

# Global Snapshot

## Hot Employment Law Topics for 2024 – Midyear Update Labour & Employment

At the beginning of this year, we asked the partners across our global Labour & Employment practice to identify the key employment law topics for 2024 in their particular jurisdiction. Six months on, we thought it would be useful to provide a “mid-year update”, as we are aware that in certain jurisdictions there have been legislative and/or political developments that mean there are new issues for companies to be aware of.

As can be seen below (further details on page 2), around the world there are still various common themes in terms of the hot topics and the changes afoot – most of which mean improved rights for workers and greater obligations for employers. This is not unsurprising and continues the trends of recent years, but will no doubt be challenging for employers due to the additional cost and time required, in already tricky economic conditions for many.

As per our January update, employers should note that, while some of the changes flagged are not due to come into force within the next 12 months, this does not mean that these matters can wait to be considered another day. Companies will need to have strategies in place for dealing with these changes and, particularly in relation to those legislative changes that include reporting requirements (for example, see EU Pay Transparency Directive below), will also need a plan for gathering and reporting on the relevant data and may need to recruit additional staff for these purposes. Budget requests for any such new staff and technology required will need to go in sooner rather than later and so on. Suffice it to say, if these issues are not already on your agenda for 2024, then they should be.

## Global Hot Topics for 2024



Legislative and/or other changes relating to worker rights



EU Pay Transparency Directive



New environmental, social and governance (ESG) reporting obligations



New positive duty on employers to prevent sexual harassment



Artificial intelligence (AI)



### Legislative and/or Other Changes Relating to Worker Rights

As you would expect, various legislative changes are due to come into force during 2024, many of which relate to new worker rights.



### EU Pay Transparency Directive

Global companies with a presence in Europe should be aware of the EU Pay Transparency Directive. While it does not have to be fully implemented by EU member states until 7 June 2026, companies should be planning now for how they will meet these new and potentially onerous obligations. A key aim of the Directive is to narrow the gender pay gap between men and women, and thus its focus is on improving transparency and enforcement mechanisms. Compliance with local implementing legislation may involve a lot of work and this topic should be high on the agenda for affected companies for 2024.

To help employers understand the potential scope of these new obligations, in our recent [“snapshot” guide](#) we collaborated with our Global Edge contributors to set out the current state of play in 16 key EU member states, including an indication of the likely scale of change in different jurisdictions.



### Environmental, Social and Governance (ESG) Reporting – EU Corporate Sustainability Reporting Directive (CSRD)

The global ESG space is often perceived as being largely unregulated (or, at least, not regulated in a particularly joined-up way). However, some jurisdictions have begun to introduce reporting and disclosure requirements. The key driver for this is to increase transparency over the impact that businesses have on both people and the environment, and also to help investors, consumers and other stakeholders evaluate the sustainability of companies.

Leading in this regard is the EU – where there is a continuing focus on companies to ensure their employment-related strategies align with any ESG initiatives.

The [CSRD](#), which came into force on 5 January 2023, aims to modernise the requirements of its pre-cursor, the Non-Financial Reporting Directive (NFRD), and strengthen the rules regarding the ESG information that companies are obliged to report.

It is important to note that the CSRD will not only apply to companies in the EU that meet the requisite thresholds, but may also apply to non-EU companies to the extent they have substantial activities in the EU.

Member states are required to bring into force local implementing legislation by **6 July 2024**, which will be required to reference the [European Sustainability Reporting Standards](#) (ESRS). The ESRS are very detailed and gathering the requisite data is likely to be an extremely time-consuming exercise.

In-scope companies will need to review their internal processes carefully to ensure compliance with data privacy laws, as personal data is likely to be collected or even forwarded during the reporting processes (such as, for example, data on disabilities). Given that the reporting requirements will be codified in national law, there is likely to be a valid legal basis for the processing of such data. Nevertheless, companies must ensure that respective data processing does not go beyond what is strictly necessary to fulfil the statutory reporting obligations.

Companies falling within the scope of the new law should prepare as soon as possible to ensure compliance.



### Sexual Harassment in the Workplace













Sexual harassment in the workplace remains a high-profile issue in certain jurisdictions, with the UK, China and Australia all introducing new obligations on employers to take proactive steps to prevent workplace sexual harassment. Listen to the [recording](#) from our recent global panel discussion on Sexual Harassment in the Workplace – A Global Perspective.







### Artificial Intelligence (AI)

And finally, as the commentaries below note, it will be no surprise that AI continues to be a hot topic for 2024. While AI presents great opportunities for companies, it also raises many legal and practical challenges, especially as the legal and regulatory framework is still evolving.

# At a Glance – Hot Employment Law Topics for 2024 – Midyear Update

 <b>Australia</b> <ul style="list-style-type: none"> <li>• Various legislative changes, many of which relate to worker rights*</li> <li>• Positive duty on employers to eliminate sexual harassment in workplaces</li> <li>• Increasing focus on the use of AI in the workplace</li> </ul>	 <b>Belgium</b> <ul style="list-style-type: none"> <li>• Political elections – national and regional – expected legislative standstill for next six months</li> <li>• ESG reporting – EU CSRD*</li> <li>• Preparation for EU Pay Transparency Directive</li> <li>• Increase in “burnout” and other long-term absences</li> </ul>	 <b>China</b> <ul style="list-style-type: none"> <li>• Enhanced requirements for board-level employee representation</li> <li>• New rules governing employee data transfers</li> <li>• Obligations on employers to prevent sexual harassment in workplaces</li> </ul>	 <b>Czech Republic</b> <ul style="list-style-type: none"> <li>• Update to the Czech Labour Code*</li> <li>• Changes in agreements outside of employment (contract workers)</li> <li>• Simplified electronic delivery of employee documents</li> <li>• New rules and requirements for remote work</li> <li>• ESG reporting – EU CSRD*</li> </ul>
 <b>France</b> <ul style="list-style-type: none"> <li>• Important changes to business immigration rules</li> <li>• New obligations on companies with 11-49 employees to introduce profit-sharing schemes</li> <li>• ESG reporting - EU CSRD</li> </ul>	 <b>Germany</b> <ul style="list-style-type: none"> <li>• Reduction in parental allowances and new paternity leave rights*</li> <li>• Various legislative changes*</li> <li>• ESG reporting - EU CSRD*</li> <li>• New obligation on employers to record working hours</li> </ul>	 <b>Hong Kong</b> <ul style="list-style-type: none"> <li>• Increase in statutory holidays</li> <li>• Potential change to the definition of “continuous contract”</li> <li>• Potential relaxation of cross-border data transfers within the Greater Bay Area (Hong Kong, Macau and nine key mainland cities)</li> <li>• Change to the statutory minimum wage review mechanism*</li> </ul>	 <b>Italy</b> <ul style="list-style-type: none"> <li>• Preparation for EU Pay Transparency Directive</li> <li>• Various legislative changes which relate to worker rights</li> <li>• 2024 Budget Law</li> <li>• ESG reporting - EU CSRD*</li> <li>• New definition of disability and reasonable accommodations*</li> </ul>
 <b>Poland</b> <ul style="list-style-type: none"> <li>• ESG reporting - EU CSRD</li> <li>• Preparation for EU Pay Transparency Directive</li> <li>• Whistleblower Act – finally implemented!*</li> <li>• Changes to the rules for hiring refugees from Ukraine*</li> </ul>	 <b>Saudi Arabia</b> <ul style="list-style-type: none"> <li>• Increased flexibility for the engagement of foreign nationals</li> <li>• New Data Protection Law</li> <li>• New three-year Saudisation plan</li> </ul>	 <b>Singapore</b> <ul style="list-style-type: none"> <li>• Workplace Fairness Act and Tripartite Advisory on providing accommodations to persons with disabilities - expected in the second half of 2024</li> <li>• Tripartite Guidelines on Flexible Working Requests to come into effect on 1 December 2024</li> <li>• Tripartite Guidelines on the use of restrictive covenants - expected in the second half of 2024*</li> <li>• Extension of Complementarity Assessment (COMPASS) framework</li> <li>• Enhancement of paternity leave and extension of unpaid infant care</li> </ul>	 <b>Slovak Republic</b> <ul style="list-style-type: none"> <li>• Preparation for EU Pay Transparency Directive</li> <li>• Landmark ECJ ruling on annual leave entitlements in unlawful dismissal cases</li> <li>• Dissatisfied workforce</li> <li>• ESG reporting - EU CSRD</li> <li>• Increasing focus on the use of AI in the workplace*</li> </ul>

<p> <b>Spain</b></p> <ul style="list-style-type: none"> <li>• Various legislative changes, many of which relate to worker rights</li> <li>• Preparation for EU Pay Transparency Directive</li> <li>• Implementation of other EU Directives*</li> <li>• ESG reporting - EU CSRD*</li> </ul>	<p> <b>United Arab Emirates</b></p> <ul style="list-style-type: none"> <li>• New end-of-service investment scheme</li> <li>• New Emiratisation rules</li> <li>• New Mental Health Law*</li> <li>• UAE Data Protection Law – further details due to be published in Q3/Q4 2024</li> </ul>	<p> <b>United Kingdom</b></p> <ul style="list-style-type: none"> <li>• Sexual harassment – new mandatory duty on employers to take “reasonable steps” to prevent sexual harassment in the workplace</li> <li>• Potential new legislative changes, many of which relate to worker rights</li> <li>• Increasing focus on the use of AI in the workplace</li> </ul>	<p> <b>USA</b></p> <ul style="list-style-type: none"> <li>• Banning employee non-compete agreements at the federal level*</li> <li>• Employee protections regarding pregnancy, sexual orientation and gender identity*</li> <li>• Raising the overtime exemption salary threshold under Fair Labor Standards Act (FLSA)*</li> <li>• Increasing use of AI in the workplace</li> </ul>
---	---	---	---

\*Indicates a change since our January update



## Australia

- **Legislative changes** – There are various legislative changes due to come into force in the second half of 2024 and beyond.

The Closing Loopholes Act 2023 and the Closing Loopholes No.2 Act 2024 are the federal government’s most recent tranches of amendments to the Fair Work Act 2009 (Cth) and related legislation to close loopholes in various elements of Australia’s workplace relations framework. Key changes include:

- **The “right to disconnect”** - This was a late addition to the Closing Loopholes No. 2 Act 2024. From 26 August 2024, “eligible” employees will have a new “right to disconnect” outside of work hours. Employees will 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. The right also covers “attempted contact” outside of an employee’s working hours. Several factors must be considered when determining whether an employee’s refusal is unreasonable.
- **New rights for certain labour hire workers** - This is part of the Closing Loopholes changes. From November 2024, 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 (FWC) will be able, upon application, to make ‘Regulated Labour Hire Arrangement Orders’ (RLHAO) that will impose such conditions on employers that provide services to other businesses involving a labour component.
- **Changes to the definitions of “casuals” and “independent contractors”** - An employee is a ‘casual employee’ if both (i) the employment relationship is characterised by an absence of a firm advance commitment to continuing and indefinite work; and (ii) the employee is entitled to a casual loading, or a specific casual rate of pay. The assessment is based on the “real substance, practical reality, and true nature of the employment relationship” (not just an assessment of the contract terms) and may stem from a “mutual understanding or expectation” between the parties that may be inferred from their conduct after entering into the contract or from how the contract is performed. There is also a new “ordinary meaning” definition of employee and employer determined by reference to not only the terms of the contract governing the relationship, but also other factors relating to the totality of the relationship including, but not limited to, how the contract is performed in practice. This reverts the employee vs. independent contractor characterisation to the multi-factorial test and discards recent High Court authority’s contract-centric approach. There are also bolstered protections in place for independent contractors, including in relation to sham contracting and unfair contracts.
- **Changes in enterprise bargaining** - There are significant changes to intractable bargaining workplace determinations. If a dispute about the bargaining process for a new enterprise agreement is raised and the employer and union cannot agree, after nine months it can go back to the FWC for arbitration and it will make a workplace determination. The new changes require that any workplace determinations made (other than in respect of wage increases and agreed terms) cannot be less favourable to employees (or the relevant employee organisation) than terms in the existing enterprise agreement that deal with the same matters. The clarification of the definition of an “agreed term” also has the effect of preventing employers from “un-agreeing” terms after the making of an application for the intractable bargaining declaration.
- **Positive duty to eliminate sexual harassment in workplaces** – The Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022 (Cth) amended the Sex Discrimination Act 1984 (Cth) (SD Act), introducing a positive duty on employers and persons conducting a business or undertaking (PCBUs) to eliminate:
  - Workplace sexual harassment, sex-based discrimination and sex-based harassment
  - Conduct that amounts to subjecting a person to a hostile workplace environment on the ground of sex
  - Certain acts of victimisation

This important change requires employers and PCBUs to shift their focus to actively preventing workplace sexual harassment and discrimination, rather than responding only after it occurs. Employers should therefore review the steps they currently take to prevent sexual harassment in the workplace and consider whether they might need to do more to satisfy any mandatory duty.

Jurisdiction	Hot Topics for 2024
	<ul style="list-style-type: none"> <li>• <b>AI</b> – It will be no surprise that, as is the case in other jurisdictions, this is a hot topic for 2024. Although there is currently no legislation dealing specifically with AI in Australia, the use of AI in the employment context falls within the scope of existing laws. As such, companies will need to take care when purchasing technological solutions which, while “legal” per se, may produce outcomes that are not. There is currently a Federal Parliamentary inquiry on the use of AI, which is due to present its final report on or before 19 September 2024. This is a rapidly evolving space, and businesses will need to ensure that they keep abreast of any new developments.</li> </ul>
Belgium	<ul style="list-style-type: none"> <li>• <b>Political elections</b> - 2024 is an election year in Belgium, both on a national and a regional level. It is therefore expected that any legislative work will come to a standstill shortly.</li> <li>• <b>EU CSRD</b> – While a draft bill to implement the CSRD was introduced at the end of 2023, it is expected that implementation will be significantly delayed due to the elections of June and October 2024. Employers’ associations have urged that the legislation remains close to the Directive so as not to increase administrative burdens for companies beyond what is strictly required by the Directive.</li> <li>• <b>Preparation for EU Pay Transparency Directive</b> – 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 it already has legislation in place that at least partially meets the objectives of the Directive means that this is not expected to be a hot topic in Belgium in 2024. Depending on the current level of pay transparency, and the specific needs and goals of the company, it may however still be prudent to start preparing for compliance with the Directive.</li> <li>• <b>Increase in “burnout” and other long-term absences</b> – 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 and consider whether they might need to do more to satisfy their duties with respect to health and safety.</li> </ul>
China	<ul style="list-style-type: none"> <li>• <b>Enhanced requirements for board-level employee representation</b> – The PRC government has adopted an amendment to the China Company Law, which will come into force on 1 July 2024. The amended legislation requires any PRC company with not less than 300 employees to have at least one employee representative sitting on its board of directors if there is no employee representative on its supervisory board. Until this amendment comes into effect, employee representatives are optional on the board of directors of a PRC company.</li> <li>• <b>New rules governing employee data transfers</b> – On 22 March 2024, the Cyberspace Administration of China promulgated the Provisions on Regulating and Facilitating Cross-border Data Flow (“Provisions”). The Provisions provide an important exception that would allow the cross-border transfer of employee data necessary for HR management purposes without having to execute China’s Personal Data Export Standard Contract (“Standard Contract”), including the need to file and obtain approval by the government. This is a material effort by China to improve free data flows. The Provisions will release a large number of multinational companies operating in China from the burden of signing and filing the Standard Contract for the transfer of employee data from China.</li> <li>• <b>Anti-sexual harassment</b> –The amended Women’s Protection Law, which took effect from 1 January 2023, requires employers to take measures to prevent sexual harassment, including formulating rules and regulations prohibiting sexual harassment. Employers that fail to take reasonable measures to prevent sexual harassment could be subjected to criminal action, and the directly responsible and liable person will be subject to sanctions imposed on them according to the law. In March 2023, the Ministry of Human Resources and Social Security of China, together with several other ministries and associations, jointly released the Rules on the Elimination of Sexual Harassment in the Workplace, as guidance for PRC employers to establish their own policies against sexual harassment. Considering the increasingly stringent requirements to prevent sexual harassment and the potentially negative impact of sexual harassment cases on businesses, it is recommended that employers in China establish a strict anti-harassment code and culture for their businesses.</li> </ul>

Jurisdiction	Hot Topics for 2024
Czech Republic	<ul style="list-style-type: none"> <li>• <b>Update to the Czech Labour Code</b> – Following implementation of the EU’s Work-life Balance Directive and Transparent and Predictable Working Conditions Directive into Czech national law, there has been a significant update to the Czech Labour Code with a very short transposition period for employers. Most of the changes took effect on 1 October 2023, while others will be implemented at a later stage. In any case, a thorough review of existing employment documentation will be necessary in 2024. Furthermore, another update to the Czech Labour Code is currently being discussed and is in the pipeline. Among the proposals under consideration, the most controversial is the possibility for employers to terminate employment contracts without specific legal grounds, provided they offer severance compensation. Other proposals include a reduction in notice periods for terminations due to poor performance or failure to meet job pre-requisites (from two months to one month) and the opportunity to mutually agree upon the extension of probationary periods, deviating from the current regulation that categorically prohibits any extension. Additionally, it is proposed that employees on parental leave could continue with their job for the employer through part-time employment or agreements outside the employment relationship (such as an agreement on working activity and an agreement to perform work) for the same role without the need to terminate their parental leave, a practice not permitted under existing legislation.</li> <li>• <b>Changes in agreements outside of employment (contract workers)</b> – Employers are now required to schedule the working hours of employees hired outside of a standard employment relationship – namely contracts for services (“dohoda o provedení práce”) and contracts to perform work (“dohoda o pracovní činnosti”), which must then be communicated to employees at least three days ahead of time (unless a shorter period is agreed with the employee). Most importantly, employees outside of a standard employment relationship are now entitled to time off where required by their own personal or private circumstances and, with effect from 1 January 2024, to annual leave under conditions similar to those in place for standard employment contracts.</li> <li>• <b>Simplified electronic delivery</b> – Strict requirements for the electronic delivery of employment documentation have finally been eased. The process is now significantly easier, although employees must still agree to this type of communication for certain types of documents such as termination notices. However, employees are no longer required to confirm the receipt of electronic documents with their advanced electronic signature for the delivery to be deemed valid. Nonetheless, documents must be delivered to the employee’s private electronic address, which was provided by them for these purposes.</li> <li>• <b>New rules and requirements for remote work</b> – If employees work remotely, it is now mandatory to have remote working agreements in place. However, the calculation of utility costs that must be reimbursed to employees when working from home has been significantly simplified. In light of this change, companies may choose whether to reimburse the related costs directly, agree to a statutory lump-sum allowance with the employee (currently set at CZK4.50 per hour, but it is expected that this rate will be subject to regular changes) or agree that the employee will not be entitled to any reimbursement at all. Furthermore, employees who are caregivers can request to work from home, and any employer that refuses such a request must provide the employee with a written explanation for its refusal.</li> <li>• <b>EU CSRD</b> - No comprehensive implementing legislation has been adopted yet (even though some related reporting obligations are newly imposed by the Accounting Act), and the general approach is that companies should start preparing gradually.</li> </ul>



Jurisdiction	Hot Topics for 2024
France	<ul style="list-style-type: none"> <li> <b>Business Immigration</b> – A law to control immigration and favour inclusion has been voted on by the French Parliament and will come into force during 2024. The French Constitutional Committee is currently tasked with verifying whether the proposed provisions are compliant with the French Constitution. After such an assessment has taken place, the new law will probably be implemented and will have several important impacts on business immigration (the so called “talent passports” will be impacted, as well as resident permits for employees and work authorisations), as well as several other measures that will impact employment law. Current sanctions against employers that hire individuals who are not allowed to stay or work in France will be doubled.         </li> <li> <b>Profit sharing</b> – Companies with between 11 and 49 employees that for three consecutive years made a net profit of at least 1% of their turnover will have to implement either a mandatory profit-sharing scheme (“accord de participation aux résultats”), a voluntary profit-sharing scheme (“accord d’intéressement”), fund an existing company saving scheme (“plan d’épargne salariale”) or pay a value sharing bonus (“prime de partage de la valeur”) from 1 January 2025. This new obligation will apply until 30 November 2028 as an experiment, but may be made permanent at that time. There are already obligations for mandatory profit-sharing schemes for companies with at least 50 employees.         </li> <li> <b>EU CSRD</b> – This Directive has been implemented in France and came into force on 5 January 2024. It will initially apply to companies with more than 500 employees on average, with a balance sheet above €25 million and a net turnover above €50 million. These companies will have to issue a report taking into account 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. It also creates an obligation from 1 January 2025 to inform and consult the Social and Economic Committee on sustainability in the course of the annual mandatory consultations. Employers should prepare for this new consultation obligation during 2024, prior to its entry into force.         </li> </ul>
Germany	<ul style="list-style-type: none"> <li> <b>Parental allowances and paternity leave</b> – Since 1 April 2024, the limit on taxable annual income (income threshold) above which the entitlement to parental allowance no longer applies was reduced from €300,000 to €200,000 for those jointly entitled to parental allowance. On 1 April 2025, it will be moderately reduced again for couples to €175,000. For single parents, an income limit of €150,000 has applied since 1 April 2024. This is a great opportunity for employers to showcase their family support by cushioning the cuts through parental benefits. Although Germany has already implemented the EU Work Life Balance Directive with the Compatibility Directive Implementation Act, which came into force on 24 December 2022, paternity leave was excluded from this because the coalition partners were unable to agree on funding. The Family Start Time Act is expected later in 2024. This will entitle the parent who is not giving birth to leave of absence for the first ten working days after the birth. They will receive a partnership allowance from their employer, which is to be paid from the same funds as, and in line with, the maternity protection regulations. The aim is to enable parents to share responsibilities as partners.         </li> <li> <b>Various legislative changes</b> – The federal government has proposed various changes to employment law, including a new law on works council remuneration and new data protection legislation (to pave the way for a modern working world with new technologies), but much of this is in draft so it is not yet clear what form this might take. Discussions have also been taking place in relation to digital employment contracts. In Germany, employers are currently obliged to conclude employment contracts in writing (stringent wet ink requirement) for them to be legally binding and enforceable. In the past few months, discussions have been taking place around the additional hurdles this bureaucracy places on German employers. Presumably in reaction to this criticism, the German government has decided to amend the Verification Act which will make it possible for German employers to conclude employment contracts in text form, e.g. via email. On 19 June 2024, the German government published a proposal for further consultations regarding the introduction of digital employment contracts. According to this proposal, employers will also be able to provide information on the key terms and conditions of their employment contracts and age limit agreements in text form, i.e. by email, in future. Employers will only have to send information on paper if employees expressly request written proof of their employment conditions. Only in those sectors of the economy that are particularly at risk of undeclared work and illegal employment will it remain mandatory to provide evidence in paper form. No further details have been provided at this stage, for example, whether this will also apply to part-time or fixed-term contracts or whether this will also apply to restrictive covenants. For now, the written form requirement is still mandatory.         </li> </ul>

Jurisdiction	Hot Topics for 2024
	<ul style="list-style-type: none"> <li>• <b>EU CSRD</b> - Based on the CSRD, a new law is supposed to be introduced in Germany shortly (probably in summer 2024) regulating the sustainability reporting requirements of companies as part of their non-financial reporting obligations. As the CSRD needs to be implemented into national laws by EU member states by 6 July 2024, a national draft bill was presented on 22 March 2024, which also references the European Sustainability Reporting Standards. Companies falling within the scope of the new law should prepare as soon as possible to ensure compliance with the sustainability reporting requirements.</li> <li>• <b>Working Time</b> - As a result of rulings of the ECJ and the Federal Labour Court, which have established an obligation on employers to record working hours, the Working Hours Act is to be revised. A legal regulation on the recording of working hours implementing this case law remains to be seen. A draft bill has been available since the spring of last year. According to the draft, the start, end and duration of working hours should be recorded electronically. Trust-based working hours should still be possible.</li> </ul>
Hong Kong	<ul style="list-style-type: none"> <li>• <b>Increase in the number of statutory holidays</b> - The number of statutory holidays has been increased from 13 to 14 days this year. The first weekday after Christmas Day will now be a statutory holiday.</li> <li>• <b>Potential change to the definition of “continuous contract”</b> – 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 has indicated that it intends to introduce a bill into the Legislative Council for review in the first half of 2025. 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.</li> <li>• <b>Potential relaxation of cross-border data transfers within the Greater Bay Area (Hong Kong, Macau and nine key mainland cities)</b> – Cross-border transfers of personal data (especially transfers from Mainland China to Hong Kong) are often subject to stringent regulation. This can potentially cause difficulties if personal data in Mainland China is to be transferred to Hong Kong. A template Standard Contract governing such transfers and implementing guidelines to streamline cross-border transfers have been prepared. The Hong Kong government has invited individuals and organisations to participate in a pilot scheme to implement this measure and has indicated that it will review the measure by mid-2024.</li> <li>• <b>Changes to statutory minimum wage review mechanism</b> – The Hong Kong government has announced that going forward the statutory minimum wage will be reviewed once a year instead of every two years. There will also be a new formula to determine the statutory minimum wage, which takes into account inflation and economic growth.</li> </ul>
Italy	<ul style="list-style-type: none"> <li>• <b>EU Pay Transparency Directive</b> – While Italy is already partly in line with the provisions in the EU Directive (which has not yet been implemented in Italy), 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. Therefore, the implementation of the EU Directive may change this current situation. Moreover, significant modifications may be foreseen with regard to 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.</li> <li>• <b>Legislative changes</b> – The new Labour Decree, which is currently being discussed in the Italian Parliament, proposes several changes to Italian labour legislation. For example, 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 five days, the Decree provides that 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”).  Furthermore, the Decree provides that a probationary period must be proportionate to the duration of the contract according to the following criterion – one day for every 15 calendar days from the commencement of the employment relationship. 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.</li> </ul>

Jurisdiction	Hot Topics for 2024
	<p>With regard to fixed-term contracts, Law no. 18/2024, converting Law Decree No. 215/2023, makes 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).</p> <ul style="list-style-type: none"> <li> <b>2024 Budget Law</b> – The Budget Law for 2024 contains two relevant modifications to employment law amending provisions on parental leave and fringe benefits.           <p>From 2024 onwards, parents will be able to take two months’ parental leave, alternatively by either parent, with an allowance equivalent to 80% of their wages, until the child turns six. For any additional months of parental leave, the allowance will remain at 30%. Thus, the maximum duration of parental leave will not change, but the economic treatment will improve.</p> <p>Additionally, it provides for an increase in the threshold for tax- and social contributions-exempt fringe benefits for all workers from €258 to €1,000; for workers with dependent children, the current threshold set at €3,000 drops to €2,000 for each tax period.</p> </li> <li> <b>EU CSRD</b> - 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. 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. Although the CSRD has not yet been implemented in Italy – the Ministry of Finance only recently announced the launch of a public consultation on the first draft decree transposing the EU Directive - it might be sensible for employers to begin preparations to ensure compliance with any upcoming regulations.         </li> <li> <b>Disability and reasonable accommodations definition</b> – Legislative Decree No. 62/2024 has recently introduced a new definition of “person with disability”, being “the 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”. Reasonable accommodations are intended to be those which are necessary, pertinent, appropriate and adequate modifications and 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.         </li> </ul>
Poland	<ul style="list-style-type: none"> <li> <b>EU CSRD</b> - A talking point in Poland is the CSRD, which has not only extended the scope of nonfinancial reporting, but also the list of affected entities. In April this year, the Polish government opened for consultation a draft bill implementing the CSRD into Polish law, aimed at replacing the current NFRD. Reporting on ESG issues will now be required not only for companies with more than 500 employees and over PLN 85 million balance sheet assets or PLN 170 million net income which will have to prepare 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, and finally from financial year 2028 subsidiaries or branches of a third-country ultimate parent or a third-country standalone entity will be covered by the new regulations. 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. In terms of the workforce, while the applicable labour and health and safety laws must obviously be complied with, employers will also be expected to ensure working conditions are conducive to professional growth. The company’s potential will be boosted by employers paying attention to their employees’ mental and physical health as well as a focus on workplace wellness.         </li> <li> <b>Preparation for the EU Pay Transparency Directive</b> – 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 in 2024. 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.         </li> </ul>

Jurisdiction	Hot Topics for 2024
	<ul style="list-style-type: none"> <li>• <b>Whistleblower Act – finally adopted</b> - Poland has finally adopted the Act on the Protection of Whistleblowers implementing the EU Whistleblower Directive. Companies will be obliged to have a functioning reporting system in place within three months of publication of the Act, i.e. by 24 September 2024. This means that affected companies should ensure they implement the required internal whistleblowing mechanisms, train their staff, nominate relevant individuals to accept whistleblowing reports, etc., to ensure they are not caught unaware. See our latest <a href="#">alert</a> on the steps employers need to take to comply with the new legislation.</li> <li>• <b>Changes to the rules on hiring refugees from Ukraine</b> – From 1 July 2024, the rules on hiring refugees from Ukraine are scheduled to change. Their stay in Poland will be considered lawful until 30 September 2025. Employers will have only seven days within which to notify the authorities on hiring such employees.</li> </ul>
Saudi Arabia (KSA)	<ul style="list-style-type: none"> <li>• <b>Temporary work visa/increased flexibility for the engagement of foreign nationals</b> – 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 course of 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.  It is expected that many employers will take advantage of the new temporary work visa as businesses in KSA have been seeking a legally compliant solution for short-term work assignments. More foreign national-friendly programmes are expected in KSA in the future, as additional foreign labour will be needed to fill positions in the NEOM – a cross-border city in northwest KSA that is planned to be built by 2025.</li> <li>• <b>New KSA Data Protection Law</b> – KSA has issued new legislation to regulate the collection and processing of personal data in the country. The new Saudi Personal Data Protection Law (the PDPL) came into force on 14 September 2023, carrying penalties for breaches of the law of up to SAR5 million (US\$1,333,000). Unlike the EU General Data Protection Regulation, where companies had a two-year transition period to become compliant, KSA authorities afforded companies a one-year grace period to prepare for compliance with the PDPL (e.g. by 14 September 2024).  In our experience, we have found that HR is often the area of the business that tends to process the most sensitive data, which is employee data. This can, of course, include health information, equal opportunities data, financial information and bank account details. With the introduction and enforcement of the PDPL, HR has a key role to play when it comes to data protection compliance and must ensure it is fully aware of the rights of its employees when assessing the data being retained. Employers will need to understand the types of personal data held about their respective staff, how and why it is collected and stored, how long it should ideally be retained for, any third parties to whom it is transferred and the safeguards that are in place to protect it. Consideration will, therefore, need to be given as to what changes may be necessary to employment documentation. Consent and justification for processing employee data are at the forefront of the key issues for consideration.</li> <li>• <b>Saudisation</b> – 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 (Nitiqat) in KSA, which imposes a quota system for the hiring of Saudi nationals for all companies in the private sector. Nitiqat classifies companies into three categories according to their Saudisation levels: <ul style="list-style-type: none"> <li>– Platinum</li> <li>– Green (with subcategories of High, Medium and Low)</li> <li>– Red</li> </ul> </li> </ul>

Jurisdiction	Hot Topics for 2024
	<p>Companies in the Platinum and High Green categories are able to 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 Nitiqat 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 Nitiqat classification.</p> <p>Ministerial Decision 182495 (dated 11/10/1442H) introduced the following changes to Saudisation:</p> <ul style="list-style-type: none"> <li>– Employers shall have three years to adjust their recruitment plans and ensure compliance.</li> <li>– The Ministry of Human Resources and Social Development (MHRSD) has reduced the corresponding economic activities (based on the business sector in which the employer operates) from 85 to 32 categories.</li> <li>– 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.</li> </ul> <p>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).</p>
Singapore	<ul style="list-style-type: none"> <li>• <b>Workplace Fairness Act expected in the second half of 2024</b> – Singapore will have its first anti-discrimination legislation dealing with workplace discrimination in 2024. It is expected to come into effect after July 2024. In the new Workplace Fairness Act, “discrimination” will be defined as making an adverse employment decision because of any protected characteristic. 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 legislation will require employers to put in place grievance-handling processes and compulsory mediation for workplace discrimination claims. With this Act coming into force, discriminatory employment practices will be an offence, with potential exposure to prosecution for offences and also civil claims. A Tripartite Advisory with guidance on the provision of reasonable accommodations for persons with disabilities is expected to be introduced around the same time as the Workplace Fairness Act.</li> <li>• <b>Tripartite Guidelines on Flexible Working Requests</b> - A new set of guidelines requiring employers to consider flexible working requests was introduced on 16 April 2024, to come into effect on 1 December 2024. The intention behind the guidelines is to enable those with caregiving responsibilities to continue working or to return to work, allowing employers access to a wider talent pool.</li> </ul> <p>Employers should review their recruitment and employment processes to ensure compliance with the new Workplace Fairness Act, the Tripartite Advisory and the Tripartite Guidelines.</p> <ul style="list-style-type: none"> <li>• <b>Tripartite Guidelines on the use of restrictive covenants</b> – Restrictive covenants are clauses in employment contracts that restrict employees from finding new roles. The new Tripartite Guidelines, targeted to be released in the second half of 2024, are meant to provide guidance on the reasonable use of such clauses, help educate employers and shape norms.</li> <li>• <b>Extension of COMPASS framework</b> – In September 2023, Singapore introduced a new 40-point-based system for new employment passes. The COMPASS framework evaluates employment pass applications based on a set of individual and company-related attributes. This new framework will be applicable to renewal applications of employment passes that expire on or after 1 September 2024. Employers should look ahead and take the necessary steps to ensure that their employment pass holders will be able to score 40 points on COMPASS when it comes time to apply for renewal of their employment passes.</li> </ul>

Jurisdiction	Hot Topics for 2024
	<ul style="list-style-type: none"> <li>• <b>Enhancement of paternity leave and extension of unpaid infant care</b> – Male employees of Singaporean children born on or after 1 January 2024 can now potentially take four weeks of government-paid paternity leave (GPPL), up from the previous two weeks. The extension of GPPL is not mandatory. The additional two weeks of leave may be granted by employers on a voluntary basis and the government will reimburse the relevant costs where the leave is so granted. Furthermore, since 1 January 2024, parents of Singaporean children under 2 years of age are entitled to 12 days’ unpaid infant care leave per year, up from the previous limit of six days.</li> </ul>
Slovak Republic	<ul style="list-style-type: none"> <li>• <b>Preparation for EU Pay Transparency Directive</b> – As in Poland, bridging the gender pay gap is a topical issue for 2024 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.</li> <li>• <b>Landmark ECJ ruling on annual leave entitlements in unlawful termination cases</b> – In October 2023, the ECJ gave a surprising decision in a case initiated by the Supreme Court of the Czech Republic. Prior to this case, the Slovak Courts had consistently ruled that employees who had been unlawfully terminated and then reinstated did not accrue annual leave between the date of termination and the date of reinstatement on the basis that during this period the employee did not work for the employer. In the ECJ’s view, however, this case law was contrary to EU law. In case C-57/22, the ECJ concluded that the period between termination and reinstatement should be treated as working time for the purpose of any annual leave calculation. Accordingly, an employee’s annual leave entitlement should accrue during the period when they were unable to work because of the unlawful termination, even though they were already entitled to compensation for their wages during this period. From a practical point of view, this means that when employers are evaluating the financial risks associated with an unlawful termination dispute, they should take into account the need to reimburse an employee for accrued but unused annual leave as well as wage compensation for up to 36 months. This case has had a significant practical impact in the Slovak Republic, because of many similarities with Czech legislation and case law.</li> <li>• <b>Dissatisfied workforce</b> – Recent polls suggest a high number of dissatisfied employees in the Slovak Republic. Motivation is low and engagement is lacking, which inevitably results in reduced productivity. The recent phenomenon of “quiet quitting”, which refers to employees doing the bare minimum and putting in no more effort than is necessary, only confirms this. This negative trend raises many concerns for employers, which will have to be addressed, e.g. by offering sufficient incentives to motivate them.</li> <li>• <b>EU CSRD</b> - 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.</li> <li>• <b>Using AI in the workplace</b> - Given the growing trend of integrating AI at all levels of business operations, 2024 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.</li> </ul>

Jurisdiction	Hot Topics for 2024
Spain	<ul style="list-style-type: none"> <li>• <b>Various legislative changes</b> – The investiture agreement entered into by Spain’s Socialist Workers’ Party (PSOE, led by prime minister, Pedro Sanchez) and Sumar (led by Yolanda Diaz) in order to form the new coalition government contains potential new labour reforms that will have a direct impact on Spanish companies. Companies need to be alive to these new measures, especially as they are likely to be approved from time to time rather than on a specific date via a single piece of legislation. Potential changes include the following: <ul style="list-style-type: none"> <li>– <b>Changes in compensation for unfair dismissals</b> – The investiture agreement includes measures that would require employers to calculate severance pay based on the circumstances of the dismissal. So, for example, an employee who is dismissed at age 60 would be entitled to more compensation because they would find it more difficult than a younger employee to rejoin the labour market. If this change is introduced, it would mean that unfair dismissal compensation could be significantly higher than current compensation levels.</li> <li>– <b>Reduction in working hours</b> – PSOE and Sumar have proposed reducing working hours from 40 to 38.5 hours per week in 2024, culminating in a maximum working week of 37.5 hours in 2025. Such a reduction in working hours would not be accompanied by any reduction in pay, so this would mean employees working fewer hours for the same pay. This measure would affect an estimated 11 million private sector employees who currently have a 40-hour working week. Such a reduction would 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.</li> <li>– <b>Extension of parental leave</b> – Both political parties propose extending maternity and paternity leave from the current 16 weeks to 20 weeks. According to the investiture agreement, during the additional four weeks there would be more flexibility to combine leave with part-time work. The Minister for Social Rights, Consumer Affairs and Agenda 2030 has also recently brought forward changes to childcare leave, which will be included in the Families Act. The current eight-week parental leave period is expected to be partially paid (up to 4 weeks).</li> <li>– <b>Implementation of LGBTI plan</b> – Prior to 2 March 2024, companies with more than 50 employees must have a mandatory LGBTI plan in place, which includes an action protocol for dealing with harassment or violence against lesbian, gay, bisexual, transgender and intersex (LGBTI) people. According to Law 4/2023, of 28 February, it must include a planned set of measures guaranteeing the effective equality of LGBTI people and eradicating situations of discrimination. These measures must be agreed through collective bargaining and agreed with workers’ representatives.</li> <li>– <b>Preparation for EU Pay Transparency Directive</b> – 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.</li> </ul> </li> <li>• <b>Implementation of other EU Directives:</b> <ul style="list-style-type: none"> <li>– <b>Implementation of the EU’s Transparent and Predictable Working Conditions Directive</b> - On 16 February 2024, the Draft Law on Transparent Working Conditions was published, which includes the following measures: (i) the right to receive in writing the essential aspects of the employment relationship and foreseeable conditions; (ii) the obligation to formalise all employment contracts in writing and to inform about essential elements; (iii) new regulations to treat contracts as indefinite and full-time in the event of certain breaches; (iv) changes to the working time register for part-time workers; and (v) modifications to the probationary period, among other measures.</li> <li>– <b>Implementation of the EU Work-life Balance Directive</b> - On 27 February 2024, the Council of Ministers approved the Draft Law on Families, with three basic objectives: (i) to recognise the different family situations that exist in Spain; (ii) to improve the social protection of families; and (iii) to guarantee the right to reconcile family life with work.</li> </ul> </li> </ul>

Jurisdiction	Hot Topics for 2024
	<ul style="list-style-type: none"> <li>• <b>EU CSRD</b> - 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 now 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.</li> </ul>
<b>United Arab Emirates</b>	<ul style="list-style-type: none"> <li>• <b>UAE introduces new end-of-service investment scheme</b> – The UAE Cabinet recently announced a change to the end-of-service gratuity scheme applicable for non-GCC national employees. With effect from 10 October 2023, Cabinet Decision No. 96 of 2023 introduces changes to the end-of-service gratuity scheme (assuming employers decide to opt in) and establishes a voluntary alternative scheme for non-GCC national employees based onshore UAE and within certain UAE free zones (excluding the Dubai International Financial Centre (DIFC)). It has yet to be confirmed as to whether the new scheme will be adopted by the Abu Dhabi Global Market (ADGM). <p>The new scheme allows employers to offer their employees the opportunity to opt in to a voluntary end-of-service benefits scheme, as an alternative to the existing one-off end-of-service gratuity payment regulated by Federal Decree Law No.33 of 2021.</p> <p>The new scheme operates on the basis of monthly contributions made by employers to an investment fund, through a subscription.</p> <p>The primary objective of the scheme is to ensure that employees receive their end-of-service benefits by safeguarding employees from economic instabilities such as inflation and employer insolvency. The authorities also expect the new scheme to create opportunities for savings and investments, thereby enhancing the appeal and flexibility of the labour market for employees. For example, under the new scheme, employees will have the option to choose investment options based on their risk appetite (low, medium and high risk, as well as a Sharia-compliant investment option).</p> <p>The new Cabinet Decision is silent with regards to how existing end-of-service gratuity accruals shall be dealt with under the new scheme. It is possible that the UAE Cabinet may provide employees with the option to “roll in” any accrued end-of-service gratuity to the new scheme and invest the funds (which would be similar to the approach adopted by the DIFC, whereby an employee savings scheme was introduced to replace the provision of end of service gratuity payments).</p> <p>Employers are required to make basic contribution payments, with the specified amount being 5.83% of a full-time employee’s monthly basic salary if their service period does not exceed five years, and 8.33% if their service period exceeds five years. Employees may not withdraw the contributions made by their employer during the course of their employment.</p> <p>Employers have the option to allow employees to make voluntary contributions, either as a percentage of their gross salary or an additional amount. Unlike the basic contribution payments made by the employer, these voluntary contributions can be withdrawn by the employee during the course of their employment.</p> <p>The new scheme is now available to apply for and employers interested in participating in the new scheme may formally request a subscription through the Ministry of Human Resources and Emiratisation.</p> </li> <li>• <b>New Emiratisation rules</b> – From 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 UAE government has previously introduced an “Emiratisation” policy for the private sector (onshore UAE only), 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. However, from 1 January 2024, the scope of the Emiratisation rules was expanded to companies employing between 20 and 49 employees and engaging in specific activities. Companies caught by the new law are required to hire one Emirati national before 31 December 2024, and another 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. The new rules will be applied to targeted establishments across 14 key economic sectors, including information and communications; financial and insurance activities; real estate; professional and technical activities; administrative and support services; arts and entertainment; mining and quarrying; transformative industries; education; healthcare and social work; construction; wholesale and retail; transportation and warehousing; and hospitality and residency services.</li> </ul>


















Jurisdiction	Hot Topics for 2024
	<ul style="list-style-type: none"> <li> <p><b>New UAE Federal Mental Health Law (“Mental Health Law”)</b> – Effective as of 30 May 2024, the new Mental Health Law has come into force. The new law applies across the UAE, with the exception of the financial free zones, the ADGM and DIFC. The goal of this new law is to secure the rights of psychiatric patients and ensure the provision of the best physical and mental care. The Mental Health Law applies to individuals classified as “Psychiatric Patients”, which is defined under the law as individuals who are experiencing disturbances in thinking, mood, behaviour, perception, memory, and/or other mental abilities that significantly impact social, employment, or educational functions or lead to psychiatric suffering. These disorders align with recognised psychiatric classifications by international organisations and bodies.</p> <p>From an employment perspective, the law provides that a psychiatric patient shall have the right not to have any restrictions on their employment due to their mental condition. In addition, an employer is prohibited from terminating an employee’s employment if the employee is suffering from a mental disorder unless the employer has obtained a report issued by a specialised medical committee and terminates the employment in accordance with other UAE laws. It is unclear at this stage how and where such a specialised medical committee will be formed however, the Mental Health Law is subject to implementing regulations which are due to be published within one year of the publication of the law and we expect further guidance in this regard. Employers are also obliged to maintain strict confidentiality regarding an employee’s mental health information, safeguarding their privacy and dignity in the workplace.</p> <p>The Mental Health Law imposes a broad range of penalties for violations of the law, including potential imprisonment and monetary fines between AED 50,000 to AED 200,000. The law does not however currently link an employer’s breach of its corresponding obligations to prescribed penalties set out under the law – we expect the implementing regulations to provide more detail around enforcement of the Mental Health Law.</p> </li> <li> <p><b>New UAE Data Protection Law (UAE DP Law)</b> – 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 Q3/4 2024, 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.</p> </li> </ul>
UK	<ul style="list-style-type: none"> <li> <p><b>Sexual harassment</b> – The Worker Protection (Amendment of Equality Act 2010) Act 2023 places a new pre-emptive duty on employers to take “reasonable steps” to prevent sexual harassment in their workplace. It is due to come into force in October 2024. Please see our recent <a href="#">guide</a> on the practical steps that employers can take to comply with this new duty. Sexual harassment remains a high-profile issue and employers should therefore review the steps they currently take to prevent sexual harassment in the workplace and consider whether they might need to do more to satisfy any mandatory duty.</p> </li> <li> <p><b>Potential legislative changes</b> - There are various legislative changes due to come into force in 2024. Our <a href="#">UK L&amp;E Looking to Q3 2024 and Beyond Board Briefing</a> includes a tracker which aims to provide boards with a guide to key upcoming legal changes, including critical dates, suggested actions and an assessment of any risk/opportunities arising. However, with a general election in July and further details of the parties’ proposals coming thick and fast (many of which relate to employment law and some of which may even be genuine), the reality is that all of this could be subject to change to a greater or lesser degree almost immediately.</p> </li> <li> <p><b>AI</b> – 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.</p> </li> </ul>

Jurisdiction	Hot Topics for 2024
USA	<ul style="list-style-type: none"> <li> <p><b>Federal Trade Commission (FTC) non-compete ban</b> – The FTC, a US federal agency, has issued its final Non-Compete Rule, effectively banning employee non-compete agreements throughout the US, declaring them to be an “unfair method of competition” in violation of Section 5 of the FTC Act. The final rule will ban new non-competes for all workers and will retroactively invalidate all existing non-competes except for senior executives (individuals working in policy-making positions earning more than US\$151,164 annually). This rule will become effective on September 4, 2024; however, delays are expected as legal challenges to this rule are already underway. The status of the final rule should be closely watched as legal battles unfold. Employers should nonetheless begin considering non-compete alternatives for their workforce, as non-compete restrictions have been continuously restricted on a state-by-state basis, even independent of the FTC.</p> </li> <li> <p><b>Increasing employee protections</b> – A notable development in 2024 has been the increased federal protections for employees, including but not limited to pregnancy, sexual orientation and gender identity. In June 2023, Congress passed the Pregnant Workers Fairness Act (PWFA), which requires employers with 15 or more employees to provide a reasonable accommodation to employees affected by pregnancy, childbirth, or related medical conditions. The Equal Employment Opportunity Commission (EEOC) Final Rule interpreting the PWFA came into effect on June 18, 2024. The EEOC also published final guidance on harassment in the workplace on April 29, 2024, updating the federal guidelines to provide protections for transgender workers related to misgendering and the denial of bathroom access. The definition of harassment has been expanded to include sexual orientation and gender identity. The EEOC guidance and PWFA should serve as guideposts for employers when reviewing their policies to ensure compliance.</p> </li> <li> <p><b>FLSA overtime exemptions salary threshold</b> - Employers are more restricted in determining which employees can be exempt from overtime compensation requirements. The U.S. Department of Labor issued a final rule this year that raises the weekly salary threshold necessary to qualify for overtime exemptions under the FLSA. This new rule, set to become effective on July 1, 2024, raises the minimum salary thresholds for the executive, administrative, professional exemptions from US\$684/week (US\$35,568/year) to US\$844/week (US\$43,888/year) and the highly compensated employee exemption from the annual salary of US\$107,432 to US\$132,964 in 2024. The thresholds are set to further increase on January 1, 2025. The salary threshold increase will directly impact how employers classify and compensate their employees, ultimately expanding overtime eligibility. Employers should review their exemption classifications and salaries of exempt employees to ensure they are still compliant with FLSA. Note also that certain states have minimum salary thresholds that are higher than even the new federal FLSA standard.</p> </li> <li> <p><b>AI</b> – As with many other jurisdictions, AI is a hot issue that will impact most US employers in 2024. The legal landscape has not yet caught up with the quick integration of AI into the workplace, as organisations are incorporating AI tools into their hiring and employment practices at an unprecedented rate. Colorado recently passed a new law, “CAIA”, which will go into effect on February 1, 2026 and is designed to regulate the private-sector use of AI systems and impose obligations on Colorado employers, including affirmative reporting requirements. Other states and cities will be sure to follow. While these AI tools are widely believed to promote efficiency and innovation, it is clear they are still being tested, and create a host of legal and compliance issues for employers.</p> </li> </ul>

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

# Contacts

Please speak to your usual contact in the Labour & Employment team or one of the following:

Asia	Australia	Belgium	Czech Republic
 <p><b>Julia Yeo</b> Partner, Singapore T +65 6922 8671 E julia.yeo@squirepb.com</p>	 <p><b>Nicola Martin</b> Partner, Sydney T +61 2 8248 7836 E nicola.martin@squirepb.com</p>  <p><b>Kim Hodge</b> Partner, Perth T +61 8 9429 7406 E kim.hodge@squirepb.com</p>	 <p><b>Marga Caproni</b> Partner, Brussels T +322 627 7620 E marga.caproni@squirepb.com</p>	 <p><b>Sabina Krajičková</b> Of Counsel, Prague T +420 221 662 262 E sabina.krajickova@squirepb.com</p>
France	Germany	Italy	Latin America
 <p><b>Pauline Pierce</b> Partner, Paris T +33 1 5383 7391 E pauline.pierce@squirepb.com</p>	 <p><b>Tanja Weber</b> Partner, Berlin T +49 30 72616 8106 E tanja.weber@squirepb.com</p>	 <p><b>Elsa Mora</b> Counsel, Milan T +39 02 7274 2001 E elsa.mora@squirepb.com</p>	 <p><b>Jose Martin</b> Of Counsel T + 305 577 2816 E jose.martin@squirepb.com</p>
Middle East	Poland	Slovak Republic	Spain
 <p><b>Sarah Lawrence</b> Partner, Dubai T +971 4 447 8700 E sarah.lawrence@squirepb.com</p>	 <p><b>Malgorzata Grzelak</b> Partner, Warsaw T +48 22 395 5528 E malgorzata.grzelak@squirepb.com</p>	 <p><b>Tatiana Prokopová</b> Partner, Bratislava T +421 2 5930 3433 E tatiana.prokopova@squirepb.com</p>	 <p><b>Ignacio Regojo</b> Partner, Madrid T +34 91 426 4804 E ignacio.regojo@squirepb.com</p>
UK	US		
 <p><b>Alison Treliving</b> Partner and Global Co-Head, Labour &amp; Employment Practice, Manchester T +44 161 830 5327 E alison.treliving@squirepb.com</p>	 <p><b>Meghan Hill</b> Partner and Global Co-head, Labour and Employment Practice, Columbus, T +1 614 365 2720 E meghan.hill@squirepb.com</p>		

SQUIRE   
PATTON BOGGS  
[squirepattonboggs.com](https://squirepattonboggs.com)