

Global Snapshot

Hot Employment Law Topics for 2025
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. Here is what they shared with us to help you in your decision-making for 2025 and beyond.

As can be seen from the “at a glance” table below, 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.

There are two observations we would make in relation to these changes. First, 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.

Secondly, it remains to be seen the extent to which recent political changes in certain jurisdictions will impact legislative changes, whether in 2025 or beyond. Only last week, for example, President Trump in the US made clear his plans to roll back on many Diversity, Equity and Inclusion (DEI) initiatives. It will be interesting to see what (if any) the ripple effect of such changes might be elsewhere. We will of course keep you updated!

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.

Hot Topics for 2025



Legislative and/or
other changes relating
to worker rights



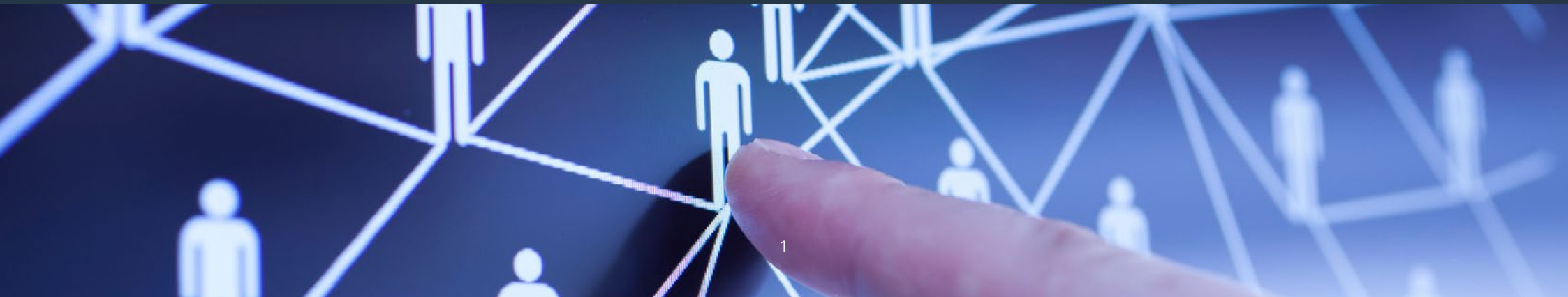
EU Pay
Transparency Directive



New environmental,
social and governance
(ESG) reporting
obligations



Artificial intelligence
(AI)





Legislative and/or Other Changes Relating to Worker Rights

2025 appears to be a particularly busy year on the legislative front, with many jurisdictions introducing local legislative changes during 2025. From a reduced working week in Spain to significant changes to labour law in Saudi Arabia, employers should ensure they prepare for these changes to avoid claims and other liabilities.

In some jurisdictions you will see that local legislative changes have been put on hold following political elections last year, and the ongoing political negotiations and consequent uncertainty.

Key decisions on the case law front are also anticipated in certain countries, including Australia, Brazil and Italy.



EU Pay Transparency Directive

As we flagged last year, 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, it is crucial that affected companies make a start now (to the extent they have not already done so) to ensure they are able to 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 remain high on the agenda for affected companies during 2025.



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

ESG reporting remains a hot topic, at least in the EU, where there remains 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 were required to bring into force local implementing legislation by 6 July 2024, which must 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 should be reviewing 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.



Artificial Intelligence (AI)

As the commentaries below note, it will be no surprise that AI continues to be a hot topic for 2025. 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.

The headlines are highlighted on pages 3 and 4 below, and more detail about each can be found in the fuller commentaries specific to each jurisdiction – simply click on the relevant flag for more information.

At a Glance – Hot Employment Law Topics for 2025

 Australia <ul style="list-style-type: none"> • Potential changes in relation to restraints/noncompete clauses • Case law on the new “right to disconnect” and new rights for certain labour hire workers • Continuing focus on the use of AI in the workplace 	 Belgium <ul style="list-style-type: none"> • Still no national government – legislative standstill continues • ESG reporting – EU CSRD • Preparation for EU Pay Transparency Directive • Increase in “burnout” and other long-term absences 	 Brazil <ul style="list-style-type: none"> • Legislative discussions on changes to the working week • Key rulings from the Brazilian Supreme Court, including on the employment status of platform workers 	 China <ul style="list-style-type: none"> • Increase in statutory retirement ages • Implementation of the flexible retirement system • New rules on employee disability benefits
 Czech Republic <ul style="list-style-type: none"> • 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 CSRD • Continuing focus on the use of AI in the workplace 	 France <ul style="list-style-type: none"> • Changes to business immigration rules concerning sanctions and language requirements for foreign workers • Obligations on companies with 11-49 employees to introduce profit-sharing schemes in 2025 • ESG reporting – EU CSRD scope expands in 2025 	 Germany <ul style="list-style-type: none"> • 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 • ESG reporting – EU CSRD – update 	 Hong Kong <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Preparation for EU Pay Transparency Directive • Various legislative changes that relate to worker rights • 2025 Budget Law • ESG reporting – EU CSRD • New definition of disability and reasonable accommodations • New case law on an employee’s right to reinstatement in unlawful dismissal cases 	 Netherlands <ul style="list-style-type: none"> • Various legislative changes, including in relation to freelancers and self-employed professionals, changes to (tax) expat scheme and CO2 reporting obligations • Implementation of EU Pay Transparency Directive and EU Platform Work Directive • Local legislative proposals, including limitation of the statutory severance compensation scheme and stricter rules for noncompete clauses 	 Poland <ul style="list-style-type: none"> • Various legislative changes, many of which relate to worker rights • ESG reporting – EU CSRD • Preparation for EU Pay Transparency Directive 	 Saudi Arabia (KSA) <ul style="list-style-type: none"> • Changes to KSA Labour Law • New three-year Saudisation plan • Increased flexibility for the engagement of foreign nationals • Regional Headquarters (RHQ) programme – update

<p> Singapore</p> <ul style="list-style-type: none"> • Implementation of the first Workplace Fairness Bill • The second Workplace Fairness Bill and Tripartite Advisory on providing accommodations to 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 	<p> Slovak Republic</p> <ul style="list-style-type: none"> • Preparation for EU Pay Transparency Directive • ESG reporting – EU CSRD • A new focus by the Slovak Antimonopoly Office on nonpoaching agreements • Mandatory contribution towards the sporting activities of employees’ children • Transferability of recreation vouchers • Continuing focus on the use of AI in the workplace 	<p> Spain</p> <ul style="list-style-type: none"> • Various legislative changes, many of which relate to worker rights • Preparation for EU Pay Transparency Directive • ESG reporting – EU CSRD 	<p> United Arab Emirates</p> <ul style="list-style-type: none"> • Emiratisation rules • UAE Data Protection Law – further details due to be published in Q1/2 2025 • UAE Labour Law amendments • Abu Dhabi Global Market (ADGM) Whistleblowing Regulations • Individuals and entities convicted of financial fraud • ADGM Employment Regulations 2025
<p> United Kingdom</p> <ul style="list-style-type: none"> • Preparation for various legislative changes, many of which relate to worker rights • Workplace investigations • Continuing focus on the use of AI in the workplace 	<p> USA</p> <ul style="list-style-type: none"> • Expanded employee protections regarding pregnancy, sexual orientation and gender identity, and other state level protections and rights • Continuing focus on the use of AI in the workplace • Marijuana in the workplace • Immigration workplace enforcement and strict visa adjudications 		



Jurisdiction	Hot Topics for 2025
Australia	<ul style="list-style-type: none"> • Restraints/noncompete clauses – We anticipate further developments in this area during 2025, in light of concerns by the Australian government that noncompete and related clauses are potentially hampering job mobility, innovation and wage growth in industries where they are prevalent. It remains to be seen at this stage what further policy action the government will take, but this is 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 following the introduction last November of new legislation 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 test case will be whether BHP’s in-house labour suppliers are providing labour or a service; it is likely to be heard by a full bench of the Fair Work Commission starting in the second half of January. • 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 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 businesses will need to ensure that they keep abreast of any new developments. • Further details of these changes, as well as other topical developments in Australia, can be found in our recent Board Briefing.

Jurisdiction	Hot Topics for 2025
Belgium	<ul style="list-style-type: none"> • Political elections – National elections took place in June 2024, but there is still no government. The legislative standstill may therefore continue for some time yet. Notes that were leaked from the negotiations suggest there may, however, be important changes in several areas, such as a number of measures aimed at simplifying Belgian labour law, adapting it to the evolving needs and preferences of employers and employees, including: <ul style="list-style-type: none"> – Giving more flexibility to define working hours within the applicable European legal framework – Making vacation days transferable – Abolishing the ban on Sunday work/night work and working on public holidays – Loosening regulations on opening hours and providing for a structural and uniform arrangement for tax beneficial overtime – Simplifying the lending of personnel <p>The notes also included the following proposed measures:</p> <ul style="list-style-type: none"> – Automatic indexation to cost of living is being reviewed – Maximum value of meal vouchers (a tax and social security free benefit) would be increased – Significant changes to the pension system are expected • EU CSRD – While a draft bill to implement the CSRD was introduced at the end of 2023, its implementation has been 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. • 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 it already has legislation in place that at least partially meets the objectives of the Directive, means that this has not been a hot topic in Belgium in 2024, nor will it be in the first half of 2025. Depending on the current level of pay transparency, and the specific needs and goals of the company, it would however be prudent 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 and consider whether they might need to do more to satisfy their duties with respect to health and safety. • See our recent blog for details of local legislative changes in 2025

Jurisdiction	Hot Topics for 2025
Brazil	<ul style="list-style-type: none"> • 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 is expected to start being debated in February 2025, when parliament returns from its recess. • Key rulings from the Brazilian Supreme Court – Several important labour issues are expected to be reviewed by the Brazilian Supreme Court during 2025, including: <ul style="list-style-type: none"> – The employment status of platform workers – A ruling on the employment status of platform workers (e.g. delivery couriers and app-based drivers) is a key issue and will have general repercussions. According to previous statements made by the Supreme Court judges, the trend is not to recognise an employment relationship in such circumstances, but this debate is not finished. A ruling not to recognise the employment status of such workers is likely to put pressure on the government to regulate the matter. – Enforcing awards against group companies – If a company has been held liable in a labour lawsuit, is it possible to add in a different group company at the enforcement stage of the proceedings, even if it was not a party to the original lawsuit? The current position is that such companies can only be added to the proceedings at the enforcement stage if it can be demonstrated that there was an abuse of legal personality, such as a deviation from the company’s purpose, asset confusion or fraud against creditors. This position is not yet definitive and, as set out above, the Supreme Court is expected to rule on the matter in 2025. • The Superior Labour Court is also expected to decide when and how nonunionised workers can exercise their right to opt out of paying trade union contributions, a matter that would directly affect union funding.
China	<ul style="list-style-type: none"> • 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 ages 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.

Jurisdiction	Hot Topics for 2025
Czech Republic	<ul style="list-style-type: none"> <p>• Update to the Czech Labour Code – Following the 2024 comprehensive amendment to the Labour Code, another significant update is currently in the legislative process and is expected to take effect in spring 2025. The proposed changes include shortening the notice period required for dismissals due to poor performance 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 will be 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 current regulation that prohibits such extensions. The amendment to the Labour Code would also provide 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 will also be required to guarantee the same job position for employees on parental leave until their child reaches the age of two. Another proposed change lifts restrictions on the renewal of fixed-term contracts for individuals who are substituting for employees on maternity or parental leave, 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 directly from their employer. Instead, compensation will be paid by the insurance company, with the amount being paid remaining the same as the current severance pay amount – equivalent to 12 times the employee’s average salary. Finally, the amendment will also make it possible, in certain circumstances, for employers and employees to agree that an employee’s salary be paid in a currency other than Czech koruna.</p> <p>• 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 CZK300,000. This penalty aligns with the fine imposed for not concluding a written agreement for remote working arrangements.</p> <p>• New threshold limits for employee benefits – The cap that was introduced in 2024 on nonmonetary leisure benefits, set at 50% of the average wage, has significantly influenced how companies provide benefits to employees. To mitigate this negative impact, a separate cap for health-related benefits has been approved, 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 CZK46,557 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 CZK23,278 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.</p> <p>• Agreements to perform work (<i>Dohody o provedení práce</i>) (DPP) – update – The highly debated changes to DPP have not ultimately been adopted as originally proposed, particularly the 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 CZK4,500 per relevant calendar month. Nonetheless, this legislative change has been repealed, and the following rules for agreements to perform work will apply:</p> <ul style="list-style-type: none"> – 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 (CZK11,500 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.

Jurisdiction	Hot Topics for 2025
	<ul style="list-style-type: none"> • 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 upcoming EU AI Act, businesses must ensure compliance with strict requirements for transparency, accountability and risk management when deploying AI tools in 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.
France	<ul style="list-style-type: none"> • Business immigration – 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 they 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. • Profit sharing – 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 (<i>accord de participation aux résultats</i>) or a voluntary profit-sharing scheme (<i>accord d'intéressement</i>) 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 (<i>plan d'épargne salariale</i>) or paid as a value sharing bonus (<i>prime de partage de la valeur</i>) 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 at least 50 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 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. 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. It is recommended that employers enter into an in-house agreement that sets out during which consultation exercises the information on sustainability will be covered. Such an agreement should be agreed during 2025 prior to the period during which the mandatory consultations must take place.

Jurisdiction	Hot Topics for 2025
Germany	<ul style="list-style-type: none"> • 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 will be reduced to €175,000 for couples and single parents. Starting in January 2025, the hourly minimum wage will rise 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 (<i>Arbeitszeitgesetz</i>) and changes to the Family Start Time Act (<i>Familienstartzeitgesetz</i>). Forthcoming changes will depend on the outcome of the elections in February 2025 and the consequential formation of government. • Simplification of bureaucracy – On 1 January 2025, the Fourth Bureaucracy Relief Act (<i>Viertes Bürokratieentlastungsgesetz</i>) 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 (<i>Gesetz über Teilzeitarbeit und befristete Arbeitsverträge</i>). Additionally, notices of termination, termination agreements and post-contractual noncompetition 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, or 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 (<i>Einkommenssteuergesetz</i>), they are taxed more favourably by applying the “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 (<i>Wachstumschancengesetz</i>), 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 ongoing 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 current government crisis. The European Commission initiated infringement proceedings against Germany on 26 September 2024. A new CSRD implementation act is not expected until after the new Bundestag elections, so we are looking at autumn 2025 at the earliest. <p>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.</p> <p>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.</p>

Jurisdiction	Hot Topics for 2025
Hong Kong	<ul style="list-style-type: none"> • 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 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. • Review of statutory minimum wage –The Hong Kong government is reviewing the statutory minimum wage for Hong Kong. It is expected that the change (if any) would take 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 will be abolished for future liabilities from 1 May 2025 with no retrospective effect. 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, and 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: <ul style="list-style-type: none"> – 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	<ul style="list-style-type: none"> • EU Pay Transparency Directive (not implemented yet) –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 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. • Legislative changes – On 11 December 2024, the draft law <i>DDL Collegato Lavoro</i> 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. 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 15 days, the law 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 (“<i>Naspi</i>”). Furthermore, the law 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. 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 be 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 (<i>Decreto Milleproroghe</i>).

Jurisdiction	Hot Topics for 2025
	<ul style="list-style-type: none"> <p>• 2025 Budget Law – The Budget Law for 2024 established that, from 2024 onwards, parents were 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. This two-month parental leave period has been extended to three months by the 2025 Budget Law. For any additional months of parental leave, the allowance will remain at 30%. Thus, the maximum duration of parental leave has not changed, but the economic treatment of employees has improved.</p> <p>According to the 2025 Budget Law, the threshold for tax- and social contributions-exempt fringe benefits will continue to be €1,000, and €2,000 for workers with dependent children.</p> <p>• EU CSRD – The CSRD has recently 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 “nonfinancial disclosure”) in compliance with the ESRS. The CSRD 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” of ESG, 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 workers’ representatives and the company, as it requires employers (in compliance with the relevant applicable law and agreements) to inform the workers’ representatives at the appropriate level and discuss with them relevant information and the means of obtaining and verifying sustainability information.</p> <p>• Disability and reasonable accommodations definition – 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 that 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. According to the Legislative Decree, the person with a disability is entitled to submit a written request to the employer asking for reasonable accommodations to be adopted. The employee will also have the right to be involved in the process and evaluation of such accommodations.</p> <p>• Case law on an employee’s right to reinstatement in unlawful dismissal cases – During 2024, the Italian Constitutional Court issued two important decisions dealing with an employee’s right to reinstatement following dismissal. On 16 July 2024, the court declared that Article 3, paragraph 2 of Legislative Decree No. 23/2015 was unconstitutional, insofar as it excludes reinstatement where a court finds that the facts underlying a dismissal for a justified objective reason do not exist. Furthermore, in a separate decision, it established that reinstatement also applies to disciplinary dismissals where an employee’s alleged conduct is sanctioned by the relevant national collective bargaining agreement with a more conservative measure. Employers should be aware of the additional scope for the Italian courts to order reinstatement.</p>
<p>Netherlands</p>	<ul style="list-style-type: none"> <p>• Various legislative changes – A number of changes come into force this year. Key changes include:</p> <ul style="list-style-type: none"> <p>– Freelancers and self-employed professionals – There is an increasing focus on freelancers and self-employed professionals (zzp’ers). With the lifting of the “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. With regard to 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). 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.</p>

Jurisdiction	Hot Topics for 2025
	<ul style="list-style-type: none"> – Changes to (tax) expat scheme – From 2025, the Dutch tax authorities will use the term “expat scheme” for what is currently called the “30% scheme”. This is a scheme that 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 (up from €233,000 in 2024). In 2025, a maximum of €73,800 can therefore be paid out tax-free under the expat scheme (up from €69,900 in 2024). – CO2 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. • Local legislative proposals – Anticipated locally driven legislative proposals during 2025 include: <ul style="list-style-type: none"> – Limitation of the statutory severance compensation scheme – The statutory severance compensation (<i>transitievergoeding</i>) 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 Xella ruling 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 noncompete clauses – The government’s legislative proposal provides for stricter rules in respect of noncompete 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: <ol style="list-style-type: none"> (a) The maximum duration of a noncompete clause will be 12 months. (b) The geographical scope of a noncompete clause must be specified when entering into it. (c) The compelling business or service interest (<i>zwaarwegende bedrijfs- of dienstbelangen</i>) for a noncompete clause must be included in writing in all employment contracts (not only in fixed-term employment contracts, as is currently the case). (d) The employer must invoke the noncompete clause in a timely manner and in writing, stating the number of months for which it will be invoked. (e) The employer is obliged to pay the employee compensation if it invokes the noncompete clause. The compensation amounts to 50% of the last earned monthly salary for each month that the clause operates.

Jurisdiction	Hot Topics for 2025
Poland	<ul style="list-style-type: none"> • Various legislative changes – There are various legislative changes due to come into force in 2025 for employers to be aware of. Key changes include: <ul style="list-style-type: none"> – Minimum wage increases – The full-time minimum wage is set to be increased in 2025, as it is in every year. In 2025, unlike in the last two previous years, there is only expected to be one increase, rather than two. As of 1 January 2025, the gross minimum wage is PLN4,666 monthly, and a minimum hourly rate for contractors is set at PLN30.50. – Additional bank holiday – From 2025, Christmas Eve (24 December) will be a bank holiday in Poland. – Supplementary maternity leave – From March 2025, parents of children born before 37 weeks of pregnancy and/or with a birth weight of below 1kg will have the right to supplementary maternity leave for each week the child is hospitalised. – New collective agreement legislation – The new Collective Agreement Act was due to take effect in early 2025, but is now likely to be later in 2025. The new Act is intended to facilitate negotiations between employers and trade unions, including defining what is covered by a collective agreement, simplifying registration with the National Collective Agreements Register, providing mediators to help resolve disputes, defining the maximum duration of collective agreements, and regulating the withdrawal from and expansion of such agreements. – 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 has not yet been announced, but, once it is effective, employers will be obliged to amend any internal misconduct policies and communicate the changes to employees (e.g. by conducting training). – State Labour Inspection actions – According to the State Labour Inspection’s 2025-27 programme, it will be focusing chiefly on the legality of employing Polish and foreign nationals and 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 temperatures for premises and outdoor working. – New sick leave rules – New legislation will be introduced in 2025 that sets out certain sporadic, incidental or circumstance-induced 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 is 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 NFRD, came into force. Reporting on ESG issues will now 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. These reports will need to include information that is necessary for an understanding of the entity’s impact on sustainability issues and how sustainability issues affect the entity’s development, performance and position. Large companies with more than 500 employees and over PLN110 million balance sheet assets or PLN220 million net income already have to 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. 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” in ESG, 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. Moreover, such companies will have to consult with employee representatives on the sustainability information relevant to them, and on the means of obtaining and verifying that information. The opinion of the employee representatives will have to be communicated to the members of the supervisory board, where the entity has such a body. • 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.

Jurisdiction	Hot Topics for 2025
KSA	<ul style="list-style-type: none"> • Amendments to Saudi Labour Law – On 5 August 2024, the Ministry of Human Resources and Social Development (MHRSD) issued a guide setting out several amendments to the Saudi Labour Law (Royal Decree M/51). These changes were published in the Legal Gazette on 23 August 2024 and will take effect on 19 February 2025. Key updates include: <ul style="list-style-type: none"> – Employment contracts – Fixed-term contracts with no specified term will default to one year and automatically renew. Employers must clearly state housing and transportation allowances in contracts. – Probation – Probationary period is capped at 180 days, with no exclusions for public holidays or sick leave. – Saudisation – Noncompliance with Saudisation requirements may result in nonrenewal of work permits. – Nondiscrimination – Explicit prohibition of discrimination in recruitment and promotion, covering race, gender, disability and other factors. – Resignations – Deemed accepted if there is no employer response within 30 days; deferral is allowed for up to 60 days with justification. – Leave – Enhanced maternity leave (12 weeks) and new bereavement leave for the death of a sibling (three days). – Termination – Employees may terminate contracts due to resignation or employer bankruptcy. – Grievances – Expanded rights for employees to appeal disciplinary actions and penalties. • Employers are advised to review and amend employment contracts, HR policies and compliance strategies to align with the new requirements. Further implementing regulations and ministerial decisions are expected, which may clarify some of the provisions outlined above. • 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 (Nitaqat) in KSA, which imposes a quota system for the hiring of Saudi nationals for all companies in the private sector. Nitaqat 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 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 Nitaqat 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 Nitaqat classification. • Ministerial Decision 182495 (dated 11/10/1442H) introduced the following changes to Saudisation: <ul style="list-style-type: none"> – 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 years 1, 2 and 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). • 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 KSA 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 reapply 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.

Jurisdiction	Hot Topics for 2025
	<ul style="list-style-type: none"> • KSA Regional Headquarters (RHQ) programme – Effective 1 January 2024, KSA’s RHQ programme requires foreign companies to establish regional headquarters within the kingdom 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: <ul style="list-style-type: none"> – 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 KSA as a business hub in the Gulf, with significant benefits for foreign companies willing to establish operations within the country.
Singapore	<ul style="list-style-type: none"> • Implementation of the first Workplace Fairness Bill – New workplace fairness legislation is being introduced through two bills. Singapore introduced the first Workplace Fairness Bill in November 2024, and this was passed in Parliament on 8 January 2025. The Bill now requires the President’s Assent to become law and will come into force on a date to be notified in the Gazette. The Workplace Fairness Act will be Singapore’s first antidiscrimination 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 to 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 expanding 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 is expected, but is 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 will be 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, the current shared parental leave (under which a mother may share some of her government-paid maternity leave with the father of a Singaporean child) will cease and be replaced with a new scheme where 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 new Skillsfuture Jobseeker Support scheme will be rolled out on 1 April 2025. The scheme will be open to Singaporeans aged 21 and above at launch and extended to Singaporean permanent residents aged 21 and above from the first quarter of 2026. Eligible jobseekers may receive up to SG\$6,000 over six months. More information is expected to be shared closer to April 2025.

Jurisdiction	Hot Topics for 2025
Slovak Republic	<ul style="list-style-type: none"> <p>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.</p> <p>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” in ESG, 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.</p> <p>A new focus by the Slovak Antimonopoly Office on nonpoaching agreements – The Slovak Antimonopoly Office (AMO) has recently intensified its focus on nonpoaching agreements, reflecting a broader European trend to address anticompetitive practices in labour markets. The AMO initiated its first administrative proceeding against a suspected labour market cartel last year. It is expected that this will not be only one 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) nonpoaching 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.</p> <p>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 fewer than 50 employees may offer this allowance voluntarily.</p> <p>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.</p> <p>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.</p>

Jurisdiction	Hot Topics for 2025
Spain	<ul style="list-style-type: none"> • Various legislative changes – 2025 will be marked by a number of important legislative developments, including a reduction in working hours from 40 to 37.5 per week. The Spanish Minister of Labour aims to have a law in place shortly that will require affected companies to comply with the new rules from 31 December 2025. This measure will benefit more than 8 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 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.
United Arab Emirates	<ul style="list-style-type: none"> • 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 and 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 Q1/2 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 AED200,000 for violations has been raised to AED1 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.

Jurisdiction	Hot Topics for 2025
	<ul style="list-style-type: none"> • 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 projects 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 to 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 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 investigation, impose a travel ban or confiscate personal assets or funds of the violating employee. • New ADGM Employment Regulations – Effective 1 April 2025, the updated ADGM Employment Regulations introduce significant amendments. Key proposed changes include: <ul style="list-style-type: none"> – 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. antiharassment) are implemented. • Employers must prepare for these changes to avoid fines and liabilities.
UK	<ul style="list-style-type: none"> • 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 alert 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. This is likely to continue during 2025 in light of the ongoing focus on workplace culture and behaviour, including sexual harassment in the workplace. In the spotlight section of our most recent quarterly Board Briefing, we focus on workplace investigations setting out brief answers to some of the key questions that the board and senior management may have in relation to this issue, and our top five issues to consider when conducting an investigation. We will be running a series of webinars during 2025 on workplace investigations – further details to follow. • 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	<ul style="list-style-type: none"> <p>Increasing employee protections and paid leave – A notable development in 2024 was increased federal protections for employees, including but not limited to pregnancy, sexual orientation and gender identity. 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, went into effect in June 2024. The Equal Employment Opportunity Commission (EEOC) also published final guidance on harassment in the workplace on 29 April 2024, updating the federal guidelines to provide protections for transgender workers related to misgendering and the denial of bathroom access, expanding the definition of harassment 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. Employees will also have expanded protections against discrimination at the state level in 2025, including based on intersectionality (California) and reproductive health decisions (Illinois). Employers must also comply with new state paid leave laws, including for victims of violence (California) and prenatal leave (New York).</p> <p>AI – As with many other jurisdictions, AI is a hot issue that will impact many US employers in 2025. 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, performance management, records management, payroll and benefits administration, and other employment practices at an unprecedented rate. Colorado recently passed a new law, “CAIA,” which will go into effect on 1 February 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. Employers should review any areas in which they do or plan to utilise AI and consider appropriate standards and policies for its use.</p> <p>Marijuana in the workplace – Under federal US law, marijuana remains illegal for use as a Schedule I controlled substance. However, about 75% of the states have legalised the use of marijuana for medical purposes, and about half have legalised the use of marijuana for recreational purposes. Former President Biden’s administration proposed removing marijuana from the list of Schedule I controlled substance and making it a Schedule III drug, a category that acknowledges medical benefits. President Trump has publicly stated that he supports changes to the federal marijuana classification. With these changes, there is increased complexity for employers regarding drug testing and balancing the accommodation legal use with safety protections.</p> <p>Immigration workplace enforcement and strict visa adjudications – In addition to its focus on mass deportations, the new Trump administration is stepping up workplace enforcement raids and investigations across the US. Initial focus will be on sectors with higher populations of undocumented workers, such as meat packing, manufacturing, construction and agriculture, among others, but all employers should be prepared for a significantly increased risk of right to work audits, which cover all employees’ hiring documentation, including for 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 also expected to be adjudicated more strictly under the second Trump administration, resulting in slower processing and higher costs. 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.</p>

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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