to comply with the obligations. If the employer still fails to do so, it may be fined up to CZK 100,000 or the equivalent of the multiple of its employees and the amount of CZK 5,000, depending on the obligation breached.

Contributor:

Jitka Soldado jitka.soldado@dentons.com

France

Internal workplace investigations in France

- In the event of a report of harassment or discrimination, that does not meet the criteria of a professional whistleblowing alert subject to a specific procedure, the employer must take appropriate action to ensure the safety and protect the physical and mental health of employees, notably by conducting internal investigations.

French case law emphasises the importance of starting an investigation promptly after any report. Even if the reported events are old, or if the victim is on leave or has left the company, investigations should begin without delay.

The process should be transparent and respectful of confidentiality. Employers must protect all parties involved, including victims, witnesses, and the accused. Investigations should be carried out by trained and impartial investigators, ideally with legal expertise. Interviews should be confidential and documented accurately, with the possibility of allowing representatives during hearings under certain conditions.

At the conclusion, a detailed report should be prepared outlining the allegations, investigation steps, findings and recommended actions.

Employers should communicate relevant results to victims and those implicated, while maintaining anonymity where necessary.

Employers are generally not obliged to share investigation reports with employees, as long as the relevant employee can defend themselves in court. However, disclosure – sometimes anonymised –

may be required if ordered by a judge or necessary for defence.

According to recent case law, an internal investigation only has probative value if it is rigorous, complete and contradictory. If the internal investigation is partial, lacking in detail and incompletely produced, with some testimonies truncated or erased without clear justification, judges can disregard an investigation report if it is not supported by other evidence.

Formal notice given by European Commission for non-compliance on the carry over of leave –

France is currently under scrutiny by the European Commission due to its legislation on paid leave. On 18 June 2025, the Commission sent a letter of formal notice to France, pointing out a failure to comply with European Union law. The problem lies in the fact that French law does not allow employees to postpone their paid leave when they fall ill during that leave.

Currently, if an employee falls ill during leave, they cannot recover the days of holiday "lost" due to their sick leave. The Labour Code does not directly address this situation, and French case law maintains that the rules on paid leave continue to apply even in the event of illness

However, according to the Court of Justice of the European Union (CJEU), an employee who falls ill during their holiday must be able to postpone their days of leave, as paid leave is intended to provide rest and relaxation, which a period of illness does not allow. European Directive 2003/88/EC guarantees a minimum entitlement to four weeks of annual leave.

The European Commission considers that current French legislation does not comply with this right, thereby compromising the health and safety of workers. France has two months to respond to the Commission and propose corrective measures. If no satisfactory response is received, the procedure could move towards referral to the CJEU.

This formal notice could lead to an amendment to the Labour Code, obliging employers to recognise the right to postpone leave in the event of illness. In the meantime, employers should check their collective agreements or company agreements, which may already offer more favourable conditions. In some cases, employees could also invoke the European Directive directly to challenge the loss of leave in the event of illness.

The French authorities' decision on this issue could have a significant impact on the management of leave and sick leave in companies.

Contributors:

Julie Caussade julie.caussade@dentons.com

Katell Deniel-Allioux katell.deniel-allioux@dentons.com

Yoel Bendavid yoel.bendavid@dentons.com

Germany

No forfeiture of vacation claims – Employees are entitled to 20 mandatory vacation days based on a five-day working week (If the employee works less than 5 days a week, the vacation is reduced proportionally.) If employees have any outstanding vacation days upon termination, they are entitled to a cash compensation.

The Federal Labor Court has published several decisions over recent years, which strengthen the rights of employees. Among other things, it has clarified that minimum vacation is not forfeit at the end of a calendar year, unless the employer has informed the employee about the risk of forfeiture and asked the employee to take any outstanding vacation days. In addition, if the employee is on sick leave, the vacation is not forfeit for a minimum period of 15 months. This case law has the practical effect that employees will often have significant vacation entitlements at the end of employment.

In a recent case, the Federal Labor Court considered the case of a former employee, who had been paid severance upon termination and had acknowledged in the court settlement that all vacation days would be granted in kind during the period of garden leave. The court settlement had been agreed a month before the legal termination date. The employee was on sick leave until the termination date. Just shortly afterwards, he demanded vacation compensation. The Federal Labor Court approved the claim, arguing that employees could not take outstanding vacation while they are sick and that they could not effectively waive their statutory minimum vacation as long as the employment relationship exists. The employer ended up paying severance plus vacation compensation.

To avoid such outcomes, employers should bear the following in mind when calculating the financial effects of termination:

- if a termination agreement or court settlement is concluded before the legal termination of employment, employers should be aware of the risk that outstanding vacation days may need to be compensated. In most cases, vacation days are "set off" with the period of garden leave. If an employee is sick during garden leave, this set-off does not work. This risk should be taken into account for the calculation of the employee's severance payment; and
- if a termination agreement or court settlement is concluded after the legal termination of employment, the employee is no longer entitled to take vacation days. Instead, there is only financial compensation and the Federal Labor Court's position is less rigid in this respect. It accepts a waiver regarding such vacation compensation. Therefore, the employer should clarify in the settlement that there are no outstanding vacation claims.

Contributor:

Isabelle Puhl isabelle.puhl@dentons.com

Hungary

Significant amendments to the terms of simplified employment relationships – The Act on simplified employment, Hungary's law governing seasonal and occasional work, has been amended with effect from 1 July 2025, and further changes are expected to take place starting 1 January 2026, as the government continues its efforts to increase competitiveness and close regulatory gaps.

The first change concerns the calculation mechanism for the annual maximum duration of simplified employment per employee. Previously, this maximum applied only to the duration of simplified employment at a certain specific employer, but from 1 July 2025 it will apply in total, across all employers. To verify compliance and ensure that the limitations are not breached, employers will be entitled to process employees' personal data (including their tax and social security ID numbers), and the tax authority will make an online platform available enabling employers to check whether previously accrued days of simplified employment still allow for additional engagement within the year. The 90-day annual maximum for occasional work (performed outside the agricultural and tourism sectors) remains in place until 1 January 2026, when it is scheduled to be finally phased out, giving way to the application of the more general 120-day rule. Moreover, with the same effective date, further leeway will begin to apply to agricultural seasonal work, resulting in an additional 90 potential days per employee per annum.

The second change concerns public charges and pension contributions – which are expressed in proportion to statutory minimum wages and have risen significantly over the summer.

- Since 1 July 2025 public dues increased from 0.5% to 0.75% (and 3.15% for the 90 extra days) for seasonal workers (agriculture and tourism).
- At the same time, the pension contributions allocated to workers with respect to simplified employment increased:
 - from 1.4% to 2.1% for seasonal workers (agriculture and tourism);
 - from 2.8% to 8.4% for film industry extras: and
 - from 2.8% to 4.2% for other occasional workers.
- Starting from 1 January 2026, when 90 extra days become available for agricultural workers, increased rates for this added time period will also kick in at 3.15% for public dues, with an increase of 1.125% to pension contributions.

In addition, the simplified employment contract template will also be amended and revised document templates will need to be used from 1 January 2026.

Stricter regulations on engagement of migrant and expatriate workers – As of July 2025, the rules on the residence of third-country nationals will also change. Going forward, applications for general work and residence permits may be submitted no earlier than 90 calendar days before the planned start date, compared to the current 120-day period, thereby shortening the timeframe within which applicants (and the prospective employers sponsoring their applications) must comply with administrative requirements.

Furthermore, the eligibility criteria for White Cards (Hungary's digital nomad visa scheme), will also become stricter. Applicants will be required to demonstrate access to a minimum net monthly income of EUR 3,000 for the six consecutive months directly preceding the submission of their request for the initial visa request (and any subsequent extension request).

New requirements will apply also to the termination of the employment of guest workers. Employers will be obliged to provide extensive information to third country national workers engaged in reliance of work and residence permits, on the consequences of the termination of employment, and particularly on their obligation to leave Hungary shortly after the effective date of termination of their employment relationship. Employers will also need to ensure that any such employee holds a valid one-way ticket to their country of origin (as indicated in the permit). Although exceptions are expected to

apply if the employee cannot be located or has verifiably switched to another employer, the rules are still expected to require even closer cooperation between companies and their non-EU workers as infractions may result in administrative fines of up to HUF 5 million per employee.

Contributors:

Anita Horváth anita.horvath@dentons.com

Gábor Velkey gabor.velkey@dentons.com

Ireland

New legislation on gender balance on boards – On 30 May 2025, new legislation on gender balance on boards for relevant listed companies came into force, implementing the relevant Directive.

Relevant listed companies are companies registered in Ireland, employing 250 or more persons and having an annual turnover exceeding EUR 50 million (or an annual balance sheet total exceeding EUR 43 million) and have shares admitted to trading on a regulated market in at least one Member State.

From 30 June 2026, relevant listed companies:

- are subject to the objective that at least 40% of non-executive directors are of the underrepresented sex; and
- must set out in writing individual objectives with a view to improving gender balance among executive directors and steps to achieve these objectives.

By 30 November 2026 (and annually thereafter), relevant companies must publish on their websites and provide to the Minister specified information and measures on progress in relation to the above.

Where a relevant listed company does not achieve the objective of at least 40% of non-executive directors being of the underrepresented sex by 30 June 2026 then it must:

 report to the Minister by 30 November 2026 and annually thereafter of its failure, the reasons why and measures to comply;

- amend its selection process to include creating written clear, neutral and unambiguous selection criteria and selecting candidates based on comparative assessment of each candidate's qualifications;
- give priority to the candidate of the underrepresented sex in choosing between non-executive candidates who are equally qualified in terms of suitability, competence and professional performance, unless, in exceptional cases, reasons of greater legal weight, such as the pursuit of other diversity policies, apply;
- document compliance on the above from 1
 July 2026 to 29 November 2026 and thereafter,
 from 1 December to 29 November each year –
 sending a copy to the Minister by 30 November
 2026 and annually thereafter; and
- provide specified information on the selection criteria and process to candidates for a nonexecutive director appointment if requested.

Relevant listed companies must, where applicable include the above information in the subsequent corporate governance statement following publication and submit a copy of that corporate governance statement to the Minister as soon as practicable thereafter.

In terms of enforcement, from 1 December 2027 the Minister may publicly name any relevant listed company which fails to meet its documentation, publication and reporting duties.

Relevant listed companies should consider now their board gender balance and be prepared to explain why the 40% non-executive objective has not been met (if that is the case) and put in place any remedial measures (including amending the selection criteria and processes if required in advance of June 2026). They should ensure that the relevant reporting mechanisms are in place well in advance of the reporting deadline of 30 November 2026.

Contributors:

Susan Doris-Obando susan.doris-obando@dentons.com

Niamh Shanahan niamh.shanahan@dentons.com

Italy

New protections for employees affected by oncological, disabling and chronic diseases - On 25 July 2025, Law No. 106/2025 was published in the Italian Official Journal, introducing new protections for employees affected by oncological, disabling, and chronic diseases. The law, which entered into force on 9 August 2025, provides that public and private employees affected by oncological diseases, by disabling or chronic illnesses, including rare conditions, resulting in a disability degree equal to or exceeding 74%, may request a period of leave of up to 24 months, either continuous or split. These medical conditions must be certified by doctors (both general practitioners and specialists) working in accredited public or private healthcare institutions who treat the employees.

During this period of leave, employees retain their employment relationship but are not entitled to remuneration and may not carry out any work activity, while remaining eligible for other economic or legal entitlements.

This leave may only be taken after all other justified absences, whether paid or unpaid, available to the employee for any reason, have been exhausted. Furthermore, the period of leave is not counted towards length of service or for social security purposes.

In addition, the law grants priority access to remote working for employees who have completed the leave, provided that their role is compatible with agile work arrangements. This provision adds to other legal measures already in place to protect disabled employees and caregivers.

Finally, starting from 1 January 2026, employees affected by oncological diseases in the active phase or in early follow-up, by disabling or chronic illnesses (including rare diseases), or with minor children suffering such diseases or illnesses, will be entitled to an additional ten hours of paid leave per year for specific needs. These hours are granted in addition to the leave already provided under current legislation and national collective bargaining agreements.

Contributors:

Davide Boffi davide.boffi@dentons.com

Luca De Menech
luca.demenech@dentons.com



Netherlands

Possible rollout of licensing system for labour intermediaries - A proposed amendment to the Dutch Allocation of Labour through Intermediaries Act (WAADI), introduced on 6 October 2023, aims to significantly strengthen the regulatory framework for labour intermediaries in the Netherlands. The amendment proposes replacing the current registration system with a more robust licensing system, applicable to all entities that structurally supply workers. The proposed amendment is motivated by a desire to address abuses in the temporary employment sector, particularly concerning migrant workers.

Under the current WAADI framework, labour intermediaries are subject to a registration requirement with the Chamber of Commerce. Hirers must verify that the intermediary they engage is properly registered. Failure to comply with this requirement may result in fines for both the intermediary - if not or incorrectly registered in the trade register - and the hirer, if they collaborate with a non-registered labour intermediary.

Under the proposed licensing system, mere registration will no longer be enough. Labour intermediaries must submit an application for admission to the Minister of Social Affairs and Employment. This application must include as a minimum:

- a certificate of good conduct confirming that the company and its directors have not committed any relevant criminal offences;
- a security deposit of EUR 100,000 (as security for the payment of wages and potential fines): and
- evidence of compliance with labour laws (e.g., that workers are being paid at least the statutory minimum wage).

If the labour intermediary meets these conditions, the minister will grant admission, which is valid for four years. After admission, labour intermediaries must periodically demonstrate ongoing compliance. In addition, as with the current registration requirement, the hirer is obliged to verify in a public register whether the labour intermediary has been admitted. Companies for which the provision of workers constitutes only a very minor part of their business activities may request an exemption from the admission requirement.

Although the House of Representatives has adopted the proposal, it still requires approval by the Senate. Several concerns remain. For example, the security deposit of EUR 100,000 may pose a significant barrier for small businesses, and doubts remain as to whether the necessary capacity for monitoring and enforcement can be adequately scaled up. Additionally, while the proposal targets abuses within the temporary employment sector, it does not extend to situations where migrant workers are directly employed by companies, leaving them potentially vulnerable to underpayment and unsafe working conditions.

Contributors:

Johanne Boelhouwer johanne.boelhouwer@dentons.com

Marvin Moosa marvin.moosa@dentons.com

Romania

Major reform in employee record-keeping -

Romania is introducing a new digital platform called REGES-Online to replace its current REVISAL system. Employers must register by 30 September 2025 and update all active employment records. The system requires more detailed information than before, such as disability status and whether the role is fixed or mobile. Employees and former employees will also be able to access their own employment records directly online, making the process more transparent. Employers should prepare for these changes now, as late registration may result in significant fines.

New obligations for hiring persons with

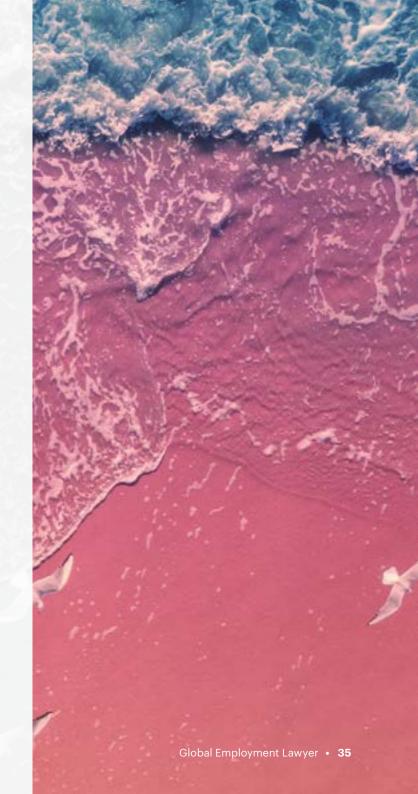
disabilities – Companies with at least 50 employees have long been required to ensure that at least 4% of their workforce consists of persons with disabilities, or alternatively pay a contribution to the state budget. Recent changes now go further by requiring employers to prove they have actively tried to recruit persons with disabilities. This means contacting at least three specialist NGOs and reporting annually on job vacancies and the number of positions filled by employees with disabilities. While there are no direct fines for failing to meet the new reporting duties, the general quota system continues to apply. The new rules reflect a clear push to encourage practical recruitment efforts rather than reliance on financial contributions

Contributors:

Tiberiu Csaki tiberiu.csaki@dentons.com

Argentina Rafail argentina.rafail@dentons.com

Simona Radulescu simona.radulescu@dentons.com





Spain

Supreme Court ends debate on additional compensation for wrongful dismissal – On 16 July 2025, the Supreme Court issued a ruling through which it definitively determined that companies cannot be forced to pay additional compensation beyond legal amounts when dismissing employees improperly.

Prior to the ruling, contradictory case law existed, as some courts awarded payments in addition to the legal compensation for wrongful dismissal (33 days per year of service with a limit of 24 monthly payments) on the basis that they considered that the statutory legal compensation was insufficient to compensate for the damage suffered by the employee, while other courts rejected the payment of additional compensation.

In this case, the employee referenced the decision of the European Committee of Social Rights which concluded that the limits established by Spanish legislation are not sufficiently high to repair the damage in all cases nor to be dissuasive. However, the Supreme Court established that Article 24 of the European Social Charter is a programmatic provision that does not identify concrete elements for fixing economic amounts, so it cannot be considered directly applicable. The Supreme Court concluded that the decisions of the European Committee of Social Rights are not executive nor directly applicable as they lack binding efficacy.

Expansion of parental leave – In parallel, the Spanish government published on 30 July 2025, Royal Decree-law 9/2025 which expands maternity and paternity leave from 16 to 19 weeks for each parent and 32 weeks for single-parent families. The structure of the new leave includes 6 mandatory weeks immediately after birth, 11 voluntary weeks before the child reaches 12 months, and 2 additional weeks before the child reaches 8 months. Implementation will be carried out gradually as employees will not be able to use the 2 additional weeks until January 2026.

Contributor:

Luis San Emeterio luis.sanemeterio@dentons.com

Türkiye

Increase in the upper limit of statutory severance compensation – In the event of termination of employment under certain circumstances, a statutory severance (seniority) compensation must be paid to the employee. After the first service year, for each year of service, 30 days' salary is payable up to the statutory upper limit. Pursuant to a Communique issued by the Ministry of Treasury and Finance dated 7 July 2025, the statutory upper limit was increased to TRY 53,919.68 (approx. EUR 1,130), valid for the period between 1 July 2025 and 31 December 2025.

Changes to notifications stipulated under the Labour Law – A new law which was published in the Official Gazette on 24 July 2025 (No. 32965) and which came into force on the same date introduced the following changes to notifications stipulated under the Labour Law:

- The new law allows notifications under the Labour Law, which were previously restricted to written form, to also be made through the registered electronic mail system (**KEP**), provided that the employee has given prior written consent.
- To make notifications to employees through the KEP system, employees must register themselves in the KEP system and the costs arising from the use of the KEP system must be borne by the employer.

 Notifications leading to the termination of employment contracts must be made in writing in any case.

Contributors:

Gözde Manav Kılıçbeyli gmanav@baseak.com

Cennet Sena Bektaş sbektas@baseak.com

United Kingdom

Amendments to Employment Rights Bill – The government has introduced a number of significant amendments to its wide-ranging Employment Rights Bill, including:

- to allow exceptions to the duty on employers to offer guaranteed working hours;
- a complex framework around guaranteed hours for agency workers;
- bereavement leave for parents who experience pregnancy loss before 24 weeks;
- restricting the use of non-disclosure agreements related to harassment or discrimination; and
- changes to the "fire and re-hire" restrictions so that dismissal would only be automatically unfair where the changes amount to "restricted variations" (e.g. reduced pay, shorter working hours, changes to shifts, cuts to holiday time, or adjustments to pensions).

Contributors:

Purvis Ghani purvis.ghani@dentons.com

Alison Weatherhead alison.weatherhead@dentons.com



Middle East

Kuwait

Exit visas for private sector employees required

- Effective 1 July 2025, a new exit visa requirement for private sector employees comes into force, whereby employees must apply through an online resource for permission to leave the country and employers must approve the exit before it occurs. Both temporary and permanent departures are covered. The automated process is designed to be expedient but private sector employees would be well advised to register with the online portal and to submit exit applications well before the planned date of the exit. The request must be initiated by the employee via the Public Authority for Manpower's "Sahel" application and approved by the employer through the portal. Once approved, the exit permit is accessible on the employee's Sahel application. The exit permit includes the employee's personal details, travel dates and mode of transportation. It is not yet known whether multiple-use or longterm exit permits will be made available. This new decision is meant to ensure that employee exits from Kuwait are legal by reducing incidents of employees leaving without proper notification. However, it may be more difficult in the future to avoid the exclusive dispute resolution of labour matters in the Kuwait Labor Court. Now that the employers must approve the exit permits of the employees to leave Kuwait, unresolved labour disputes will factor into their approvals.

Contributor:

Mary Ann Sharp maryann.sharp@dentons.com





Lebanon

New law regulates part-time and remote work

- Law No.3/2025 recently amended the Lebanese Labor Code to addresses emerging practices in the workplace, namely part-time and remote work.

The amendment to the Labor Code is a significant one, addressing structural changes driven by new technologies, as well as conjunctural changes stemming from the pandemic and economic crisis. The new law embraces concerns relating to worklife balance, while taking into account the need to reduce business costs and to support a competitive economy.

The law provides for equal treatment among the various categories of employees: part-time, remote and seasonal employees enjoy the same statutory protection among other things with respect to occupational safety, non-discrimination and labour and social security entitlements (in accordance with the principle of proportionality). In this respect, it is generally in line with ILO standards bearing in mind that Lebanon is not party, for instance, to the Convention on part-time work.

The amendment makes efforts to define various categories of employees:

- While the 48 hours a week work cap remains unchanged, part-time work is defined as ranging from one third to two thirds of the working hours of a comparable full-time employee or, where the employer has no such employees, of fulltime employees working in the same sector.
- The law specifies that remote employees include individuals who are not physically present in the employer's premises and who use their own equipment to perform work: such individuals will not automatically be reclassified as independent service providers. Good practices are expected to emerge, specifically with respect to monitoring and privacy, now that the law explicitly recognises remote work.
- Seasonal work, which is common in the tourism sector, is defined as work performed under a fixed-term contract within a maximum period of six months due to the nature of the work.

The law places an emphasis on flexibility. For instance, the employer can agree to temporary part-time work with an employee after maternity leave or where the employee seeks to complete his/her education. Also, if a part-timer's overtime should not in principle exceed 10% of his/her regular working hours, it remains that the employee can always agree to work more.

Decrees implementing Law No.3/2025 are expected to be issued which should specify, among other things, the social security benefits of seasonal and part-time employees.

Contributors:

Elias R. Chedid elias.chedid@chedidlaw.com

Georgette Salame georgette.salame@chedidlaw.com

Oman

Mandatory performance-based pay rises – The Oman Ministry of Labour (MoL) has introduced new regulations requiring private sector employers to grant Omani staff annual salary increases tied to performance evaluations. Effective every 1 January, employees with at least six months' service must receive a raise on their basic salary according to their appraisal rating – 5% for "Excellent", 4% for "Very Good", 3% for "Good", and 2% for "Acceptable" performance (no raise for "Poor" ratings). Employers face a fine of OMR 50 per violation (multiplied by the number of employees affected) if they fail to comply.

Stricter wage protection system and compliance targets - The Oman Ministry of Labour has updated the Wage Protection System (WPS) guidelines to strengthen oversight of salary payments. Under the WPS, employers must pay wages through local banks or licensed financial institutions within three days of the due date, and updated contracts to reflect any wage changes. The MoL announced, on 12 August, phased compliance targets - starting with September 2025 payroll (paid in October), at least 75% of employees' wages must be paid via the WPS, rising to 90% by the November 2025 payroll (paid in December). Non-compliance can trigger penalties, including warnings, suspension of work permit services and fines of OMR 50 per worker (doubled for repeat offenses).

Omanisation Mandates for pharmacists and government contractors – In July 2025, the Ministry of Health issued a circular requiring the Omanisation of pharmacist positions in commercial complex and hospital pharmacies – meaning non-Omani pharmacists and assistants will not have their contracts renewed, opening these jobs to Omani graduates. Additionally, the Tender Board announced through Circular 2/2025 that companies bidding for government contracts must comply with sector-specific Omanisation quota targets by 31 May 2026, or face being banned from future state tenders. These quotas vary by industry – for example, 60% Omani employees required in banking and finance versus 20% in the retail sector.

Mandatory Omani employment for all established businesses – In June 2025, the MoL issued detailed mechanisms to enforce the policy requiring all establishments with a commercial registration older than one year to employ at least one Omani national. The requirements vary by establishment type: foreign-investment entities and those with more than 10 employees must submit an employment plan within three months; smaller firms have up to six months. Non-compliance triggers an automatic electronic ban on issuing new licences, while entrepreneurs and full-time business owners are given a one-year grace period.

Contributors:

Fatima Al-Sabahi fatima.alsabahi@dentons.com

Mohammed Al Farsi mohammed.alfarsi@dentons.com



Saudi Arabia

Increased Saudization (Nitagat) ratios – Saudi Arabia has increased Saudization i.e. nationalisation, ratios in specific professions, effective 27 July 2025, including:

- Pharmacy: 35% in community pharmacies and medical complexes; 65% in hospitals; 55% in other pharmacy activities; applies to establishments with +5 pharmacists; SAR 7,000 minimum monthly wage to count toward Saudization.
- Dentistry: 45% (phase 1); applies to establishments with +3 dentists; SAR 9,000 minimum monthly wage to count.
- Technical engineering professions: 30% across targeted roles; applies to establishments with +5 workers in those professions; SAR 5,000 minimum monthly wage to count.

Draft Implementing Regulations for labour inspection – The Ministry of Human Resources and Social Development has recently opened public consultation on draft Implementing Regulations for controlling and organising labour inspection.
Organisations and employers are expected to consider the inspection procedure until the draft law comes in real force and effect.

Practice update on resignations and Qiwa procedures – Resignations by email or paper are
no longer valid and only submissions via Qiwa take
effect for both fixed-term and indefinite contracts.
Additionally, Qiwa now restricts "absent from work"

filings. Employers may submit only if the worker's residence permit is valid (+60 days) and there is no active contract. After contract termination, workers have 60 days to transfer, re-contract, or exit, otherwise they are marked absent and removed from records.

Contributors:

Fatima Al-Sabahi fatima.alsabahi@dentons.com

Yara Al Saygh yara.alsaygh@dentons.com



North America

Canada

New Bill Proposes Major Labour Law Reforms in Québec – On 24 April 2025, Québec's Minister of Labour introduced Bill 101, an Act to improve certain labour laws. The Bill proposes amendments to major statutes, including the Labour Code (LC), the Act respecting labour standards (ALS), the Act respecting industrial accidents and occupational diseases (AIAOD) and the Act respecting occupational health and safety (AOHS). It also defers until 2026, certain provisions of the Act to modernise the occupational health and safety regime (AMOHSR).

Adopted in principle on 5 June, the Bill is expected to undergo detailed review in fall 2025. Key proposed changes include:

- Labour Code. To accelerate grievance arbitration, the Bill sets strict timelines: appointment of an arbitrator within six months, hearings within one year and mandatory prehearing conferences upon request. It also requires disclosure of evidence at least 30 days before hearings and obliges parties to consider mediation before arbitration.
- Labour Standards Act. A new category of protected unpaid leave would cover absences linked to public health orders, emergencies, or disasters. Employees must notify employers as soon as possible and supporting documentation may be required.
- Industrial Accidents and Occupational
 Diseases Act. The definition of "worker" would be expanded to include executive officers who personally perform work for a person other than the person for whom they hold the status of

executive officer. A new voluntary negotiation process would apply to disputes over income replacement, fitness for work, or suitable employment. The Bill also amends rules on unauthorised access to medical records, though the intended scope remains somewhat unclear.

- Occupational Health and Safety Act. The CNESST would gain authority to reimburse employers when pregnant or breastfeeding employees are reassigned to lower-pay positions, encouraging reassignment over full withdrawal.
- AMOHSR deferral. Implementation of new obligations for prevention programmes and committees would be postponed until 6 October, 2026, extending the interim regime.
- Increased fines. The Bill provides for a significant overall increase in penalties under both the LC and ALS. Harsher fines would apply to repeat or serious violations, including those related to harassment, replacement workers, and breaches of bargaining obligations.

Bill 101 remains under review but, if adopted, would introduce important changes affecting grievance arbitration, employee leave, the definition of "worker," occupational health and safety and employer penalties. We will continue to monitor developments and keep employers informed of the Bill's progress.

Contributors:

Arianne Bouchard arianne.bouchard@dentons.com

Sarah-Émilie Dubois sarah-emilie.dubois@dentons.com

United States of America

United States Attorney General clarifies Trump Administration's ban on DEI - On 29 July 2025, the Attorney General of the United States issued a Memorandum (Memo) to all federal agencies entitled "Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination". The Memo begins with the premise that it is a "bedrock principle" that the laws of the United States require that all Americans be treated equally regardless of race, colour, national origin, sex, religion, or other protected characteristics. However, the Attorney General admonishes federal agencies that even if their objective or intention is to treat their employees equally, they cannot engage in or implement policies or practices labelled as Diversity Equity and Inclusion (DEI), Diversity, Equity, Inclusion, and Accessibility (DEIA) and/or Diversity, Equity, Inclusion and Belonging (DEIB). This is because the Trump Administration has identified these programmes and policies as discriminatory. The Memo advises that these programmes will be viewed under strict or heightened scrutiny which could result in revocation of federal funding.

The Attorney General identifies the following actions as unlawful discrimination policies and practices:

 Granting Preferential Treatment Based on Protected Characteristics: Intentionality in considering underrepresented groups for hiring or promotion where membership in the underrepresented group is based upon a protected characteristic such as sex.

- Prohibited Use of Proxies for Protected
 Characteristics: Recruitment strategies which
 seek candidates from certain geographical areas
 because of their racial or ethnic composition.
- Segregation Based on Protected Characteristics:
 The Memo acknowledges that designating lounges for use based upon race or sex is obviously unlawful but clarifies that allowing men who identify as women to use single sex restroom facilities is also unlawful because it undermines the privacy, safety and equal opportunity of women.
- Training Programs that Promote Discrimination or Hostile Environment: The Attorney General provides an example of training intending to deter conduct constituting a hostile environment which creates a hostile environment by singling out white people for discriminating against black people.

As guidance, the memo also recommends the following as non-binding best practices:

- Ensure inclusive access in all workplace programmes and activities.
- Focus on skills and qualifications: make decisions based upon objective, quantifiable criteria related to job duties.
- · Prohibit demographic-driven criteria.
- Document legitimate rationales.
- Scrutinise neutral criteria for proxy effects.
- Eliminate diversity quotas.

- Avoid exclusionary training programmes.
- Include non-discrimination clauses in contracts to third parties and monitor compliance.
- Establish clear anti-retaliation procedures and create safe reporting mechanisms.

In summary, US employers should be mindful of the identified best practices, carefully review their employment policies, and recognise that using the term diversity, even if intended to foster compliance with governing anti-discrimination laws, could subject their company to investigation by the Attorney General.

Contributor:

Gaile Gratton Greene
Gaile.grattongreene@dentons.com

In conversation with...

Yanet Aguiar is a seasoned labour and employment lawyer and a partner at Dentons in Caracas, Venezuela. With over two decades of experience, she advises both local and international clients on the full spectrum of employment matters, offering strategic, business-oriented solutions in a complex and evolving legal landscape.

Yanet is widely recognised for her expertise in managing workforce transitions and representing clients in both administrative and judicial proceedings. She regularly supports corporate transactions by conducting labour due diligence, analysing risks, and ensuring compliance with clients' legal and regulatory frameworks. She is known for her pragmatic approach to workforce management, assisting clients with plant closures, mass layoffs, workforce reductions and employer successorship processes. Yanet also supports clients in structuring executive compensation and benefit plans, managing expatriate transfers and addressing executive tax planning.

Her practice spans a diverse range of industries, including Oil & Gas, Telecommunication, Pharmaceuticals, Consumer Goods, Banking & Financial Services, Insurance, Aviation, among others.



1. Tell us a bit about yourself.

I specialise in labour and employment law and also in public policies with a gender perspective. I'm not only a partner in the Employment practice of Dentons' Caracas office and Co-Head of the Latin America Employment Group, but I also serve as Vice President of AVEM (Venezuelan Business Alliance for Women's Leadership), an organisation dedicated to promoting initiatives that empower women in the workplace, foster inclusive leadership and support gender equity across industries – an initiative I'm deeply passionate about.

Over the years, I've had the opportunity to work closely with both local and international clients, helping them navigate Venezuela's complex labour landscape. I'm passionate about helping clients find clarity and confidence in their decision-making, especially in this challenging environment.

At heart, I'm someone who balances structure with warmth – driven and focused on my work, but grounded in relationships and purpose. I care deeply about empowering others, especially women, and I believe in leading with empathy, honesty and authenticity.

2. What do you like best about Dentons?

What I value most is Dentons' global perspective paired with deep local insight. We're part of a truly connected network, which allows us to collaborate seamlessly across jurisdictions while remaining grounded in the realities of our local markets. That combination is incredibly powerful – it means we can offer our clients both breadth and depth, especially when they're facing cross-border challenges or navigating regulatory uncertainty.

3. You provide support to clients in a wide range of industries. Are there any recurrent themes or patterns that stand out?

Yes, several. One consistent theme is the need for adaptability. Clients across industries in Venezuela – from oil and gas to banking and consumer goods – are constantly adjusting to economic shifts, regulatory changes and evolving workforce expectations. Another pattern is the growing emphasis on compliance and risk management. Labour issues are no longer just operational – they're strategic. Whether it's due diligence in M&A, managing expatriate transfers, or

structuring executive compensation, companies are increasingly proactive in addressing labour matters as part of their broader business strategy.

4. What developments do you expect to see in the world of work in the near future?

I expect to see a continued evolution toward more flexible and technology-driven work environments. Remote work, digital compliance tools and agile workforce models are becoming the norm – especially among multinational companies and even in markets like Venezuela, where traditional labour structures have been more rigid.

Given Venezuela's complex and often unpredictable regulatory environment, businesses are placing greater emphasis on labour law compliance. This includes more rigorous due diligence in transactions, careful structuring of employment contracts, and proactive management of workforce reductions to avoid litigation or administrative sanctions.

The informal economy continues to grow, with many professionals turning to freelance or gig work due to limited formal employment opportunities. This trend is reshaping traditional employment relationships and prompting discussions around new legal frameworks to protect non-traditional workers.

There's also a growing focus on employee well-being, diversity and sustainability, which I believe, and hope, will shape future labour policies and employer practices. In our region, any meaningful change will depend on broader socio-economic factors, but the global trends are already influencing local conversations.

5. What do you enjoy doing outside of work?

Outside of work, I truly value spending quality time with my family – my husband and our two teenage sons keep life dynamic and full of energy. I also enjoy relaxing with my parents, brother, and close friends, whether it's a casual get-together or a weekend escape to the beach, which is one of my favourite ways to unwind.

When I'm at home, I love immersing myself in creative activities like watercolour painting, lettering and other forms of artistic expression. Although I don't always find the time, these hobbies offer me a wonderful outlet to unwind. I also enjoy reading – especially stories that offer a touch of warmth and emotional depth – which helps me recharge and bring fresh perspective to my work.



News and Events

Global guides 2025

Following the successful launch of our Global Pay Transparency and Equity Guide earlier this year, we are pleased to share the 2025 updates to two of our existing global employment and labour law resources. These refreshed tools provide you with the latest developments and expanded jurisdictional coverage to support your global workforce management.

- Employment and Labour Country Guides.
 Explore and compare employment and labour laws across 60+ jurisdictions.
- Global Collective Redundancy Guide. Quick access to collective dismissal and redundancy rules across 60+ jurisdictions.

Dentons Australia continues to grow

Our Australian team has expanded its national employment and safety practice with the addition of Helene Lee (Partner) in the Melbourne office together with her team Angela Cartwright (Senior Associate), Charlie Phipps (Solicitor) and Bridget Cook (Administrative Assistant).

Helene brings a wealth of experience from both private practice and in-house roles, advising employers across a wide range of industries, including insurance and financial services, energy and renewables, consumer, technology and telecommunications, and transport. She specialises in all aspects of employment, industrial relations, and discrimination law.

With a proven track record in guiding clients on employment compliance, managing change and transformation initiatives, conducting employment-related due diligence, navigating business transfers, and addressing workplace grievances, Helene's strategic insights will significantly enhance our ability to provide top-tier advice in Australia in this ever-evolving area of law.

Dentons Australia IR Insights Webinar Series Hub

Visit us here for upcoming webinars as well as past webinar recordings





Key Contacts

ASEAN



I-An Lim Singapore D +65 6885 3627 i-an.lim@dentons.com



Edric Pan
Singapore
D+65 6885 3645
edric.pan@dentons.com

Australia



Ruth Nocka Sydney, Australia D+61 2 9931 4744 ruth.nocka@dentons.com

Canada



Arianne Bouchard Montreal, Canada D +1 514 878 5892 arianne.bouchard@dentons.com



Andy Pushalik Toronto, Canada D +61 2 9931 4744 andy.pushalik@dentons.com



Meaghen Russell
Partner, Toronto
D +1 416 863 4397
meaghen.russell@dentons.com

Europe



Davide Boffi Milan, Italy D +39 02 726 268 00 davide.boffi@dentons.com

Latin America & the Caribbean



Yanet Aguiar
Caracas, Venezuela
D +58 212 276 0068
yanet.aguiar@dentons.com



Anna Karina Jiménez San José, Costa Rica D +506 2503 9815 annakarina.jimenez@dentons.com

China



Richard Keady Hong Kong D+852 2533 3663 richard.keady@dentons.com



Jenny Zhuang Hong Kong D +852 2533 3660 jenny.zhuang@dentons.com

Middle East



Shiraz Sethi Dubai, UAE D +971 4 402 0927 shiraz.sethi@dentons.com

South Africa



Shahid Sulaiman
Cape Town, South Africa
D +27 21 686 0740
shahid.sulaiman@dentons.com

United States of America



Dan Beale Atlanta, USA D +1 404 527 8489 dan.beale@dentons.com

United Kingdom



Alison Weatherhead
Glasgow, United Kingdom
D +44 33 0222 0079
alison.weatherhead@dentons.com



Purvis Ghani
Global Chair Employment
and Labor Practice
London, United Kingdom
D +44 20 7320 6133
purvis.ghani@dentons.com



