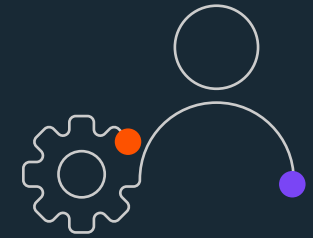


The Pay Transparency Directive comes into force on 7 June 2026

How are your preparations going?



With less than a week to go until the Pay Transparency Directive comes into force, many businesses with operations in continental Europe are continuing to take steps to ensure compliance despite the fact that the vast majority of member states have not finalised (or in some cases, even published) the required implementing legislation.

The Pay Transparency Directive requires all employers (regardless of headcount) to provide job applicants and workers with greater information about pay (including benefits) to ensure more informed and transparent discussions about pay. It also requires larger employers (100+ workers) to report regularly on their gender pay gap – with the first round of reporting due to be made by 7 June 2027, using 2026 data – and to conduct a joint pay assessment with workers' representatives where there is an unexplained gender pay gap of 5% or more. The new pay reporting obligations are significantly broader in scope than those currently in place in EU member states. In particular, a joint pay assessment must comply with strict and burdensome requirements and be made available to workers and their representatives.



Member state implementation – The latest position

EU member states are required to introduce local legislation to implement the Directive. Only a few countries are on track to do this, and a number of jurisdictions have already indicated that they will not be introducing their implementing legislation in time for 7 June 2026. We set out below a snapshot of the latest position in key EU jurisdictions.

Having previously made clear that it expects all member states to implement the Directive by the deadline and that enforcement action will follow where necessary, the European Commission has since reiterated that it has no plans to “stop the clock” on implementation or to simplify the provisions of the Directive. It remains to be seen what action the Commission will take once the implementation deadline passes.

The lack of local implementing legislation does of course make things more difficult for employers but, as we have highlighted before, this should not act as a barrier to employers taking action. As the minimum requirements in the Directive are clear, employers should be using these as the framework for their preparations, especially as many member states have already indicated that they will not go beyond the minimum requirements of the Directive and/or will preserve any legislation relating to pay transparency and reporting already in place.

As the UK is no longer a member of the EU, it is not required to implement the Directive. To the extent that UK companies have operations in continental Europe, it will, of course, still be relevant. Greater transparency in pay practices and procedures in EU member states is also likely to raise the profile of this issue in the UK and could potentially lead to demands from UK staff for similar information.

What should global companies already be doing?

We appreciate that businesses are at different stages in terms of their preparations for compliance with the Directive. Key steps that should already be underway include:



Collating the data – Do you have all your relevant pay data in one place so that you can easily interrogate and extract what you need going forward? In our experience, this is not always the case for most employers.



Reviewing and assessing your current pay and benefit arrangements – This will enable you to determine the extent of compliance with the new obligations and any potential areas of challenge. Potentially tricky issues include considering which of your jobs may be considered to be “work of equal value” and identifying gender-neutral criteria to justify any pay gap differences.



Communicating with relevant stakeholders – What steps have you taken with your worker representative bodies to prepare for implementation, e.g. any related union/works council consultation requirements? How are you communicating with your workers’ representatives – what is the narrative you want to get across? Also, consider what form any communications with your wider workforce and other stakeholders will take.



Don’t forget training – Have you upskilled your HR team and your managers, as they will play an important role in ensuring compliance with these new obligations? The Directive requires ongoing compliance and so is a long-term issue. Have you also thought about what training your workers’ representatives may need?



Monitoring local developments – Continue to monitor what is happening in relevant individual member states and make changes, as necessary, to reflect local developments.

How we can help

We are currently working with a number of global companies to ensure their pay practices and structures are compliant with the minimum requirements of the Directive and likely local legislative requirements. Our global footprint and extensive experience of delivering global projects for clients means we can support you in relation to all aspects of preparing for implementation of the Pay Transparency Directive, whatever stage of your preparations you are currently at. If you would like to discuss how we can help you in more detail, please speak to your usual Squire Patton Boggs contact or one of our experts in the first instance.



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EU member state	Draft legislation issued	Final legislation issued	Comments
Austria	✗	✗	No official government announcement has been made as yet beyond a general commitment to transpose the Directive by the deadline – which will not now be viable.
Belgium	✗	✗	Partial (French Community public sector); wider federal transposition still pending. The Belgian Vice-Prime Minister recently indicated that Belgium is not yet ready to implement the Directive due to stalled negotiations between employers and trade unions.
Czech Republic	✓	✗	Draft legislation was published in March 2026, targeting a 1 January 2027 implementation date. Amendments were also made to the Labour Code in June 2025, which mean that employers may no longer request that employees keep the amount and/or structure of their wages confidential.
Denmark	✓	✗	A draft bill was released for consultation on 26 March 2026. The bill aims to implement the Pay Transparency Directive into the existing Danish Equal Pay Act. The new rules are proposed to enter into force on 1 January 2027.
Finland	✓	✗	A bill is anticipated to be presented to Parliament around mid-June, which falls in the week immediately before the parliamentary summer recess. As a result, the legislation will not be in force by 7 June 2026, and it will likely take several months beyond that before the legislation enters into force. This is now expected to be during Q4 at the earliest.
France	✓	✗	A first draft of the implementing legislation was shared by the Ministry of Labour with trade unions in March 2026. Future changes are expected before it goes before Parliament.
Germany	✗	✗	It has been indicated at government level that the law is expected to formally enter into force in early 2027, while the key practical obligations – such as reporting requirements and individual information rights – are likely to apply at a later stage, potentially from mid-2028 onwards.
Greece	✗	✗	Greece has not yet enacted legislation to implement the Pay Transparency Directive, but significant progress is being made. On 26 May 2026, a draft bill was presented to the Greek Cabinet, but the text of the legislation has not yet been made publicly available.
Hungary	✗	✗	No formal bill has yet been published. Recent political changes have slowed down the legislative workflow and there is now no possibility that legislation will be in place by the 7 June 2026 deadline.
Italy	✓	✓	Italy has published its legislation implementing the Directive in the Official Gazette. The new rules will come into force on 7 June 2026.
Latvia	✓	✗	Draft legislation was published on 26 March 2026. The draft is yet to be submitted to Parliament so it is likely the deadline may be missed. However, no official announcement has yet been made as to the extent of any anticipated delay.
Luxembourg	✗	✗	No draft law has been published as yet. The Pay Transparency Directive will not be implemented by 7 June 2026. The draft law is expected to be submitted to Parliament in Q3 or Q4 of 2026.
Netherlands	✓	✗	The Dutch government issued draft legislation, but in September 2025 it announced that the target date for implementing the Directive is now 1 January 2027.

EU member state	Draft legislation issued	Final legislation issued	Comments
Poland	✓	✓ (in relation to some of the transparency aspects)	An Act focusing on the pay transparency aspects of the Directive during the recruitment process came into force on 24 December 2025. Draft legislation implementing the outstanding provisions of the Directive has also been published in March and updated in May, and further legislative action is pending.
Portugal	✗	✗	The Portuguese government has not issued any draft implementing legislation, and none is expected in advance of 7 June 2026. A ban on pay secrecy has already been introduced in Portugal via the June 2025 <i>flexinovela</i> Labour Code reform.
Republic of Ireland	✓ (in relation to some of the transparency aspects)	✗	In January 2025, the government published a draft bill that includes two provisions to transpose some of the transparency aspects of the Directive. The Spring 2025 Legislative Programme stated that the Heads of a Pay Transparency Bill were also in preparation. Ireland will miss the deadline for full implementation and implementation will occur on a phased basis, with pragmatic early enforcement rather than immediate penalties.
Romania	✓	✗	In light of the current political context in Romania, including the collapse of the government in early May, a delay in implementation is expected or, potentially, an accelerated legislative approach should the authorities decide to prioritise the matter.
Slovak Republic	✓	✓	The Equal Pay Act has been passed and will come into force on 7 June 2026. Some obligations will only apply from 2027.
Spain	✗	✗	No progress to report.
Sweden	✓	✗	The Swedish government suspended the implementation date indefinitely and had sought to initiate renegotiations at an EU level to amend the Directive. On 22 May 2026, the European Commission announced that it would not consider any stop-the-clock measures. It is uncertain how the Swedish government will now proceed with implementation.