

Global Snapshot

Hot Employment Law Topics for 2025 – Midyear Update

Labour & Employment

At the start of this year, we asked the partners across our global Labour & Employment practice to identify the key employment law topics for 2025 in their particular jurisdiction. Six months on, we thought it would be useful to provide a "midyear update", as we are aware that in certain jurisdictions there have been further legislative and/or political developments which mean there are new issues for companies to be aware of.

As can be seen from the "at a glance" table on pages 2 and 3, a key theme for 2025 is "change", with many of the jurisdictions covered in this guide introducing local legislation on a variety of different issues this year. Although there appears to be a real "mixed bag" of new legislation, it is notable that many of the legislative changes will mean improved rights for workers and greater obligations for employers. This continues the trend of recent years, but will no doubt continue to present challenges for employers due to the additional cost and time required in already tricky economic conditions for many.

Our Employment Law Worldview Blog aims to interest and educate, to stimulate discussion, to provoke and sometimes just to amuse. Through contributions from our own Labour & Employment lawyers, along with occasional guest writers, it provides a unique global insight into practical and legal HR issues relevant to employers everywhere.



At a Glance – Hot Employment Law Topics for 2025 – Midyear Update

The headlines are highlighted below - more detail can be found in the fuller commentaries specific to each jurisdiction - simply click on the relevant flag for more information.

Australia

- Potential changes in relation to non-compete clauses
- Case law on the new "right to disconnect", and new rights for certain labour hire workers
- Continuing focus on the use of artificial intelligence (Al) in the workplace

Belgium

- New national government important changes ahead
- Preparation for EU Pay Transparency Directive
- Increase in "burnout" and other long-term absences

Brazil

- Legislative discussions on changes to the working week
- Key rulings from the Brazilian Supreme Court, including on the employment status of platform workers
- New focus on mental health by labour authorities

China

- Increase in statutory retirement ages
- Implementation of the flexible retirement system
- New rules on employee disability benefits

Czech Republic

- Update to the Czech Labour Code
- New rights for employees to self-schedule working hours
- New threshold limits for employee benefits
- Agreements to perform work (DPP) update
- ESG reporting EU Corporate Sustainability Reporting Directive (CSRD)
- Continuing focus on the use of AI in the workplace

France

- Changes to business immigration rules concerning sanctions, language requirements for foreign workers and flexibility to the EU Blue Card
- Obligations on companies with 11-49 employees to introduce profit –sharing schemes in 2025
- ESG reporting EU CSRD scope expands in 2025 and postpones its entry into force for some companies
- Scope of class actions' regime is significantly extended

Germany

- Various legislative changes but also other changes put on hold due to recent dissolution of German government
- Measures to simplify bureaucracy, in particular by allowing employment contracts to be concluded in electronic form, e.g. by email
- Changes to taxation of severance payments
- Environmental, Social and Governance (ESG) reporting – EU CSRD – update

Hong Kong

- Potential change to the definition of "continuous contract"
- Review of statutory minimum wage
- Abolition of the Mandatory Provident Fund (MPF) offsetting mechanism
- Additional diversity requirements for Hong Kong listed companies

Italy

- Preparation for EU Pay Transparency Directive
- Various legislative changes which relate to worker rights
- ESG reporting EU CSRD
- New definition of disability and reasonable accommodations
- Draft law on Al Regulation

Neth

Netherlands

- Various legislative changes, including in relation to freelancers and self-employed professionals, changes to (tax) expat scheme and C02 reporting obligations
- Implementation of EU Pay Transparency Directive and EU Platform Work Directive
- Local legislative proposals, including a mandatory code of conduct concerning undesirable behaviour in the workplace, limitation of the statutory severance compensation scheme and stricter rules for non-compete clauses

Poland

- Various legislative changes, many of which relate to worker rights
- New regime for the employment of foreign employees
- Partial implementation and further preparation for EU Pay Transparency Directive

Saudi Arabia (KSA)

- Changes to KSA labour law
- New three-year Saudisation plan
- Increased flexibility for the engagement of foreign nationals
- Regional Headquarters (RHQ) programme update
- New Saudi Personal Data Protection Law

Singapore

- Passing of the first Workplace Fairness Bill
- The second Workplace Fairness Bill and Tripartite Advisory on providing accommodations for persons with disabilities
- Tripartite Guidelines on the use of restrictive covenants
- Changes to paternity leave and shared parental leave
- Introduction of the Skillsfuture Jobseeker Support Scheme

Slovak Republic

- Preparation for EU Pay Transparency Directive
- ESG reporting EU CSRD
- A new focus by the Slovak Anti-Monopoly Office on non-poaching agreements
- Mandatory contribution towards the sporting activities of employees' children
- Transferability of recreation vouchers
- Continuing focus on the use of Al in the workplace

Spain

- Various legislative changes, many of which relate to worker rights
- Preparation for EU Pay Transparency Directive
- ESG reporting EU CSRD
- New equality and non-discrimination obligations

United Arab Emirates (UAE)

- Emiratisation rules
- UAE Data Protection Law further details due to be published in Q4 2025
- UAE Labour law amendments
- ADGM Whistleblowing Regulations
- Individuals and entities convicted of financial fraud
- ADGM Employment Regulations 2025

United Kingdom

- Preparation for various legislative changes, many of which relate to worker rights
- Workplace investigations
- Continuing focus on the use of AI in the workplace

US

- US Supreme Court "reverse discrimination" case
- State developments in paid sick leave
- New pay transparency laws
- Increased immigration workplace enforcement, visa scrutiny and travel restrictions







Jurisdiction **Hot Topics for 2025 Australia** • Non-compete clauses – As part of its 2025/26 federal budget, the recently elected federal government announced plans to "ban" non-compete clauses for "most" workers in Australia. This commitment comes in light of concerns that non-compete and related clauses are potentially hampering job mobility, innovation and wage growth in industries where they are prevalent. The federal government has indicated its plans to ban non-compete clauses for those workers earning under the highincome threshold (currently AU\$175,000 but adjusted annually on 1 July each year). There will be a consultation on the proposal, with any new legislative changes coming into effect from 2027. While we wait to see the finer details of the government's proposal, this is certainly a "hot topic" in Australia at the moment. • The "right to disconnect" - Following the introduction last August of the right for employees of non-small businesses to "disconnect" outside work, we anticipate case law developments during 2025 on how this new right should be applied. By way of reminder, employees now have the right to refuse contact outside their working hours unless that refusal is unreasonable. This means an employee can refuse to monitor, read or respond to contact from an employer or a third-party. Several factors must be considered when determining whether an employee's refusal is unreasonable. Employees of small business employers will have the "right to disconnect" from 26 August 2025. • New rights for certain labour hire workers – We are also expecting significant case law in 2025 following the introduction of new legislation last November that means that employees hired through labour hire firms, doing the same work as full-time employees of an employer, must be offered the same pay and conditions as the host's employees, if the host has an enterprise (collective) agreement that would cover the position in question. The Fair Work Commission can only make a "same job, same pay" order if it is satisfied that the "performance of the work is not or will not be for the provision of a service, rather than the supply of labour". While the Fair Work Commission has issued some "same job, same pay" orders, the test case will be whether BHP's in-house labour suppliers are providing labour or a service. It was heard by a full bench of the Fair Work Commission earlier this year, with the decision currently reserved. • AI – It will be no surprise that, as is the case in other jurisdictions, this remains a hot topic for 2025. Following the recent federal parliamentary inquiry on the use of AI, we are expecting new overarching legislation regulating the high-risk use of AI, including the impact on the rights of employees at work and the extension of

businesses will need to ensure that they keep abreast of any new developments.

workplace health and safety legislation to include the workplace risks posed by AI, e.g. in relation to the psychosocial hazards. This is a rapidly evolving space, and



Jurisdiction	Hot Topics for 2025
Belgium	• Political elections – A new Belgian federal government was formed in January 2025, and some important changes have been announced on the employment law front:
	- The principle of automatic indexation of wages, by which wages rise with the cost of living, will be retained for the time being, but the social partners have been asked to prepare an opinion on the issue by the end of 2026.
	– The new government also focuses on (abusive) short-term absences and long-term illness. Employees on long-term sick leave who do not cooperate with reintegration efforts risk losing part of their benefits.
	- The new government also aims to make labour law more flexible. The ban on night work will be scrapped completely. Night work, which is already allowed in many sectors under certain conditions, should henceforth only start at midnight instead of 8 p.m. Furthermore, holidays would become transferable to subsequent years, and overtime, limited to 360 hours per year, would be exempt from tax and social security.
	 The total maximum value of meal vouchers may increase and the spending options for meal vouchers may be expanded. Other vouchers, such as eco vouchers, consumption vouchers, sports and culture vouchers, would be abolished.
	- The coalition agreement also talks about far-reaching pension reforms. The reforms aim to keep the pension system affordable in the long-term. Phased retirement and respect for acquired rights are central. The agreement also includes a measure on early retirement which, going forward, would be possible as soon as an employee can prove 42 career years effectively performed, whether or not this was in a heavy-duty profession.
	– The so-called bridge pension arrangement will come to an end. Under this arrangement, older employees who were made redundant were allowed to go into semi-early retirement, on a combination of unemployment benefits and an allowance paid by their last employer. This regime will end this year.
	 Reform of unemployment benefits should encourage non-working people to take steps to get a (new) job. Those who lose their job will receive higher unemployment benefits for the first three months. After that, benefits will gradually decrease and will stop after two years. Conversely, employees will be allowed to resign once in their careers and still claim unemployment benefits for a limited period, provided they have worked for a year. This should prevent those who do their job reluctantly from staying in such a job.
	– The government wants to ensure that forms of employment such as digital nomads, cross-border teleworking and seasonal workers remain equally flexible or even more flexible, while European standards are observed and respected.
	• Preparation for EU Pay Transparency Directive – The fact that the EU's Pay Transparency Directive does not have to be implemented by local member states until 2026 (and Belgium is notoriously late!), coupled with the fact that Belgium already has legislation in place that at least partially meets the objectives of the Directive means that this is not a hot topic in Belgium in 2025. Depending on the current level of pay transparency, and the specific needs and goals of the company, it would however be prudent for employers to start preparing for compliance with the Directive.
	• Increase in "burnout" and other long-term absences – As the number of employees on long-term absence continues to rise, more measures are being introduced to force employers to address the situation at a company level. Conversely, we are seeing (the start of) a trend where former employees claim damages from their employer for not having taken sufficient measures to prevent their long-term illness. Employers should therefore review their numbers and the steps they currently take to prevent burnout type situations, as well as consider whether they might need to do more to satisfy their duties with respect to health and safety.



Jurisdiction	Hot Topics for 2025
Brazil	• Legislative discussions on changes to the working week – Brazilian legislation currently allows employees to work six days per week with one day of rest, and the Constitution establishes that the working week should be up to eight hours per day and 44 hours per week. Towards the end of 2024 there was a public debate about ending the six-day working week and reducing weekly working hours from 44 to 36 hours, which resulted in these discussions coming before the Brazilian parliament. A draft Constitutional Amendment Bill was prepared, which obtained the required number of signatures to authorise its discussion in the Chamber of Deputies. The text of the proposed Amendment to the Constitution (No.8/2025) is still under debate in the Parliament and is currently before the Labour Committee of the Chambers of Deputies.
	• Key rulings from the Brazilian Supreme Court – Several important labour issues are expected to be reviewed by the Brazilian Supreme Court during 2025. The Brazilian Supreme Court will judge an appeal on whether drivers and delivery workers of digital platforms have an employment relationship or not. This decision will have general repercussions and will be binding to all similar ongoing cases. The Brazilian Supreme Court is also expected to decide the legality of service provision contracts entered into between the companies and the individuals through their legal entities. Recently, Justice Gilmar Mendes from the Supreme Court suspended all active lawsuits in the country until the Court's final decision on the matter, which will be binding on appeal courts and lower labour courts.
	• The Superior Labour Court (TST) is also expected to decide when and how non-unionised workers can exercise their right to opt out of paying trade union contributions, a matter that would directly affect union funding.
	• New focus on mental health by labour authorities – Amendments to Labour Regulation n. 1 (NR-1) came into effect on 26 May 2025. These changes include new obligations for mapping and managing psychosocial risks within the scope of the Occupational Risk Management (GRO), in addition to the traditional physical, chemical, biological, and accident-related risks already managed by companies due to their activities and the extent of their risks. NR-1 expands companies' responsibilities to identify, assess, and manage risks that may affect workers' mental health. There is a one-year period for companies to comply. Enforcement of the new rules will begin in May 2026, which means that no fines will be imposed for non-compliance until then. Compliance with new NR-1 poses a complex challenge for employers, requiring a multidisciplinary approach and in-depth technical and legal knowledge. Companies must balance compliance with the standard – despite the lack of objective criteria for many of the required actions – and the mitigation of legal and reputational risks.



Jurisdiction	Hot Topics for 2025
China	• Increase in statutory retirement ages – The State Council Measures on Gradually Raising Statutory Retirement Ages, which became effective from 1 January 2025, adjust the statutory retirement age for employees in Mainland China. For male employees whose retirement age was 60 and female employees whose retirement age was 55 under the previous law, their statutory retirement age will be delayed by one month every four months to gradually reach the adjusted statutory retirement age of 63 and 58 respectively. For female employees whose retirement age was 50 under the previous law, the statutory retirement age will be delayed by one month every two months to gradually reach the adjusted statutory retirement age of 55. Further, from 1 January 2030, the minimum pension contribution period required for employees to receive their basic monthly pension will be gradually increased from 15 to 20 years with an increase of six months each year.
	• Implementation of the flexible retirement system – The Provisional Measures for Implementing the Flexible Retirement System, which became effective from 1 January 2025, allow employees who have not reached the adjusted statutory retirement age but have satisfied the minimum pension contribution period requirement, to voluntarily opt for flexible early retirement, provided that such early retirement takes place no more than three years before reaching the adjusted statutory retirement age, and the employee's age upon early retirement is above the previous statutory retirement age (i.e. 50 or 55 for female employees and 60 for male employees). Employees who have reached the adjusted statutory retirement age may postpone their retirement for no longer than three years upon agreement with their employers.
	• New rules on employee disability benefits – According to the Provisional Measures on Basic Pension Insurance Disability Benefits for Enterprise Employees, which also became effective from 1 January 2025, employees who have been assessed by the official labour capacity appraisal agency as completely incapable of working due to illness or disability caused by a non-job-related injury before reaching the adjusted statutory retirement age may receive disability benefits on a monthly basis paid from the old-age pension scheme. These measures repeal the previous rules prescribing the benefits for those employees who retire, or resign due to complete loss of working capacity caused by illness or non-job-related injury. However, those employees who were entitled to benefits under the previous rules will be allowed to continue to receive such benefits on that basis.
Czech Republic	• Update to the Czech Labour Code – Following the 2024 comprehensive amendment to the Labour Code, another significant update has been approved, coming into effect from 1 June 2025. The changes include shortening the notice period for dismissals due to poor performance, breach of employee duties or failure to meet job prerequisites from two months to one month along with a change in how the start of the notice period is calculated. Under the new rules, the notice period will no longer begin on the first day of the calendar month following the month in which the notice was delivered, but will instead start on the actual date of delivery to the other party. The maximum length of the probationary period is extended to four months for regular employees and eight months for managerial employees, with the possibility of extending the probationary period up to these new limits by mutual agreement, deviating from the previous regulation that prohibits such extensions. The amendment to the Labour Code also provides employees on parental leave with the option to continue working for their employer in the same role through part-time employment or agreements outside the employment relationship (such as agreements on working activity or to perform work) without the need to terminate their parental leave, offering more flexibility for those wishing to maintain professional activities during such periods of leave. Employers are also now required to guarantee the same job position for employees on parental leave until their child reaches the age of two. Furthermore, restrictions on the renewal of fixed-term contracts for individuals who are substituting for employees on maternity or parental leave have been lifted, facilitating greater operational flexibility. Additionally, if an employee's employment is terminated due to an occupational disease or a work-related accident, they will no longer receive severance pay amount – equivalent to 12 times the employee's average salary. Finally, the amendment also allows, in certain circ



Jurisdiction **Hot Topics for 2025** Self-scheduling of working hours – Since 1 January 2025, employees have the option to self-schedule their working hours under a written agreement with their employer. This agreement can be included in their employment contract or signed as a separate document. Employees are required to fulfil their average weekly working hours within a balancing period set by the employer, which may extend up to 26 weeks or 52 weeks if specified in a collective bargaining agreement. Additionally, their shifts cannot exceed 12 hours per day. Employers must also specify working hours for particular purposes, such as handling work-related impediments, taking holidays, attending business trips and similar situations. The agreement may be terminated by either party with a 15-day notice period, or by mutual consent. Employers that fail to formalise such an agreement in writing or breach their obligations regarding the self-scheduling of working hours could face fines of up to CZK 300,000. This penalty aligns with the fine imposed for not concluding a written agreement for remote working arrangements. • New threshold limits for employee benefits – The cap that was introduced in 2024 on non-monetary leisure benefits, set at 50% of the average wage, has significantly influenced how companies provide benefits to employees. To mitigate this negative impact, the Chamber of Deputies has approved a separate cap for health-related benefits, such as immunity-boosting supplements, vaccinations, rehabilitation, psychological counselling, medical aids prescribed by a doctor and other goods or services of a health, medical or hygienic nature. This new tax-exempt limit will be tied to the average wage, set at CZK 46,557 for 2025. Leisure benefits, such as gym memberships, cultural event tickets or cafeteria systems, will remain capped at 50% of the average wage, amounting to CZK 23,278 for 2025. To take advantage of these tax exemptions, employers will need to track two separate limits: one for health benefits and another for leisure benefits. Agreements to perform work (DPP) - update – The highly debated changes to agreements to perform work (Dohody o provedení práce) have not been implemented as originally proposed, particularly the so-called regime of "registered agreements". Under the scheme initially proposed, an employer that first registered an employee's agreement to perform work with the Czech Social Security Authority for a given calendar month would benefit from a higher threshold for triggering participation in social security contributions, set at 25% of the average wage. Income from agreements to perform work with other employers in the same calendar month would then have been subject to statutory deductions if the employee's income exceeded CZK 4,500 per relevant calendar month. This legislative change has been repealed and the following rules for agreements to perform work now apply: - The income threshold triggering the obligation to pay social security contributions per calendar month for agreements to perform work at a single employer will increase to 25% of the average wage (CZK 11,500 for 2025) - The obligation to maintain mandatory records of agreements and register employees working under agreements to perform work with the Social Security Authority, introduced on 1 July 2024, remains unchanged • EU CSRD - No comprehensive implementing legislation has been adopted yet (even though some related reporting obligations have been imposed by the Accounting Act), and the general approach remains that companies should start preparing gradually. • AI - Even though no specific regulation regarding AI has been adopted yet, the use of AI in Czech companies is increasing dramatically and remains a highly debated topic. Furthermore, with the EU AI Act, businesses must ensure compliance with strict requirements for transparency, accountability and risk management when deploying AI tools in human resources (HR) processes such as recruitment, monitoring or performance evaluations. Employers should also proactively prepare internal policies to regulate the use of AI, ensuring the protection of client and customer data while addressing potential risks of discrimination or privacy breaches.



Jurisdiction	Hot Topics for 2025
France	• Changes to business immigration rules – A new law to control immigration and support inclusion came into force during 2024. In 2025, foreign employees will now have up to 80 hours of training to learn French, and such hours will count towards their effective working time. On a weekly basis, such training should not exceed 10% of the employee's weekly working time and the employees should have signed a Republication Integration Contract. If the employee uses their own personal training account for such training, only 28 hours of training will count towards their effective working time. Employers should be aware that hiring foreign employees who are not authorised to work in France means they run the risk of a fine of up to €20,750 per illegal employee. This also applies to foreign employees who hold a work permit, but who are employed in a region of France that is not covered by their work permit. Moreover, to apply for a work permit, an employer should be able to provide recent proof (from within the last six months) that it has paid all its social security contributions to the State. A new law came into force from 2 May 2025 introducing some changes to the EU Blue Card to try and attract more international talent, including making key changes to eligibility criteria, contract length and mobility requirements.
	• Profit sharing schemes – Companies with between 11 and 49 employees that for three consecutive years (2022-to-2024) made a net profit of at least 1% of their turnover must implement either a mandatory profit-sharing scheme (accord de participation aux résultats), or a voluntary profit-sharing scheme (accord d'intéressement) to be negotiated and agreed before 30 June 2025, for it to be in force as from 1 January 2025. It can be funded via an existing company saving scheme (plan d'épargne salariale) or paid as a value sharing bonus (prime de partage de la valeur) in 2025. This new obligation will apply until 30 November 2028 as an experiment, but it may be made permanent at that time. There are already obligations for mandatory profit-sharing schemes for companies with 50 or more employees.
	• EU CSRD – This Directive has been implemented in France and came into force on 5 January 2024. As from 1 January 2025, it applies to non-European companies listed on an EU stock exchange and to European companies if they meet two of the following three criteria: (i) more than 250 employees on average; (ii) a balance sheet above €20 million; and (iii) a net turnover above €40 million. These companies will have to issue a report considering ESG criteria such as factors relating to social and human rights, including, in particular, working conditions, but also governance factors, including the presentation of internal control systems and sustainability risk management. Such a report will have to be issued in 2026 for the year 2025. Since 1 January 2025, there is also an obligation to inform and consult the Social and Economic Committee on sustainability in the course of the annual mandatory consultations. A new law came into force from 2 May 2025, which clarifies that such information and consultation obligations must take place in the course of one of the mandatory consultations: strategic orientations of the company, financial and economic situation of the company or social policy of the company. Such an agreement should be agreed during 2025, prior to the period during which the mandatory consultations must take place. For other big companies for whom the changes were due to be implemented from 1 January 2026, these have been postponed until 1 January 2028 (for financial year 2027). New information obligations for small and medium sized companies listed on a stock exchange will apply as from 1 January 2029 (for financial year 2028).
	• Class actions regime – On 2 May 2025, France introduced significant changes to its class actions regime. These changes affect class actions in a variety of areas, including consumer, environmental and employment law. Crucially, from an employment law perspective, they expand the type of claims that can be brought. Trade unions and certain associations that meet specific criteria to be approved by the French administration have the right to bring class actions on behalf of employees. They will be able to bring claims in a wider variety of circumstances, including where they allege that an employer has breached its contractual obligations towards its employees. Previously, class actions against employers were limited to discrimination and data protection law. The new regime also introduces new penalties, a specific amicable procedure to put an end to class actions, as well as greater scope for cross-border class actions. Join our webinar on 1 July 2025 to find out more about these changes and the implications for employers.



Jurisdiction	Hot Topics for 2025
Germany	• Various legislative changes – On 1 April 2025, the limit on taxable annual income (income threshold) above which the entitlement to parental allowance no longer applies was reduced to €175,000 for couples and single parents. Starting January 2025, the hourly minimum wage rose to €12.82 (from €12.41 in 2024).
	• Other legislative changes on hold – Following the dissolution of the German government in November, and in light of the previous disagreements within the government, a number of legislative measures that were previously scheduled for implementation in 2024 or 2025 have either been placed on hold or cancelled. This includes, but is not limited to, a revision of the Working Hours Act (Arbeitszeitgesetz) and changes to the Family Start Time Act (Familienstartzeitgesetz). The new government was established on 6 May 2025. There have been no legislative changes regarding labour and employment as of now. Such issues are not the primary focus of the new government. Consequently, major changes are unlikely in the near future. While the coalition agreement is, in essence, a mere collection of potential initiatives, it provides the most comprehensive insight into the new government's plans. For further details on possible employment initiatives, see our recent blog.
	• Simplification of bureaucracy – On 1 January 2025, the Fourth Bureaucracy Relief Act (Viertes Bürokratieentlastungsgesetz) came into effect. This legislation aims to streamline administrative processes for employers, in particular by removing the requirement for certain documents to be concluded in writing (stringent "wet ink" requirement) and allowing them to be entered into in electronic form, e.g. via email. It is now permissible, for example, for employment contracts to be concluded in electronic form. There are certain exceptions to this new rule, including in those sectors of the economy that are particularly at risk of undeclared work and illegal employment, and also to any contractual time limitations required under section 14 of the Part-Time and Limited Term Employment Act (Gesetz über Teilzeitarbeit und befristete Arbeitsverträge). Additionally, notices of termination, termination agreements and post-contractual non-competition clauses must still be in written form. The Act also allows requests for parental leave to be submitted in electronic form. Furthermore, temporary agency work contracts between the agency and the hiring party can be concluded in electronic form. While this does not represent a significant simplification of HR processes, job references can also now be issued in electronic form, provided the electronic document bears the issuer's authorised signature and the employee has consented to the reference being given in this form. See our recent blog for further details of these changes.
	• Taxation of severance payments – Since 1 January 2025, employers have one less taxation issue to deal with. If employees receive payments other than their regular income (such as severance payments, income from employee stock option programmes, long-term bonus programmes or other incentive plans) and these payments constitute extraordinary income within the meaning of Section 34 (1) and (2) of the Income Tax Act (Einkommenssteuergesetz), they are taxed more favourably by applying the so-called "one-fifth rule" to avoid spikes in tax rates. Until January, employers had to check the requirements of the one-fifth rule and then apply it correctly. In practice, employers were often confronted with a great deal of work and liability risks when doing so. The legislator has therefore introduced the Growth Opportunities Act (Wachstumschancengesetz), which means that as of 1 January 2025 employers are no longer obliged to apply the one-fifth rule in their wage tax deduction procedures. In principle, the one-fifth rule remains in place, but it only comes into effect after the employee has submitted an income tax return. Since the tax break can only be obtained by filing a tax return, the employee should be made aware of this change in procedure. Under no circumstances should employers promise their employees that the conditions for the application of the one-fifth rule, in particular in relation to accumulation, have been met.
	• EU CSRD – The CSRD should have been implemented by the German legislator by 6 July 2024. Although a draft bill from the Federal Ministry of Justice has been available since 22 March 2024, the legislative process has not continued due to the previous government crisis. On 24 July 2024, the Federal Cabinet approved the draft bill, but the chances of it being passed are very slim due to the lack of agreement in the Bundestag and the previous government crisis. The European Commission initiated infringement proceedings against Germany on 26 September 2024.
	Due to the lack of implementation into German law, companies are not yet obliged to prepare and publish a CSRD report. For affected companies, only the current legal status is therefore relevant at present, even if it is not CSRD-compliant.
	However, affected companies may have to prepare and publish a report for 2025, even if the implementing law is not enacted until sometime in 2025. If this is the case, all large companies within the meaning of Section 267 of the German Commercial Code (HGB) would have to prepare and have audited a sustainability report for 2025.



Jurisdiction	Hot Topics for 2025
Hong Kong	• Potential change to the definition of "continuous contract" – The Hong Kong Labour Government has suggested that the definition of "continuous contract" be amended from working at least 18 hours per week in four consecutive weeks to working for a total number of 68 hours in four consecutive weeks. The government published the Employment (Amendment) Bill 2025 for these changes on 11 April 2025. The Bill is now at second reading stage. A change in the definition of "continuous contract" will impact whether an employee is entitled to rights such as rest days, annual leave with pay, etc.
	• Review of statutory minimum wage – The statutory minimum wage of Hong Kong increased to HK\$42.10 per hour with effect from 1 May 2025.
	• Abolition of the Mandatory Provident Fund (MPF) offsetting mechanism — Under current Hong Kong law, employers may use the accrued value of their contributions to the Mandatory Provident Fund retirement scheme to offset the requirement to make statutory severance or long service payments to employees. Such offsetting arrangements have been abolished from 1 May 2025, in respect of the portion of the service period on or after 1 May 2025. The government has announced that it will implement a subsidy scheme for a period of 25 years to reduce the financial burden on employers. The amount of any subsidy would depend on, among other things, the total cost of an employer's statutory severance and long service payments in a particular year, as well as the number of years that have passed since abolition of the offsetting rules.
	 Additional diversity requirements for Hong Kong listed companies – The Hong Kong Stock Exchange has imposed the following requirements on Hong Kong listed companies with effect from 1 July 2025:
	– There must be at least one director of a different gender on the nomination committee
	– The company must carry out an annual review of the implementation of its board diversity policy
	– The company must have and disclose a workforce diversity policy
	– The company must separately disclose the gender ratios of senior management and the workforce
Italy	• Preparation for EU Pay Transparency Directive – While Italy is already partly in line with the provisions in the EU Directive, some modifications may be necessary concerning the principle of equal pay for work of equal value and pay transparency in the employment relationship and during the selection process. According to current Italian legislation, employees with similar roles may not necessarily receive the same level of compensation, since the employer has a certain degree of discretion. The implementation of the EU Directive may change this situation. Moreover, significant modifications may be foreseen regarding pay transparency – employers will be obliged to make accessible to workers the criteria used to determine pay, pay levels and pay progression, which must in any case be gender neutral. Moreover, during staff selection, applicants will have the right to receive information about their initial pay and they will not be obliged to disclose their current pay or prior pay history.
	• Various legislative changes – On 11 December 2024, the draft law "DDL Collegato Lavoro" was approved by the Italian Parliament. The law, which was published in the Italian Official Journal on 28 December, and became effective from 12 January 2025 (Law No. 203/2024), makes several changes to Italian labour legislation.
	Among the changes introduced by the Collegato Lavoro, there is a new rule which provides that if an employee takes an unjustified absence lasting longer than the term provided for by the collective agreement or, in the absence of such a provision, longer than 15 days, the employment relationship will be treated as terminated at the employee's will and the employee will not be entitled to any unemployment benefit (so-called "Naspi"). This rule, however, does not apply if the employee can prove that the failure to communicate the reasons for the absence was due to force majeure or to circumstances attributable to the employer.
	Furthermore, with reference to probationary periods, the law establishes that the probationary period must amount to one actual working day for every 15 days of the contract's duration. In any event, the probationary period must not be less than two days or more than 15 days for contracts lasting no more than six months, and not more than 30 days for those contracts lasting more than six months but less than 12 months. More favourable provisions under collective agreements remain unaffected. According to the Ministry of Labour, collective agreements may derogate from the minimum but not the maximum duration.



Jurisdiction Hot Topics for 2025

Regarding remote working, the Law establishes that the already prescribed notification to the Ministry of Labour must be submitted within five days from the actual commencement of the remote working activity. As clarified by Circular No. 6/2025, this deadline begins on the date the employee effectively starts working under the remote working arrangement. Any subsequent modifications, whether relating to the duration or an early termination of the remote working period, must also be communicated to the Ministry within five days from the date the change occurs.

With regard to fixed-term contracts, Law no. 18/2024, converting Law Decree No. 215/2023, made it possible, in the absence of specific provisions provided by collective agreements, to exceed the duration of 12 months (but still within the maximum 24-month timeframe limit) on technical, organisational or productive grounds identified by the parties until 31 December 2024. This change has now been extended until 31 December 2025 by Law Decree No. 202/2024 (so called "Decreto Milleproroghe").

- **EU CSRD** The CSRD has been implemented in Italy by Legislative Decree No.125/2024, which was published in the Italian Official Journal on 10 September 2024. According to the CSRD, companies will have to prepare the sustainability report (which will replace the current "non-financial disclosure") in compliance with the European Sustainability Reporting Standards (ESRS). The CSRD has not only extended the scope of non-financial reporting, but also the list of affected entities. Labour law and HR professionals will be particularly interested in the "S", i.e. social initiatives within corporate strategies, comprising the following three main areas: client-facing communications, business partner relations and employment terms. The new Legislative Decree encourages dialogue and an exchange of views between worker representatives and the company, as it requires employers (in compliance with the relevant applicable law and agreements) to inform the worker representatives at the appropriate level and discuss with them relevant information and the means of obtaining and verifying sustainability information.
- **Disability and reasonable accommodations definition** Legislative Decree No. 62/2024 recently introduced a new definition of "person with disability", being a "person with a durable limitation which results from physical, mental, psychological or sensorial impairments which, in interaction with various barriers, may hinder the full and effective participation of the person concerned in professional life on an equal basis with other workers". According to the Legislative Decree, a "person with disability" is entitled to submit a written request to the employer asking for reasonable accommodations to be adopted. An employee will also have the right to be involved in the process and evaluation of such accommodations. Reasonable accommodations are intended to be those which are necessary, pertinent, appropriate and adequate modifications, as well as adjustments not imposing a disproportionate or undue burden aimed at ensuring that persons with disabilities enjoy or exercise on an equal basis with others all human rights and fundamental freedoms.
- **Draft law on Al Regulation** In March 2025, the Italian Senate approved a draft enabling law that lays the groundwork for future legislation on AI, which is now being examined by the Chamber of Deputies. The text contains several provisions specifically focused on the use of AI in the employment context. The general objective is to promote the responsible and human-centric adoption of AI in the workplace, with particular attention on improving working conditions, safeguarding workers' mental and physical well-being and enhancing productivity, all while ensuring full respect for human dignity and fundamental rights. To support this transition, the draft law also provides for the establishment of a national observatory under the Ministry of Labour. This body will monitor the spread and impact of AI systems in professional environments and help manage potential risks associated with their use. The text further introduces safeguards regarding the use of AI in regulated professions, limiting its role to support functions and requiring transparency towards clients. In the context of public administration, it affirms key principles such as the traceability and knowability of AI-based decision-making processes, reaffirming that ultimate responsibility for decisions must always remain with human officials.



Hot Topics for 2025 Jurisdiction Netherlands Various legislative changes – Several changes come into force this year. Key changes include: - Freelancers and self-employed professionals - There is an increasing focus on freelancers and self-employed professionals (zzp'ers). With the lifting of the socalled "enforcement moratorium" on 1 January 2025, the Dutch tax authorities will begin actively enforcing regulations designed to prevent false self-employment (i.e. where someone is stated to be self-employed but is in reality an employee). The Dutch tax authorities will take the enforcement moratorium into account, and will therefore only impose corrections on companies retroactively to 1 January 2025. Regarding the period prior to this, the Dutch tax authorities can only impose corrections if there is malicious intent, or if a previously given instruction has not been (sufficiently) followed. While fines will not be imposed until 2026, companies are well-advised to take appropriate measures to ensure compliance with the legal framework governing the correct classification of relationships. This framework is expected to be further clarified through the legislative proposal Clarifying Assessment of Employment Relationships and Legal Presumption (WVBAR), although see our most recent blog on the latest developments in this area. Lastly, the Dutch tax authorities will no longer assess and approve model agreements. All currently approved model agreements can be used until the end of 2029, albeit that approval may be withdrawn, if the model agreement is not compliant with laws and regulations or is no longer compliant with new legislation or court rulings. - Changes to (tax) expat scheme - From 2025, the Dutch tax authorities will use the term "expat scheme" for what was previously called the "30% scheme". This is a scheme which allows Dutch employers the ability to pay a percentage of salary tax-free to certain employees from overseas for a period of up to 60 months. The maximum percentage of the tax-free allowance will be reduced from 30% to 27% with effect from 2027. This percentage will apply for the (remaining) period of 60 months. In addition, the government intends to increase the minimum salary for incoming employees for application of the expat scheme from €46,107 to €50,436, and to increase the minimum salary for incoming employees under the age of 30 with a master's degree in scientific education or an equivalent foreign degree from €35,048 to €38,338. These minimum salary requirements will be indexed annually. The salary for the application of the expat scheme will be capped at €246,000 in 2025 (in 2024: €233,000). In 2025, a maximum of €73,800 can therefore be paid out tax-free under the expat scheme (in 2024: €69,900). - C02 reporting obligations - Employers with 100 or more employees are required to report on the CO2 emissions from commuting and business travel. Employers must submit the 2024 report to the Netherlands Enterprise Agency (RVO) by 30 June 2025 at the latest. Employers can choose to report on the whole of 2024 or only on the second half of 2024. • EU Directives - Looking ahead, several important legislative proposals are expected in 2025, including the implementation of the EU Pay Transparency Directive and the EU Platform Work Directive. See our recent blog for further details on the Dutch government's draft pay transparency legislation. • Local legislative proposals - Anticipated locally-driven legislative proposals during 2025 include: - Mandatory code of conduct concerning undesirable behaviour in the workplace - This legislative proposal requires employers with 10 or more employees to establish a code of conduct aimed at preventing and limiting undesirable behaviour in the workplace by employer or employee. The code of conduct must include, as a minimum, the following: - A description of what constitutes undesirable behaviour - A clear and understandable description of types of behaviours that are considered undesirable - The support options available for employees and employers when they encounter undesirable behaviour - The measures and sanctions that follow from violating the rules of the code of conduct - The role of the person that employees can approach with questions or comments about the code of conduct Additionally, the employer must ensure that every employee has access to the code of conduct and receives adequate information about it, including any updates or amendments.



Jurisdiction **Hot Topics for 2025** - Limitation of the statutory severance compensation scheme - The statutory severance (transitievergoeding) compensation scheme introduced in 2020 will most likely be abolished as of 1 July 2026 for employers that employ 25 or more people. If the scheme is abolished, employers will again be confronted with (substantial) costs in the event of dismissals for long-term sickness after two years of illness. The limitation of the compensation scheme is expected to lead to an increase in the number of dormant employment contracts, whereby the employment contract of an employee who has been sick for two years remains in place, but the employer does not pay wages (because the obligation to pay wages has lapsed), and the employee does not work. Following the Supreme Court's Xellaruling of 2019, employers are currently obliged to agree to a proposal from an employee to terminate a dormant employment contract with the award of a statutory severance payment if that payment is eligible for compensation by the Employee Insurance Agency (UWV). If the statutory scheme will no longer be eligible for compensation by UWV, it raises the question of whether employers will still be obliged to cooperate in terminating the employment contract. - Stricter rules for non-compete clauses - The government's legislative proposal provides for stricter rules in respect of non-compete clauses, with the aim of achieving a balance between the free choice of employment of employees and protection of the employer's business. The most important proposed changes are the following: - The maximum duration of a non-compete clause will be 12 months - The geographical scope of a non-compete clause must be specified when entering into it - The compelling business or service interest (zwaarwegende bedrijfs- of dienstbelangen) for a non-compete clause must be included in writing in all employment contracts (not only in fixed term employment contracts, as is currently the case) - The employer must invoke the non-compete clause timely and in writing, stating the number of months for which it will be invoked - The employer is obliged to pay the employee compensation if it invokes the non-compete clause. The compensation amounts to 50% of the last earned monthly salary for each month that the clause operates - Indexation of the minimum wage - As of July 1, 2025, the statutory minimum hourly wage will be €14.40 gross (currently €14.06 gross). Update - Following the collapse of the Dutch government on 3 June 2025, after the PVV withdrew from the governing coalition, it is likely that new elections will be held on 29 October. As a result, the future of any recent legislative proposals remains uncertain.



Jurisdiction	Hot Topics for 2025
Poland	• Various legislative changes – There are various legislative changes due to come into force in 2025 for employers to be aware of. Key changes include:
	- Minimum Wage Act - The newly proposed Act aims to change the definition of minimum wage and exclude certain benefits from calculation of minimum wage compliance.
	– Additional bank holiday – From 2025, Christmas Eve (24 December) will be a bank holiday in Poland.
	- Supplementary maternity leave - Since 19 March 2025, parents of children born before 37 weeks of pregnancy and/or with a birth weight of below 1kg have the right to supplementary maternity leave for each week the child is hospitalised.
	 Redefining "mobbing" – The Polish Parliament is currently looking to redefine "mobbing" (sometimes known as bullying) following concerns that the current legislative definition is convoluted and prevents victims from asserting their rights. The new definition is causing many discussions as it is unnecessarily detailed, but once these changes become effective, the burden of proof will be reversed, and the employer will need to prove there was no mobbing. It is also expected that mobbing prevention policies will become obligatory.
	 State Labour Inspection actions – According to the State Labour Inspections 2025-27 programme, it will be focusing chiefly on the legality of employing Polish and foreign nationals, as well as their working conditions. Inspectors will be investigating whether employers are making any "under the table" employment arrangements and whether they are declaring fewer working hours and lower wages. Employers should therefore be aware of the increased likelihood of inspections.
	- New maximum working temperatures - New regulations will be introduced setting new maximum working premises and outdoor working temperatures.
	 New sick leave rules – New legislation is planned for 2025, which sets out certain sporadic, incidental or circumstance-inducted professional activities that will be permitted by employees during sick leave without resulting in a loss of social insurance benefits, e.g. signing invoices, shipping or other documents.
	• EU CSRD – An ongoing talking point in Poland was the CSRD, which has not only extended the scope of nonfinancial reporting, but also the list of affected entities. As of 1 January 2025, the rules implementing the CSRD into Polish law, aimed at replacing the current Non-financial Reporting Directive (NFRD), came into force. Reporting on ESG issues will be required for small and medium-sized entities that are issuers of securities admitted to trading on one of the regulated markets of the EEA and large entities. Large companies with more than 500 employees and over PLN 110 million balance sheet assets or PLN 220 million net income already must prepare these reports for 2024, and file these in 2025. All large enterprises will be obliged to prepare the reports for 2025 (to be filed in 2026), while as of 1 January 2026, small- and medium-listed companies will be affected and have to file the reports in 2027. The "stop-the-clock" directive postpones these implementation dates by two years and needs to be implemented by Poland by 31 December 2025.
	• Preparation for the EU Pay Transparency Directive — Although the EU Pay Transparency Directive will only take effect from 7 June 2026, bridging the gender pay gap has already become one of the topical issues to be addressed. Among other things, employers will be obliged to introduce remuneration structures that guarantee equal pay for the same or equivalent work. Now is the time to get a head start on developing such transparent remuneration structures and periodic remuneration auditing procedures to benchmark any pay gaps between employees doing the same or equivalent work and, if and when identified, take reasonable measures to eliminate them. Poland has taken a first step towards implementation of the Directive having adopted a law that partially implements the Directive and focuses on the pay transparency provisions. This law is scheduled to come into force six months after its publication in the official journal (date yet unknown).



Hot Topics for 2025 Jurisdiction Saudi Arabia Amendments to Saudi labour law – The updated Saudi labour law, approved in August 2024 and published in the Official Gazette, came into force on 19 February (KSA) 2025. This marks the most significant reform since 2015, enhancing worker protections and aligning with the Kingdom's Vision 2030 goals. Key employment law updates include: - Contracts and terms - Fixed-term contracts without a defined end date now default to one-year durations and renew automatically unless terminated Transportation and housing allowances must be clearly stated in employment contracts. - Probation - The maximum probation period is extended to 180 days. Either party can terminate the contract within this period without requiring a separate agreement. - Notice and resignation - Employees on indefinite-term contracts must give at least 30 days' notice. Employers terminating Saudi nationals must provide 60 days' notice. Resignations are deemed accepted after 30 days if unacknowledged. Employers may defer acceptance by up to 60 days for valid business reasons. - Leave and family rights - Maternity leave increased from 10 to 12 weeks, with six weeks mandatory after childbirth. Paternity leave has been introduced (three days within seven days of the child's birth) and there is new three-day bereavement leave for the death of a sibling. - Non-discrimination and grievances - Discrimination based on race, colour, gender, age, disability or social status is explicitly prohibited in hiring and promotion. Employees have 30 days to file grievances; employers must respond within 15 days. - Overtime and flexibility - Employers may offer compensatory leave in place of overtime pay with the employee's written consent. - Saudization and work permit enforcement - MHRSD can withhold or deny work permit renewals for noncompliance with Saudization targets. Stricter penalties now apply for unauthorised employment or working outside contractual terms. - Fines and penalties - Violations such as unauthorised recruitment or outsourcing without a licence may incur fines ranging from SAR200,000 to SAR500,000. • Saudisation – As part of ongoing reforms, a new three-year Saudisation plan has been introduced to increase the Saudisation rates gradually on an annual basis. The new changes form part of the existing Saudisation programme (Nitigat) in KSA, which imposes a quota system for the hiring of Saudi nationals for all companies in the private sector. Nitigat classifies companies into three categories according to their Saudisation levels: Platinum; Green (with subcategories of High, Medium and Low) or Red. Companies in the Platinum and High Green categories can apply for new block visas. However, companies in the remaining categories (Medium- and Low Green and Red) can only obtain visas for expatriate employees through a transfer of sponsorship (i.e. they are limited to hiring expatriate employees who are already in KSA, and who have the requisite work authorisations from their existing employer). Companies have the option of paying monthly fees in lieu of hiring Saudi employees to maintain or change their Nitigat classification under the Parallel Nationalisation programme, which was introduced in 2017. The amount of the fee varies according to the number of employees employed by the company and the number of Saudi employees required to reach the next Nitigat classification. • Ministerial Decision 182495 (dated 11/10/1442H) introduced the following changes to Saudisation: - Employers shall have three years to adjust their recruitment plans and ensure compliance. - The MHRSD has reduced the corresponding economic activities (based on the business sector in which the employer operates) from 85 to 32 categories. - The MHRSD has also eliminated employer classification based on size and has placed stronger emphasis on employee headcount. Going forward, a new formula shall be used to determine a fixed Saudisation value and additional annual values for Year 1, 2, 3 and the following years of an employer's operations, as well as a logarithm of its total workforce. • Employers will need to plan their workforces going forward and consider the required number of roles that must be occupied by Saudi nationals (and in turn, which of their foreign workers will be required to remain within the workforce to ensure business continuity).



Jurisdiction **Hot Topics for 2025** • Temporary work visa/increased flexibility for the engagement of foreign nationals – There is a new short-term work visa for certain foreign nationals, which is available to apply for formally on an online platform called Qiwa. This new visa enables qualified employees to work in Saudi Arabia for a visa-sponsoring entity for up to 90 days per visa issuance in one year. During the one-year period (i.e. from the date of first entry into KSA), it will be possible to re-apply for new temporary work visas at the end of each 90-day period. To apply, employers will need to be classified as at least "Medium Green" in the Saudisation scheme, comply with obligations in the Wage Protection System, and ensure foreign workers have valid work authorisation. The visa quota will be limited to 50 visas per employer and visas will be nontransferable to other entities. • Saudi Arabia Regional Headquarters (RHQ) Programme – Effective 1 January 2024, Saudi Arabia's RHQ programme requires foreign companies to establish regional headquarters within KSA to be eligible for government contracts. This initiative supports Vision 2030's goal to diversify the economy and attract 480 multinational corporations by 2030. Key incentives and benefits are as follows: - Tax exemptions - 30-year corporate income tax exemption (0% corporate tax) - Saudisation exemption - No quota to hire Saudi nationals - Work visas - Unlimited issuance rights - Exclusive access - Opportunities with the Public Investment Fund (PIF) and government contracts - Professional accreditation - Exemption from local accreditation requirements. • The RHQ programme positions Saudi Arabia as a business hub in the Gulf, with significant benefits for foreign companies willing to establish operations within the country. • Saudi Arabia Personal Data Protection Law (PDPL) - The PDPL came into force on 14 September 2024 and applies to the processing of personal data within Saudi Arabia, as well as to foreign entities processing the data of individuals residing in the Kingdom. The law defines personal data broadly and establishes key principles such as transparency, purpose limitation, and accountability. Data subject rights include access, rectification, deletion, and objection to processing Implementing Regulations and Data Transfer Regulations – Both currently undergoing further consultation, set out detailed compliance obligations, including requirements for data protection officers, privacy notices, and cross-border data transfers using mechanisms like SCCs and BCRs. • For employers, the PDPL introduces heightened compliance requirements in handling employee data, including the need for clear privacy policies and lawful processing grounds. Non-compliance can lead to administrative fines of up to SAR 5 million (doubling for repeat offences) and, in severe cases involving misuse of sensitive data, criminal penalties of up to two years' imprisonment and/or fines of up to SAR 3 million.



Jurisdiction	Hot Topics for 2025
Singapore	• Passing of the first Workplace Fairness Bill – New workplace fairness legislation is being introduced through two Bills. The first Workplace Fairness Bill received assent by the President on 3 February 2025. The Workplace Fairness Act will be Singapore's first anti-discrimination legislation dealing with workplace discrimination. It will prohibit adverse employment decisions on the grounds of any protected characteristic and requires employers to put in place grievance-handling processes for workplace discrimination claims. The protected characteristics are: (i) age, (ii) nationality, (iii) sex, marital status, pregnancy status and caregiving responsibilities, (iv) race, religion and language, (v) disability and mental health conditions.
	• The second Workplace Fairness Bill and Tripartite Advisory on providing accommodations for persons with disabilities – The second Workplace Fairness Bill will introduce new rights and processes for individuals to make private claims under the Act, as well as expand the ambit of the existing Employment Claims Tribunal. The intention is for both Bills to come into force at the same time, in 2026 or 2027. The second Bill is expected to be tabled at some point this year. A new Tripartite Advisory with guidance on the provision of reasonable accommodations for persons with disabilities is expected to come into force around the same time as the new Workplace Fairness Act, but as yet there has been no indication as to when this might be issued.
	• Tripartite Guidelines on the use of restrictive covenants – New Tripartite Guidelines on how and when restrictive covenants in employment contracts can and should be used are expected but are still being drafted. We await further details from the authorities.
	• Changes to paternity leave and shared parental leave – Male employees with Singaporean children born on, or after 1 April 2025 are now entitled to four weeks of government-paid paternity leave (GPPL), up from the previous two weeks. The enhanced GPPL is mandatory. From 1 April 2025, eligible parents will be given six (for children born between 1 April 2025 to 31 March 2026) or 10 weeks (for children born on or after 1 April 2026) of shared parental leave, to be shared between both parents. From 1 April 2025, shared parental leave will be in addition to the government-paid paternity and maternity leave.
	• Introduction of the Skillsfuture Jobseeker Support Scheme – The Skillsfuture Jobseeker scheme is now open to Singaporeans aged 21 and above at launch, and will be extended to Singaporean permanent residents aged 21 and above from the first quarter of 2026. Eligible jobseekers may receive up to S\$6,000 over six months.
Slovak Republic	• Preparation for EU Pay Transparency Directive – Bridging the gender pay gap remains a topical issue for 2025 in the Slovak Republic. Now is the time for employers to get a head start on developing transparent remuneration structures and periodic remuneration auditing procedures to benchmark any pay gaps between employees doing the same or equivalent work and, if and when identified, take reasonable measures to eliminate them.
	Recently, the Ministry of Labour Social Affairs and Family announced its intention to prepare a draft Remuneration Transparency Act to reflect the Pay Transparency Directive. Unfortunately, at this stage, only preliminary information regarding this initiative has been published. The announcement clarifies that the primary aim of the Act is to implement minimum transparency remuneration requirements in connection with the principle of equal pay for men and women for equal work or work of equal value. The draft Act is intended to: (i) create an effective system for monitoring and assessing pay gaps between men and women's remuneration; and (ii) ensure that employees are subject to gender-neutral remuneration structures based on objective criteria. The proposed legislation aims to introduce new gender pay gap reporting obligations for employers. In cases of unjustified discrepancies, it will also impose an obligation to jointly assess the remuneration scheme and take measures to address any pay gaps. The draft law will also establish sanctions for breaches of gender-neutral remuneration requirements.
	• EU CSRD – As is the case in a number of other EU jurisdictions, an important development in the Slovak Republic is the new CSRD, which has not only extended the scope of nonfinancial reporting, but also the list of affected entities. Labour law and HR professionals will be particularly interested in the "S", i.e. social initiatives within corporate strategies. This category comprises three main areas: client-facing communications, business partner relations and employment terms. The Slovak government has implemented proposed amendments to legislation to incorporate these new European requirements and standards, which entered into force on 1 June 2024.



Jurisdiction	Hot Topics for 2025
	• A new focus by the Slovak Anti-monopoly Office on non-poaching agreements – The Slovak Anti-monopoly Office (AMO) has recently intensified its focus on non-poaching agreements, reflecting a broader European trend to address anti-competitive practices in labour markets. The AMO initiated its first administrative proceedings against a suspected labour market cartel last year. It is expected that this will not be the only case, as the AMO plans to continue its efforts in this area throughout 2025. To assist labour and employment market participants in understanding the AMO's approach, it has published detailed guidance outlining prohibited practices from a competition law perspective. These include: (i) non-poaching agreements – arrangements under which companies agree to refrain from hiring or soliciting each other's employees; (ii) wage-fixing agreements – agreements between competitors to set the same level of wages or other employment conditions (e.g. benefits); or (iii) information exchange – the sharing of sensitive information about wages, employment conditions or strategic business plans with other employers.
	• Mandatory contribution towards the sporting activities of employees' children – Employers with more than 49 employees are now obliged to provide a contribution towards the sporting activities of their employees' children. This contribution covers 55% of eligible expenses up to a maximum amount of €275 per calendar year in aggregate for all the employee's children. To qualify, employees must have been continuously employed by the same employer for at least 24 months. If the employee works part-time, the maximum amount of the allowance is reduced in proportion to the shorter period of working time. Employers with less than 50 employees may offer this allowance voluntarily.
	• Transferability of recreation vouchers – The existing recreation voucher benefit has been extended to allow employees to transfer their vouchers to their parents. This change aims to promote domestic tourism and enable employees' parents to participate in recreational activities, potentially improving their quality of life. Employers will need to establish internal processes to verify the appropriate use of these vouchers.
	• AI – Given the growing trend of integrating AI at all levels of business operations, 2025 will undoubtedly bring new challenges to employment law. Currently, there is no specific legal regulation on AI in the Slovak Republic. A significant development in the workplace is the widespread use of the ChatGPT platform, which has gained popularity. While this platform offers substantial advantages, primarily by increasing employee efficiency, it is likely to present real challenges over time that will need to be addressed through legal regulation.
Spain	• Various legislative changes – 2025 will be marked by several important legislative developments, including a proposed reduction in working hours from 40 to 37.5 per week. On 6 May 2025, the Spanish Council of Ministers approved a draft bill that sets out a phased implementation process for the reduction: first to 38.5 hours, then to 37.5 hours. However, the proposal is still pending parliamentary approval. If approved, the new rules would require affected companies to comply by 31 December 2025. This measure is expected to benefit more than eight million employees who currently work full time as once the changes come into force, they will work half an hour less each day. Such a reduction in hours will not be accompanied by any reduction in pay, so this will mean employees working fewer hours for the same pay. Such a reduction will not, however, affect those employees who already benefit from a shorter working week – something that is becoming increasingly common in many sectoral collective agreements or in the public sector, which already provides for a shorter working week. For our summary of the key developments, including important recent case law decisions, please see our previous alert.
	• Preparation for EU Pay Transparency Directive – Although this matter is already regulated by several Spanish regulations, this new Directive will strengthen some aspects, including (i) an obligation on employers to make information available to their employees on starting pay or rank, salary levels and salary progression, (ii) new rights for job applicants to receive information on starting pay or rank and the relevant collective bargaining provisions applicable in relation to the position, (iii) a prohibition on employers from asking applicants about their salary history in previous employment relationships and (iv) a reversal in the burden of proof.
	• EU CSRD – In Spain, the impact of the CSRD (which requires affected companies to disclose information on a broad range of sustainability measures) will be less than in other European countries since some of the rules required by the CSRD have already been introduced through Law 11/2018, of 28 December, such as the verification of sustainability information by an independent provider. Furthermore, the types of companies obliged to present nonfinancial information has already been extended beyond what is covered in the previous NFRD.
	• New equality and discrimination obligations – As of April 2025, companies in Spain with 50 or more employees must implement an internal protocol to prevent and address harassment or violence against LGBTI individuals in the workplace. This is part of a broader regulatory push to strengthen inclusive policies, in parallel with existing obligations on equality plans, anti-discrimination measures and gender pay gap monitoring.



Jurisdiction	Hot Topics for 2025
United Arab Emirates (UAE)	• New Emiratisation rules – The UAE government has previously introduced an "Emiratisation" policy for the private sector, which put in place certain obligations for employers to recruit UAE nationals (up to certain quotas) for most business sectors and certain job categories. In addition, as part of the Emiratisation policy, the UAE government provided incentives for those employers onshore who strictly observe their applicable Emiratisation requirements by allowing them more streamlined immigration processing, lower government fees (including an exemption from depositing bank guarantees), as well as other incentives. In January 2024, the UAE introduced a federal rule that imposed significant fines on onshore companies within the private sector who fail to employ a sufficient number of UAE nationals. The aim of this reform is to increase the number of Emiratis working in the private sector. The federal rules stated that companies employing between 20 and 49 employees and engaging in specific activities were required to hire one Emirati national before 31 December 2024, and an additional Emirati national before 31 December 2025. Failure to do so before the target deadlines will result in penalties of AED96,000 for the year 2024, and AED108,000 for the year 2025.
	• New UAE Data Protection Law (UAE DP Law) – The UAE has issued new legislation to regulate the collection and processing of personal data in the country. While the UAE DP Law was enacted on 2 January 2022, it has yet to be formally implemented, as further executive regulations that will clarify various aspects (including the scope and level of sanctions) are due to be published in Q4 2025, following which controllers and processors will then have a period of six months from the date of issuance of such regulations to adjust their status and comply with the UAE DP Law. The new law is designed to protect "personal data", which is "any data related to a specific natural person or related to a natural person that can be identified directly or indirectly by linking the data". This expressly includes an individual's name, voice, image, identification number, electronic identifier and geographical location. It also includes sensitive personal data and biometric data. The UAE DP Law does not currently state the penalties that will apply for breaches of the law. The level of sanctions will be specified in subsequent executive regulations, including any administrative penalties that may be imposed. It is unclear whether those executive regulations will contain a schedule of fines (and other sanctions) for different violations or simply specify a maximum amount with more discretion available to the UAE Data Office and the courts.
	• UAE labour law amendments – The UAE government introduced Federal Decree-Law No.9 of 2024, which became effective on 31 August 2024 with an aim to strengthen labour law compliance, enhance worker protections and streamline dispute resolution. The two articles that have been amended are Article 54 (individual labour disputes) and Article 60 (penalties). The limitation period for labour disputes is now two years from the date of termination of employment. In addition, the previous penalty ceiling of AED 200,000 for violations has been raised to AED 1 million. An almost identical penalty has also been introduced for engaging in fictitious employment, including fake emiratisation (i.e. where an employer has falsely declared that they have hired an Emirati national to comply with Emiratisation requirements). This penalty is multiplied depending on the number of employees who are employed fictitiously.
	• The Abu Dhabi Global Market (ADGM) Whistleblowing Framework – The ADGM financial free zone's Whistleblower Protection Regulations 2024 came into force on 5 July 2024, and aim to regulate "protected disclosures" and provide a whistleblower with the right of anonymity and protection from reprisals. These regulations apply to all companies, branches, representative offices, institution entities or project registered or licensed to operate or conduct any activity within the ADGM. Additionally, some of those entities are required to document the requirements contained in the regulations in written policies and procedures, as well as implement proportionate arrangements to support effective whistleblowing no later than 31 May 2025.
	• Individuals and entities convicted of financial fraud – The Emirate of Dubai has recently issued Law No. 24 of 2024 Amending Law No.4 of 2018 Establishing the Financial Audit Authority, and concerns financial fraud within controlled entities. A new Article 34 outlines the investigation of violations and allows the

investigation, impose a travel ban or confiscate personal assets or funds of the violating employee.

Director-General or a designated representative of the authority the power to place an employee accused of violation under suspension until the completion of the



Jurisdiction	Hot Topics for 2025
	• New ADGM Employment Regulations – Effective 1 April 2025, the updated ADGM Employment Regulations introduced significant amendments. Key proposed changes include:
	- Remote employees - Introduces a distinct category of employees working outside the UAE, exempt from UAE visa and work permit requirements.
	- Employment contracts -Employers must issue compliant contracts within one month. Changes to contracts require mutual written agreement.
	- Probation - Maximum six-month period with a minimum one-week notice. Entitlements include unpaid sick leave and repatriation flights if terminated.
	 Part-time employees – Simplifies entitlement calculations for reduced working hours.
	- Working hours - Capped at 48 hours per week unless agreed otherwise. Muslim employees entitled to reduced hours during Ramadan without pay cuts.
	- Parental leave - Expanded to include adoptive parents and stillbirth cases. Rights include nursing breaks and job protection after maternity leave.
	- Termination and gratuity - Minimum notice periods for all employees, written references upon request, and end-of-service gratuity (no cap). Pension or savings schemes may be offered as alternatives.
	- Discrimination - Pregnancy/maternity are protected characteristics. Remedies for discrimination include compensation of up to three years' wages.
	– Death in service – Estates may claim up to 24 months' wages as compensation.
	- Vicarious liability - Employers may be liable for employee misconduct unless proper policies (e.g. anti-harassment) are implemented.
	Employers must prepare for these changes to avoid fines and liabilities.
UK	• Preparation for various legislative changes – Although there are very few legislative changes due to come into force in 2025, employers should be aware of the significant changes ahead in the form of the Employment Rights Bill and be considering what steps they may need to take to prepare for this. Our latest <u>Quarterly Board Briefing</u> should bring you up to speed with what will be happening and help you with your priorities.
	• Workplace investigations – We continue to see companies seeking advice on how to handle workplace investigations, especially in light of the ongoing focus on workplace culture and behaviour, including sexual harassment in the workplace. In the spotlight section of our previous Quarterly Board Briefing , we focus on workplace investigations setting out brief answers to some of the key questions the board and senior management may have in relation to this issue, as well as our top five issues to consider when conducting an investigation.
	• AI – Although there is currently no legislation dealing specifically with AI in the UK, the use of AI in the employment context falls within the scope of existing laws e.g. the use of AI tools in recruitment could lead to discrimination claims if algorithms favour certain groups and reject others. As such, companies will need to take care when purchasing technological solutions, which, while "legal" per se, may produce outcomes which are not. Similarly, this is a rapidly evolving space, and businesses will need to ensure that they keep abreast of any new legislation being introduced to ensure that they do not invest heavily in AI solutions that are likely to be prohibited in the future.



Jurisdiction	Hot Topics for 2025
USA	• US Supreme Court "reverse discrimination" case – The legal landscape surrounding federal employment discrimination cases has developed rapidly in 2025. Resolving a Circuit split among the federal appellate courts, the US Supreme Court recently held that all claims of discrimination are subject to the same evidentiary burden, regardless of the plaintiff's majority-group status. The case, Ames v. Ohio Department of Youth Services, No. 23-1039, was brought by a heterosexual female employee who alleged she was discriminated against by her employer in favour of less qualified gay candidates in violation of Title VII, which makes it unlawful for employers to discriminate against "any individual because of such individual's race, color, religion, sex, or national origin." The plaintiff lost in the lower courts, where she, as a straight woman, failed to point to "background circumstances to support the suspicion that the defendant is that unusual employer who discriminates against the majority." This heightened evidentiary burden was the standard in the Sixth, Seventh, Eighth, Tenth and DC Circuits for discrimination cases brought by a majority-group plaintiff prior to the US Supreme Court's decision. However, the highest court has now concluded that Title VII's protections apply to every individual equally without regard to that individual's membership in a minority or majority group and, therefore, requiring a plaintiff to prove additional facts in so-called "reverse discrimination" cases is inconsistent with the text of Title VII. The EEOC's Acting Chair, Andrea Lucas, issued a statement "applaud[ing]" the decision and affirming the EEOC's commitment "to dismantling identity politics that have plagued our employment civil rights laws[.]".
	• State developments in paid sick leave – Paid sick leave continues to be a hot issue that will impact many US employers in 2025. Last Election Day, voters in Alaska, Missouri and Nebraska adopted paid sick leave laws via ballot initiative, which were slated to go into effect throughout 2025. On 14 May 2025, however, the Missouri Senate passed House Bill 567 (HB 567), repealing the state's newly enacted paid sick leave act. HB 567 is awaiting action from Missouri Governor Mike Kehoe, who is expected to sign the bill into law. However, the bill will not take effect until 28 August 2025, and employers must continue to comply with the existing paid sick leave requirements imposed by Proposition A in the interim. The laws in Alaska and Nebraska were not subject to similar legal challenges. Starting 1 July 2025, Alaska employers must provide employees with paid sick leave at the rate of one hour for every 30 hours worked – such leave can be capped at 40 hours per year (for employers with fewer than 15 employees) or 56 hours per year (for large employers with 15 or more employees). In Nebraska, employees begin accruing paid sick leave on 1 October 2025 at the rate of one hour of leave for every 30 hours worked – such leave can be capped at 40 hours per year (for employers with fewer than 19 employees) or 56 hours per year (for large employers with 20 or more employees). Employers in Connecticut, Michigan and the City of Chicago will also be subject to additional paid sick leave requirements this year. Effective 1 January 2025, Connecticut employers with at least 25 employees are required to provide employees with paid sick leave at the rate of one hour for every 30 hours worked. In Michigan, the Earned Sick Time Act took effect on 21 February 2025 for employers with more than 10 employees and, for other employers, the law will take effect on 1 October 2025. Finally, in the City of Chicago, employees who work at least 80 hours in Chicago within a 120-day period are eligible to accrue both paid leave and paid sick leav
	• New pay transparency laws – Five states have introduced pay transparency laws this year: Illinois, Massachusetts, Minnesota, New Jersey and Vermont. These laws, generally, require employers to include the compensation or a range for the compensation in each job posting. For Illinois and Minnesota employers, the requirements went into effect on 1 January 2025. The New Jersey Wage Transparency Act took effect on 1 June 2025 and applies to employers with 10 or more employees that do business, have employees or take applications for employment in New Jersey, and the law also requires covered employers to include a general description of benefits and other compensation programmes for which the employee would be eligible. Hot on New Jersey's heels, beginning 1 July 2025, Vermont employers with five or more employees, at least one of which works in Vermont, must include a good-faith expectation of the minimum and maximum compensation for any position physically located in Vermont or to be filled by a remote worker who predominantly performs work in Vermont. For Massachusetts employers, the requirements do not take effect until 29 October 2025; however, the Massachusetts law imposes an additional requirement on employers to provide the pay range, upon request, to an employee holding a "particular and specific employment position".



Plot Topics for 2025 Increased immigration workplace enforcement, visa scrutiny and travel restrictions – The Trump administration has made removal of undocumented individuals a focus of its immigration operations by increasing information and personnel sharing between executive agencies and stepping up workplace enforcement raids and investigations across the Us. It is expanding its initial focus on sectors with higher populations of undocumented workers, such as meat packing, manufacturing, food services and construction, among others, to a broader swath of Us industries. All employers should be prepared for a significantly increased risk of right to work audits covering all employees' hiring documentation, including Us citizens. Preparing cohesive hiring policies and conducting internal audits can help inoculate a Us employer against hefty civil penalties for sloppy hiring and paperwork maintenance, and even criminal penalties if the company is knowingly hiring unauthorised workers. Visa and green card petitions are adjudicated strictly under the second Trump administration, particularly for students, resulting in slower processing and higher costs. These cases will likely become more tightly reviewed in late 2025 into 2026 with the possible introduction of new rules and regulations. Employers should take extra care to prepare strong factual petitions with immigration counsel for all non-Us citizen hires, workers transferred to the US from abroad, and even employees visiting the US temporarily on business trips. Enforcement at the US border has also become more stringent, with travellers facing heightened questioning, more thorough review of social media and online presence, and occasional inspection of personal electronic devices by border agents. A revived travel ban covers more countries than the prior Trump travel ban and provides limited waivers and exemptions. All foreign nationals seeking to enter the US, whether as a visitor or worker, should consult an immigration lawyer.

Please note that this guide is intended as a high-level overview only and should not be regarded as legal advice.

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