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HR WORLD TODAY

Although there are small pockets around the globe which have not been affected by the second wave of the pandemic, much of Europe, the Indian subcontinent and the Americas remain in some form of heavy lockdown. For most employees, this will now be eight months since restrictions first affected their lives, although now government financial support is generally less generous and the constraints are leading to weariness rather than greater stoicism. Many families will not have been able to take Summer vacations and many will be tempted by payment holidays to run up credit card debt.

In this Newswire, we look at continuing employer support measures in such disparate locations as **Belgium** to **Bahrain** and **Saudi Arabia** to **Sweden**. What, however, is clear is that although the pandemic has given rise to tighter immigration rules (as in **Antigua and Barbuda**) and delays in issuing quotas (as in **Italy**), it has also coincided with new online ways to speed up the issue of travel/work authorizations - as is the case in **Costa Rica** and **Malaysia**. In fact, in **New Zealand**, there are even moves to relax work permit rules. Now that Brexit day is almost with us, both **France** and the **Netherlands** have introduced ways for **UK** citizens to maintain free movement.

Labour relations and collective agreements continue to loom large in some countries, with yet another Scandinavian union merger in

Finland and new collective agreements in key sectors such as mining in **Chile** and banking in **Italy**. The pandemic has not prevented disputes in **Australia's** docks, **South Korea's** motor industry and the offshore energy sector in **Norway**.

As in previous issues, we report on changes in equality law and practice - with an important new equal pay law in **Spain**, a requirement for greater diversity on company Boards in **California** and continuing problems with the #MeToo movement in less developed countries like **Pakistan**. We also highlight some **Russian** research which indicates that the restructuring of the workforce may actually advantage female employees, albeit with equal pay issues remaining unresolved by widening opportunities.

We again caution multinational employers about the lurking dangers of hyperinflation, even though lack of demand and rising unemployment currently appear to point to deflation rather than inflation. It remains our view that widespread "quantitative easing" (irresponsible overprinting of currencies) has led to an underlying weakening of currency values that will reveal itself through a process called "stagflation" in the next six months. Some evidence of this is present in food prices and overall price levels are only being kept close to zero because of the depressed cost of oil and (in some cases) housing. In this issue, we show that inflationary pressures remain confined to small countries like the

Dominican Republic and **Iceland** - although Africa's largest economy, **Nigeria**, is showing the first signs of this pending threat.

Finally, we report that, thanks to a change in **Romania's** Labour Code, it is now possible for HR Consultants to play a much more active role in handling a company's internal affairs, whilst **Singapore's** Flexible Wage System illustrates how companies can respond to rising and falling fortunes in a far more dynamic way and not be forced into a crisis, or disputes with employee representatives over austerities such as pay cuts.

AFRICA AND MIDDLE EAST

BAHRAIN: Until the end of the year, the government will continue to pay 50% of salaries of insured private sector Bahraini employees working for companies hardest hit by the coronavirus. It is estimated that around 23,000 Bahraini workers and 4,000 businesses will benefit from this subsidy.

CYPRUS: Eligible companies may now apply for a grant of €1,000 (US\$1,165) from the Human Resources Development Authority (HRDA) to cover the cost of diagnosing training needs and preparing a training plan. To qualify, companies must signed up on the Social Insurance Register, operate in areas controlled by the Republic of Cyprus, and employ up to 100 people. The company must also have suffered more than a 25% turnover reduction due to the pandemic. It should be noted that applications from companies may only be submitted electronically through the HRDA [website](#) until midnight on 16th November 2020.

CYPRUS: The Citizenship by Investment Scheme, which allows applicants to obtain a Cypriot passport based on a significant real estate and/or business investment, has just

been terminated by the government. It has been reported that the scheme to date had attracted at least US\$8 billion of investment for the country.

CYPRUS: Two incentive plans for [Unemployment](#) and [Employment of Young People](#) (NEET, aged 15–29) both offer employers a grant of up to €8,600 (US\$10,026) for a period of 10 months for every new recruit made through the schemes. To participate, employers must maintain the employment for two additional months after the end of the grant period (without subsidy) and make sure employees are paid no lower than the minimum wage. Please note that relevant application forms should only be sent by e-mail (in pdf format).

KENYA: The caseload of the Employment and Labour Relations Court remains high, with the majority of [claims](#) for unfair dismissal, often without notice. Cases can take 4 to 8 years to process through to final resolution and in dismissal cases the court puts a strong emphasis on a "fair process". Many employers are able to substantiate their actions in the face of inflated claims, often due to the fact that the employee was a seasonal employee (or contractor) and not the permanent employee that they claimed to be. But where they often fall down is on the simple matter of failing to provide the claimant with a certificate of service when they depart.

NIGERIA: The consumer price index rose over the year to September 2020 by 13.71%. This compares with a rate of 12.56% in June. The principal reason for the high and increasing rate was food, which rose by 16.66% over the year to September 2020.

SAUDI ARABIA: The government-backed wage subsidy, which is funded through the unemployment insurance system (SANED),

has been [extended](#) for a further 3 months until January 2021. Under the scheme, the General Organization for Social Insurance (GOSI) will bear 60% of the wages of Saudi employees working in the private sector.

SOUTH AFRICA: When an employer is forced into a position of retrenchment and, for economic reasons, decides to make employees redundant, they are required to enter into consultations with employee representatives under S189A of the Industrial Relations Act. But what will then trigger an application for involvement of the Labour Court under S189A (13)? In two recent cases, the court has reminded employers that the Commission for Conciliation, Mediation and Arbitration (CCMA) exists to deal with "procedural irregularities" and, in the case of large scale redundancies, to convert the process from "consultation" to "facilitation". The Labour Court exists to bring the consultations back "on track" where an employer does not follow a formal "fair procedure". It has no powers to ensure de facto "procedural fairness" - except where a collective agreement exists that contains "fairness" clauses. This is because, in the court's view, there is a world of difference between the two concepts. For instance, a hard-nosed employer can still technically be legally compliant by following a fair procedure as all they are obliged to do is listed to representations - there is no obligation to agree with employee representatives. An application under S189A(13) must, in any case, be made within 30 days of notice of termination [TAWUSA and SATAWU vs Barloworld Transport, plus Solidarity obo Members and Another v Barloworld Equipment 2020].

TURKEY: The Turkish Personal Data Protection Board has published a [decision](#) determining that a single person may be

appointed as the contact for multiple overseas data controllers. However, a single person may only serve the needs of one data controller within Turkey.

THE AMERICAS

ANTIGUA AND BARBUDA: The government has temporarily suspended issuing initial work permits for foreign nationals - with the purpose of encouraging employers to hire local workers. Foreign residents may still apply to renew their current work permit.

CANADA: What happens if a senior employee is subjected to intense and adverse workplace pressure, eventually decides to give way and resigns, then, several months later, the company is taken over and the employee fails to receive a substantial payout (\$1.1M /US\$833,000) due to a long-term incentive programme? In *Matthews vs Ocean Nutrition Canada Limited 2020* ([SCC 26](#)), the employee sued for constructive dismissal. The company refused to make a payout under the incentive programme because they pointed out that its terms required the employee to be actually employed to qualify. However, the court of first instance was very familiar with this device to deprive someone of a major windfall, and so declared a 15-month notice period to overcome this technicality. Now the extended notice period has been confirmed by the Supreme Court.

CAYMAN ISLANDS: Amongst the many digital nomad schemes for working remotely we have reported in recent months comes by far the most attractive option for company employees – in the Cayman Islands, an autonomous British Overseas Territory in the Western Caribbean Sea. Under the Global Citizen Concierge Program ([GCCP](#)), successful applicants may live and work remotely in the Cayman Islands for up to 24

months, upon payment of a special certificate fee of US\$1,469 (which covers up to 2 people per annum) and US\$500 per dependant per annum. There are, however, minimum income requirements. Applicants must provide a letter providing proof of employment with an entity outside the territory. It should be noted that the Cayman Islands levy no taxes on income or dividends.

CHILE: Local police clearance certificates, or visa registration certificates, are no longer [an obligation](#) for foreign nationals when they apply for permanent residence, to commence a work contract, for temporary residence visa renewal, or a change of employer in Chile.

CHILE: BHP Group has reached an agreement with the union of supervisors at its Escondida facility – the largest copper mine in the World. This deal took months to achieve and included 5 days' government mediation. The original vote was almost 100% against the tabled deal. BHP has not revealed the latest offer, but it is believed to have been 50% higher than the initial deal – just enough to squeeze a majority in a second vote.

COLOMBIA: Until 15th February 2021, Venezuelan citizens who can prove they entered Colombia before 31st August 2020 may legalise their presence in the country by applying for a Special Stay Permit ([PEP](#)), which is valid for 2 years.

COSTA RICA: Foreign nationals may now file certain immigration applications and submit electronic copies of their application documents via the Digital Electronic Platform (to be found [here](#)). This will save applicants from making a personal appearance at an application centre.

DOMINICAN REPUBLIC: Retail price Inflation in the Dominican Republic rose for the fourth

consecutive month to 5.03% in September 2020. However, the country's central bank left its interest rates unchanged - claiming that the inflationary trend was only temporary.

GUYANA: The Ministry of Labour has warned employers about violations of labour law in the security sector. Problems principally exist concerning the taking of annual leave. Here the "Leave with Pay Act" requires that workers must be granted paid leave at normal daily pay rates in periods of no less than 6 consecutive days. However, the annual leave period shall exclude all Sundays and public holidays. The Ministry is increasing the monitoring of leave practice with a view to prosecuting offenders.

USA: The significance of the USA as a political and economic World power has made the Presidential election such a focus of attention for multinational companies in recent weeks. Now we know the probable ultimate outcome, things are not going to be any easier - as the tussle for power is only just beginning. The legal challenges and smoke screen thrown up by the outgoing incumbent could soon be followed by an even more dire outcome as extremist supporters take to the streets - at their instigation. Shopkeepers in DC and New York boarded up windows on election day and now few inner urban areas will be safe. Employers hopefully have contingency plans for what may happen next, and thankfully many employees are still working from home. Any crisis is likely to be short-lived and, until then, good communications and workplace security will be key.

USA: California State Governor Gavin Newsom has signed a Bill that amends Section 226.7 of the Labor Code. This relates to the continued use and "on-call duties" of unionised private security officers on premises

during rest periods. It prevents the officers from refusing to answer calls during their regular 10-minute breaks. However, it also means that, if interrupted, a break must start again. If it is cancelled, then the employee becomes entitled to compensation equal to one hour's compensation.

USA: All employers operating in **New Jersey** must now apply a number of additional COVID-19-related mandatory health and safety standards under the Executive Order 192 ([EO192](#)). This means that they have to conduct daily health checks of employees prior to each shift; provide sanitization materials; notify all employees of any known exposure to COVID-19 at the worksite, and provide regular breaks to employees in order to wash their hands. Any non-compliance with these new requirements may give rise to penalties.

USA: The appointment of Amy Coney Barrett as the latest Supreme Court Justice will mean very little to most people outside America. However, it will fundamentally affect the future course of the country, tipping the balance of this powerful constitutional body firmly to a conservative stance on many issues. There will be many in the business community who welcome Barrett's evident pro-corporate views. But, we must not forget the consequences of the constitution failing to adapt to changed social mores and the huge threat to social stability posed by sustaining inequalities. For employers, this appointment could mean, for instance, a change in the way employees are protected from discrimination; a willingness to eliminate all kinds of affirmative action; support for convicted felons not only to own guns, but bring them into the workplace; and exposure of employees to greater health problems in the midst of a pandemic by allowing challenges to the Affordable Care Act. This change in the complexion of the court will

clearly not have the calamitous consequences heralded in much of the liberal press, but it could help weaken America as it clamours to recover from the health crisis, deal with the US\$16 trillion deficit it has brought about, adjust to a new administration and face up to the ongoing social consequences of labour displacing technologies.

USA: Publicly held corporations in **California** must soon achieve diversity on their Boards. SB 826 requires each qualifying corporation to have at least one Director from an underrepresented community (including the gay community) on its Board by the end of next year. By 2022, a corporation with between five and eight directors must have at least two such Directors, and by January 2023 a corporation with nine or more directors must have at least three Directors from underrepresented communities. The penalty for a first violation is \$100,000 and second violation \$300,000. This can equally apply for simply not informing the California Secretary of State of Board composition. Companies should note that SB 826 already applies and is still in transition. This requires a separate quota on female Board representation. More controversially, state legislators are currently trying to devise a way of forcing companies registered outside the state to comply with the Board quota requirements.

USA: A case filed against Cisco Systems Inc by the Californian Department of Fair Employment and Housing has been withdrawn. The case involved an employee of Indian origin who complained that he had been harassed and discriminated against on the grounds that he was from the Dalit (lowest) caste.

USA: The current health crisis is giving numerous opportunities for companies to operate in a way that would normally infringe

state competition rules. In most cases, governments have suspended competition rules to allow, for instance, normal competitors to closely cooperate – if that assists with the operation of the supply chain and does not raise prices. However, there are limitations, especially in the USA. These principally apply to anticompetitive behaviour by employers in rigging the labour market through exchanging commercially sensitive salary data, fixing the price of labour, mutually reducing working time, or entering into mutual no-poaching arrangements. This summer, the Department of Justice (DOJ) and Federal Trade Commission (FTC) issued a joint statement that they would "move against employers" if they saw any antitrust conduct. We are yet to see the results of their ongoing investigations, but both agencies clearly intend to utilise their powers under criminal law to punish and expose offending companies and their officers. To that end, the provisions of the Antitrust Criminal Penalty Enhancement and Reform Act (ACPERA) that came naturally to an end in June are now placed back into force onto a permanent footing. This gives whistleblowers substantial advantages for cooperation with investigations under the law's leniency programme.

USA: Temporary pay cuts made during the health crisis now threaten to becoming permanent when the crisis is over. This is partly because many jobs have become overpriced by the economics of new working practices or automation. By way of some confirmation for this, less than half the 22 million American workers who lost their jobs in the Spring have been able to re-secure their old positions. Moreover, a recent Pew Research Center survey has found that 60% of workers claim they now earn less than before the crisis. This has been especially the case amongst those with Hispanic or Asian origins.

USA: The Federal agency FinCEN has alerted financial institutions about several fraudulent practices that have emerged in respect to unemployment insurance (UI) during the health crisis. These include using a fictitious company to apply for UI payments; collusion so that employees may apply for UI; employees failing to report that they have returned to work - so that they may continue to receive UI; employees reporting a higher salary so that UI payments will be enhanced; the utilisation of state contacts to falsify UI records; or an employee using identity theft to make a claim. Where employers detect the existence of such malpractices, they should seek to eliminate them without delay.

USA: A Federal injunction is being sought through the Northern District of **California** against the Department of Labor and the Department of Homeland Security for introducing overly restrictive rules, without prior consultation, concerning the issue of H-1B visas. It is estimated that the new rules will reduce the number of highly skilled foreign workers by at least one third.

USA: In the 1990s, several US States decided to exploit a quirk in demographics by offering public sector workers very generous pension uplifts. They were taking advantage of the fact that the immediate numbers retiring were modest, even though there were a raft of baby boomers coming up to fill pension ranks after 2010. Now, those States find that they do not have the funding to meet obligations and are looking to high-interest bonds to attract investors, an increase in local tax, and huge Federal funding. The worst case of mismanagement was in **Illinois**, and now private sector companies and executives face tax hikes to pay for schemes that none will benefit from.

ASIA PACIFIC

AUSTRALIA: The **Queensland** Government has recently introduced the 'Criminal Code and Other Legislation (Wage Theft) [Amendment Bill](#) 2020'. In future, where an employer is found to have committed fraud against an employee, they could be liable to imprisonment for up to 14 years.

AUSTRALIA: Dockworkers already enjoy some of the best pay rates in the country, with many blue-collar jobs annually commanding \$159,000-174,000 (US\$113,000-US\$124,000). Now, the Maritime Union of Australia (MUA) wants to exploit the vulnerability of the coronavirus-hit economy during the run up to Christmas in support of its latest pay claim. Already ships are finding it difficult to unload at major ports and there is an average two-week delay on deliveries of imported goods to wholesalers and retailers. Leading dock operators like Patrick Terminals have offered 1.75% increases for 2 years and 2.5% for the next 2 years, provided a number of restrictive practices are removed, but the MUA has demanded 2.5% from day one and has refused any changes in working practices. This is perhaps the shape of things to come, as unions realise that they can use emergencies and shortages to their bargaining advantage and realise that their employers are not going to issue redundancies when consumers are not having their needs met.

CHINA: The People's Bank of China is backing a new law to introduce the digital yuan and ban other forms of digital currency. This follows an experiment in the city of **Shenzhen**, where 50,000 citizens were each given 200 yuan (US\$30) to spend in over 3,000 outlets. It remains uncertain how far the digital currency experiment will go and if it will extend to payroll practice next year.

Meanwhile, public consultation is being conducted until 23rd November 2020.

HONG KONG (CHINA): All Hong Kong residents born in 1970, 1971 or 1972, regardless of whether they are Hong Kong permanent residents or residents for employment or investment, have until 30th April 2021 to apply for a new smart [identity card](#) in person at a Smart Identity Card Replacement Centre (SIDCC).

HONG KONG (CHINA): Companies that are interested in participating in the Equal Opportunity Employer Recognition [Scheme](#) have until 31st January 2021 to submit the completed application form(s), along with the supporting documents, to the Equal Opportunities Commission (EOC). There are four categories in the Scheme, namely 'Gender Equality', 'Equality for Diverse Abilities', 'Family Status Equality' and 'Racial Equality and Inclusion'. Participation is entirely free of charge. According to the EOC, those made awards under the Scheme may use the logo of the Equal Opportunity Employer Recognition Scheme in their promotional and marketing literature. They will also be invited to participate in training workshops, seminars and publicity programmes organised by the EOC.

INDIA: A Bill has been approved by the national government banning the employment of children under the age of 14 in all spheres - except family businesses and the entertainment industry. The existing legislation only bans those under 14 in 18 specified hazardous fields of employment.

INDONESIA: The monthly minimum wage in the capital city, Jakarta, will be increased by 3.27% to 4.42 million rupiah (US\$304) in 2021 for workers in businesses that are less impacted by the health crisis. Businesses

impacted by the pandemic may have the wage increase waived by submitting a request to the local manpower agency.

MALAYSIA: Companies registered with the Malaysia Digital Economy Corporation (MDEC) that have foreign hiring needs may now proceed with a Foreign Knowledge Workers (FKW) projection submission by logging into the eXpats Service Centre [website](#). FKW projection approval is required before employers may submit visa applications (both new or for renewal) in respect to their foreign employees. The Service Centre has suggested that only companies with a positive FKW headcount requirement for Q1 2021 submit the projection first. The 2020 FKW projection submission window remains open only until 14th November 2020. In light of the upcoming national public holidays, employers are encouraged to commence the process for applying for the FKW projection as soon as possible, to avoid delays.

NEW ZEALAND: Employers are now no longer required to obtain a [Skills Match Report](#) from [Work and Income](#) to fill an occupation that is on either the undersupply or oversupply lists, although they will still need to demonstrate that they primarily want to recruit a New Zealander and are hiring a migrant as a last resort.

PAKISTAN: Women who allege sexual harassment can sometimes find that those accused simply retaliate with a defamation lawsuit. This was the case with the 38-year-old film star Meesha Shafi who, in 2018, made a #MeToo statement about pop singer Ali Zafar. He simply denied the claim and issued a criminal defamation counter-claim against Ms Shafi, and eight others making similar allegations online. In an inherently unjust male-dominated society, it is no surprise that the government has stepped in to support the

pop singer, and the case is being referred straight up to the Supreme Court. When found guilty of criminal defamation (there can be no doubt about the outcome), the nine women will each face a fine and a maximum of 3 years' imprisonment.

SINGAPORE: As early as next year, facial recognition software will be widely used to access government and banking services. The system will check with existing sources of people's images and thus do away with the need for passwords, chips on payment or ID cards. It is claimed that the new system will be based on individual consent, but there will be no guarantee that the data, when linked to personal location and activity undertaken, will not be used for other purposes.

SINGAPORE: The National Wages Council (NWC) has agreed that employers should be allowed to cut pay, provided it is with the consent of affected employees, other sources of funding have dried up, and normal rates are restored when the health crisis is over. In cases where employers follow the [Flexible Wage System](#), at least 30% variability will be available, although cuts in basic wages may also be necessary. The NWC decision is only advisory, but it is backed by the Singapore government. The new [guideline](#) shall apply until 30th June next year.

SOUTH KOREA: The agreement reached with Hyundai's labour union in September involving a temporary wage freeze is still holding, although the rest of the deal, on reflection, looks generous in the face of the collapse in sales. This includes a bonus equal to 150% of monthly salary, a further incentive of 1.2M won (US\$1,029), 200,000 (US\$176) won of gift vouchers, and 10 treasury shares. Meanwhile, things have been heating up for GM Korea with a refusal to work overtime. There have also been 4-hour production line

stoppages. Lost production has occurred just as the company was trying to catch up from the collapse of the **Philippines** supply chain earlier this year. The Metals union has been demanding a hike of 12,304 (US\$10.86) won per month, an incentive payment of 6M (US\$5,296) won, and other benefits. However, at the latest meeting with management, the union declared as "absolutely unacceptable" an offer to raise monthly salaries by 22,000 won (US\$19.42), a bonus of 500,000 (US\$441) won to help overcome the virus, and an extra 300,000 (US\$265) won in bonuses for next year. GM Korea's accumulated deficit over the last 6 years has totalled 3 trillion won (US\$2.65BN).

EUROPE

BELGIUM: A new restrictive period under the health emergency is underway and will last until at least 13th December 2020. Retail outlets and other businesses with a high level of customer face-to-face contact must suspend such activities and companies ask staff to work from home, unless it is not practicable to do so. All those required to come into work must be issued with a "certificate" from their employer. This amounts to a dated document on company letterhead which states the employee's name and role, confirms that they must physically attend work, cites "Ministerial Decree of 28 October 2020 on urgent measures to limit the spread of the coronavirus COVID-19" and is signed both by a manager and the employee concerned. They must carry this at all times as penalties may otherwise apply. Employers should ensure the social distance rule of 1.5 metres is observed and [other safeguards](#) applied in the workplace.

BELGIUM: With effect from 1st January 2020, minimum salary levels under the for EU Blue Card application system will change for

[Brussels](#). The earning thresholds will increase to €72,339 (US\$85,455) for executives, €44,889 (US\$53,028) for specialists; and €28,056 (US\$33,143) for trainees. The corresponding threshold for highly-skilled permit applicants will be €43,395 (US\$51,263) and €56,111(US\$66,283) for EU Blue Card applicants and managers.

CROATIA: With effect from 1st January 2021, monthly net and gross minimum pay levels will be increased to 3,400 kuna (US\$524) and 4,250 kuna (US\$655), respectively.

CZECH REPUBLIC (CZECHIA): The Interior Ministry is pushing to make the current optional integration course mandatory by January next year in respect to foreigners seeking long-term, or permanent, residence in the country. [New regulations](#) are currently in the pipeline and waiting approval.

CZECH REPUBLIC (CZECHIA): Until the end of the health emergency, foreign workers who hold an "employee" card or "blue" card will [no longer](#) be required to meet the formal legal conditions for a change of employer, such as a prior 6-month period of employment in the Czech Republic.

EUROPEAN UNION/SCHENGEN AREA: Denmark, France, Germany, and Sweden have [extended](#) border controls until at least April 2021.

EUROPEAN UNION: In Q2 2020, 801,700 people aged over 15 in the European Union (EU) were employed in the sports and fitness sector, representing 0.4% of the total employment. The majority of sports workers were men (57%) and almost one in two sports workers (48%) were aged between 15 and 34 years. **Sweden** had by far the highest proportion of sports workers, followed by **Cyprus** and **Ireland**. By contrast, **Belgium**

and **Romania** recorded the lowest proportion of such workers, followed by **Poland** and the **Czech Republic**.

FINLAND: Yet another union merger is on the horizon. On 1st January 2021, the 8,000-strong Union of Insurance Employees in Finland "VvL" will join forces with the 120,000-strong union "Pro". VvL was founded in 1945 and is party to just one agreement covering the insurance sector. This compares with the more recently founded "Pro" union that is party to 75 collective agreements. Both unions are members of STTK, the Finnish Confederation of Professionals.

FINLAND: All the temporary amendments made to employment legislation due to the health crisis will remain in force until the end of 2020. These include shortening the notice period and minimum consultation period for temporary lay-offs to 5 days, together with permitting immediate termination during a probationary period due to financial or production-related reasons. In addition, the temporary reduction (by 2.6%) made to private sector employers' pension contributions will continue to apply until 31st December 2020.

FRANCE: The [online portal](#) for UK nationals to register for French residence permits has now opened. By way of reminder, British nationals residing in France, or coming to settle there before 31st December 2020, must apply for a residence permit online before 1st July 2021. Possession of a residence permit will be mandatory from 1st October 2021 for anyone aged over 18 years who wishes to remain in the country for more than 3 months.

ICELAND: After 10 months of negotiations, an agreement has finally been reached between the Norðurál aluminium smelter and Akranes trade union. Under the new wage structure, shift workers will enjoy a 6.9% rise in starting

salaries to bring their pay to 686,000 krónur (US\$4,887) a month. By contrast, a shift worker with ten years' service will receive a rise of 6.7% to bring their salary to 825,000 krónur (US\$5,877) a month. In all cases, employees will receive back payments to 1st January 2020.

ICELAND: Consumer prices rose by 0.43% in October 2020 to 3.6%. This compares with an annual rate of just 1.7% in January 2020. The principal reason for the change has been attributed to the cost of food and depreciation of the national currency - in spite of downward pressure from the cost of oil and housing.

GERMANY: The Executive Board of Man Truck and Bus has announced that it is going to undergo a comprehensive restructuring of the business ahead of a programme for digitalisation and automation of operations. As a first step, negotiations are commencing with the Works Council and IG Metall trade union. It is hoped that agreement on a way ahead can be reached by the end of the year.

GERMANY: The existence of a special Works Council for disabled people has been a feature of German labour relations for many years. But how far do its powers go? The Social Code obliges employers to be concerned with the position of all those subject to a disability, including those who were faced with the prospects of a future disability. However, earlier this year, several lower courts were called upon to consider if the Works Council is entitled to relevant data covering all employees, or only those who were severely disabled. Eventually, the Hamm Regional Labor Court (Reference 13 TaBV 60/19) ruled that the specialist body's powers only extend to the particular concern of those classified as working with a severe disability, not all those who were on long-term sickness absence. Moreover, any disability issue of

concern to the workforce in general must be handled by the mainstream Works Council, or its group body.

ITALY: The Italian bank UniCredit has just signed a joint declaration with its European Works Council (EWC) on remote work. The intention is to give all employees the chance to work remotely. Last December, the EWC signed an agreement covering the period up to 2023, that included a reduction of 8,000 employees out of a total European workforce of 90,000. This reduction was necessary in order to respond to the digitalisation of the business. Now, it would appear that the health crisis is fundamentally changing the way the bank works even more, with the possibility of its employee numbers tumbling far more radically by the end of 2021.

ITALY: Because of the health crisis, enactment of the 2020 annual quota by [decree](#) for non-EEA/Swiss foreign workers was not published in the Gazzetta Ufficiale until October 2020. It thus severely limits the application process for the 30,850 jobs to be filled by those from such origins, with less than two months before appointments must end.

NETHERLANDS: British nationals who are frontier workers (cross-border commuters between the UK and Netherlands) and thus covered by the provisions of the EU Withdrawal Agreement may now submit an application [online](#) for a frontier worker's document, free of charge, to continue working under their current arrangements from 1st January 2021. The document will be valid for 5 years. Applicants seeking to start cross-border work activities for the first time on or after 1st January 2021 may require a work permit (TWV), depending on the outcome of current negotiations between the EU and the UK.

NETHERLANDS: Uncertainty still remains over the future of the clothing retailer FNG NL, owner of the leading brand Miss Etam, following its insolvency this Summer. It would appear that it is being broken up by the so-called "company doctor" Martijn Rozenboom and his company asset empire NXT Holding. However, a curious aspect of the transfer is that threatened litigation by the trade union AVV and Miss Etam Works Council was withdrawn after it became clear that Rozenboom's counsel was claiming he could not have consulted the workforce about the takeover as, at the time of the transfer, "staff were subject to the trusteeship of a Receiver and remunerated through the UWV wage guarantee scheme". From its past record, NXT does not involve itself in managing the businesses it acquires, but leaves that to the existing management. It concentrates on reselling parts of a group as 'going concerns', whilst leaving debt in others that shall eventually go under.

NORWAY: Although employees working for the principal oil companies in the Norwegian offshore sector and many contractors have agreed to new wage rates, the "Safe" labour union covering oil service workers has not reached agreement with the Norwegian Oil and Gas Association (NOG). There will therefore be one final attempt to negotiate before mandatory mediation will trigger at the end of the year. The last strike involving these workers lasted for 3 weeks in 2016, but did not generally halt oil or gas production.

ROMANIA: A new law has been introduced (213/2020) that modifies the Labour Code to allow for external labour law and HR consultants to undertake a number of roles. These include the conduct of individual negotiations with employees over modifying their employment contract, undertaking disciplinary interviews and investigations, and

providing a mediation service in the event of a labour relations dispute. In order for such third-party mediation, however, it will be necessary to insert a special "mediation clause" into individual contracts and to provide a description of the mediation process in internal work rules.

RUSSIAN FEDERATION: There is a huge gender and qualifications gap in modern Russia that is continuing to grow. Contrary to expectations, women are in a position of increasing potential advantage relative to men because they dominate white-collar jobs and men have traditionally dominated blue-collar jobs. However, the number of blue-collar jobs is declining fast and women are occupying positions that are multiplying in number. Although men still dominate the top white-collar jobs, the situation is changing and women now hold 45% of executive positions. However, executive women still suffer from lower pay than their male counterparts. Another critical phenomenon is the fact that there is a rising mismatch between higher education and the skill requirements of employees. According to Boston Consulting Group [estimates](#), some 34 million Russians, or nearly half of the country's economically active population, now face this mismatch.

SPAIN: From 14th April 2021, employers will have to fall in line with the newly enacted Royal Decree 902/2020 on equal pay between men and women. This will require all employers to keep a detailed register of salaries paid to employees (up to Board level) and then undertake an analysis of remuneration according to average and median monetary payments and allowances and benefits-in-kind, broken down by occupation and qualification. They must publish statements justifying any gender pay difference of 25% or more. Individual employees will be entitled to access only that

data showing aggregated differences in pay and benefits. Royal decree 901/2020 places an obligation on every company with 50 or more employees, or where required by a collective agreement/administrative order to do so, to draw up an equality plan to address any inequalities found. The plan must be developed by a negotiation committee, have validity for up to four years, and be officially registered with the Ministry of Labour. Where a company does not have employee representatives with whom to negotiate, it must call on unions most representative within their sector.

FEDEE COMMENT: The real sting of this measure is in its tail. What it is forcing, by covert means, is the unionisation of the entire private sector. Spain is already an extremely difficult country in which to employ staff and this measure will make it much harder, not because of the equality measures per se, but because it will give employees the right to examine the reward structure and awkward, militant Spanish unions (like the CCOO and UGT) the right to invade sectors where they are poorly represented. Companies may wish to restructure operations to break down larger units into smaller business entities, or consider moving operations across national borders.

SWEDEN: Companies that are seriously suffering from financial difficulties due to COVID-19 could still have until the end of December 2020 to [apply](#) for the government-funded short-time work allowance, if the requirements for support under the scheme are fulfilled.

SWEDEN: According to Law [No. SFS 374/2020](#), employees will be able to park for free at their workplace without being taxed on parking as a benefit-in-kind. This exemption

will apply retroactively from April until the end of 2020.

SWEDEN: The Labour Court has recently been called upon to consider a situation where a new employee immediately commenced parental leave. Did the decision to terminate at the end of the probation period constitute discrimination due to the individual using their right to take parental leave? The Court dismissed the claim that the decision was discriminatory, but held that the Parental Leave Act had been violated because the parties should have reached agreement for the probation to be extended by a period equal to the absence [AD 2020 nr 53].

UNITED KINGDOM: A [new Job Support Scheme](#) has just replaced the Coronavirus Job Retention Scheme. This is subject to a number of enhancements relative to the scheme originally announced. Originally, employers were going to have to pay for 33% of unworked hours, but now this has been reduced to just 5% (capped at £125 per month). Furthermore, employees working just one day a week will now be eligible for the scheme.

UNITED KINGDOM: A [code of practice](#) for Professional Corporate Sole Trustees (PCST), comes into force on 1st January 2021. This is issued as an extension of the APPT's existing professional standards code, which all accredited professional pension trustees must follow. This code sets out how sole trustee firms should act, particularly when confronting conflicts of interest and maintaining independence from the sponsoring employer.

UNITED KINGDOM: Eligible companies that are facing financing difficulties due to the coronavirus outbreak may apply for a loan from the schemes. These includes the coronavirus Bounce Back [Loan](#), Coronavirus

Business Interruption [Loan](#), Coronavirus Large Business Interruption Loan [Scheme](#) and coronavirus Future [Fund](#). These schemes are open for applications until 31st January 2021.

UNITED KINGDOM: As we move towards the end of the Brexit transition period on 31st December 2020, a great deal of attention has been given to the employment of workers across national borders in the absence of a deal between the UK and European Union (EU). However, most concerns have been in respect to UK citizens working in the EU, or those working remotely due to the health crisis. **But what about UK companies that have employees who are not UK citizens working in the rest of the EU and have no local establishment in the employing country?** This was legally tricky enough when the UK was in the EU, but soon it will be potentially even more problematic - because of the removal of automatic free movement and freedom of establishment rules. The position of the UK in respect to the EU from next year will be even lower than the Ukraine and Turkey - that, at least, have associate EU status. Unless the employer uses a sister company in the EU as the formal employing entity, or the services of a company, like Adecco or Kelly, to hire the employee locally and lease them back (where legal to do so), the employer could be left without being able to register (or continue registration) with authorities for tax and social security purposes. Countries like Estonia and France do have special workarounds for foreign employers, but that is not universally the case across the EU. Employers will also need to ensure that they are not creating an "establishment" by having a foreign-based employee, or breaking health and safety regulations for their permanently remote worker whose working conditions they cannot inspect. Employment contracts also need to be very specific about the applicable law that applies to an

employment contract, as - by default - the employee may be able to claim employment rights in both their home state and the UK. Finally, insurance cover could rear its head, especially where professional indemnity needs to be in force, or death in service/private health contractual rights apply.

UNITED KINGDOM: Further details about the Job Retention Bonus Scheme have now been released by the HMRC. For an employer to claim their £1,000 (US\$1,300) bonus for retaining an employee up to 31st January 2021 who had been previously furloughed, it will be necessary to meet certain conditions:

- The employee must have been on furlough (full or partial) until 31st October 2020;
- They must have been retained on the books as an employee and paid at least £1,560 over that 3-month period from 1st November until the end of January;
- They must not be under notice, or have resigned as of 31st January 2021;
- They must not be on a company's books simply because of an obligation due to a TUPE transfer;
- There must not have been any previous incorrect claim through the CJRS.

There are still no details about the procedure for actually making a job retention bonus claim, although the period when this will be possible has been announced as 15th February to 31st March next year.

UNITED KINGDOM: The new immigration system will be launched on 1st December 2020 and will apply to EEA workers from 1st January 2021. It will consist of two principal

distinct "routes" through to employment in the UK:

The skilled worker route will replace the old Tier 2 (General) route. It lowers the threshold to "A/Scottish Higher" equivalent, although applicants will be assessed on skills necessary for the job rather than academic qualifications held, provided they meet the minimum 70 points entry level. Ten of these points will be by having English language skills at least at B1 level. There will be an annual salary threshold of £25,600 (£20,480 under certain circumstances). The "labour market test" will be removed and it will be up to sponsors to determine who they employ. There will also be no limit on the length of time an individual may be employed and more flexibility for transfer from the student to skilled routes.

The intra-company transfer (ICT) route will replace the Tier 2 (Intra-Company Transfer) routes. The old "cooling off" bar on ICT workers re-entering the UK for 12 months after they leave is being removed. Now they can return in 4 out of the last 5 years, or 9 out of the last 10 years, and also transfer to the skilled worker route to continue working in the UK. Those earning £73,900 (US\$96,000) or more will not be required to have been employed in the overseas operation for 12 months before transferring to the UK.

There will be several new, alternative ways to prove English language capability and it will only be necessary to prove the capability once during a career.

The Student and Child Student routes have already been introduced in September this year and replace the old Tier 4 route. These offer some additional flexibilities, including a facility for a parent to reside in the UK whilst their child aged 4-11 years is attending an

independent fee-paying school in the United Kingdom.

From 31st January 2021, new BN(O) routes will be launched to allow both Hong Kong citizens and members of their households born since 1st July 1997 to come to the UK in order to work or study, with both routes open to eventual settlement.

A special dispensation will exist for those not resident under current immigration rules for over 180 days due to the pandemic. Moreover, UK-based companies that are not currently licenced to be immigration "sponsors" may apply to do so through a new "fast track" system being launched on 12th November 2020, on payment of a £500 (US\$650) supplement. This will be essential for companies wishing to continue employing EEA/Swiss nationals from next year.

UNITED KINGDOM: As Britain enters a new pandemic lockdown phase, it is an appropriate time to reflect on what the changes mean in relative terms. The new restrictions may seem tight to UK citizens, but that is because constraints have been so slight up until now when compared to many other countries. There is, for instance, no area of complete movement restriction (like in **Wuhan** or **Milan**), or requirement to obtain prior official permission to leave the home (like **Cyprus**). No closure of all businesses, no night-time curfews on all movements (only pubs and

restaurants), and no quarantine in special third-party facilities – just self-isolation in the home. In fact, latest police figures indicate that since early Spring, there have been very few (compared to the total population) who have been penalised for infringing the rudimentary lockdown rules that have been imposed. For instance, there have been just 125 fines for those failing to self-isolate after arriving in England from a country on the UK Government quarantine list, and 380 people had given the wrong address "so no police action could be taken", while another 629 were out when officers attended. It is largely due to the absence of tight restriction, poor policing, and lack of "zero-tolerance" that the number of COVID-19 cases and resulting deaths are increasing. Therefore, the next 4 weeks may see the daily rise in cases end, but the situation will still be far too threatening to allow relaxation of measures before Christmas.

GLOBAL

VOLUNTARY LAYOFFS: In the summer, British Petroleum announced that it planned to make 15% of its qualifying global workforce redundant by year end, amounting to the loss of 10,000 jobs. However, it has only been able to gain a quarter of these through voluntary redundancy. Moreover, 500 of the voluntary departures have been amongst senior members of the management team.

DATES FOR YOUR DIARY		DATES FOR YOUR DIARY	
1 st December 2020	Applications to live and work in the UK under the new Immigration system will open for non-EEA nationals.	1 st January 2021	Minimum salary levels to increase for certain foreign workers in Brussels (Belgium).
31 st December 2020	Temporary reduction made to private sector employers' pension contributions is due to end in Finland .	1 st January 2021	New minimum net/gross wage will take effect in Croatia .
31 st December 2020	Brexit transition period ends.	January 2021	Wage subsidy scheme is due to end in Saudi Arabia .
1 st January 2021	The code of practice for Professional Corporate Sole Trustees (PCSTs) comes into force in the UK .	31 st January 2021	Equal Opportunity Employer Recognition Scheme deadline in Hong Kong (China).
		14 th April 2021	New rules on equal pay will come into force in Spain .

TRAVEL WARNINGS

AUSTRALIA: Qantas and Jetstar will operate thousands of flights to and from Melbourne and regional Victoria over the Summer, following the New South Wales Government's decision to open its borders on Monday, 23rd November 2020.

BOTSWANA: Those in need of movement permits during the state of emergency may apply online [here](#).

BURUNDI: The Bujumbura International Airport will reopen on 8th November 2020.

CYPRUS: A new lockdown period has just begun and nightly curfews will continue until the end of November 2020.

CYPRUS/GREECE/UK: Jet2 has cancelled all flights from Leeds Bradford Airport to two Greek islands (Crete and Rhodes) and Cyprus (Larnaca and Paphos) until 2021.

ETHIOPIA: The Tigray authorities have banned all flights from its airspace, after the Prime Minister ordered a military response against the region.

HONDURAS: The International Airports Toncontin and Goloson have been temporarily closed due to heavy rain caused by Hurricane Eta.

ICELAND: Foreign nationals, who were legally staying in the country prior to 20th March 2020 and have been unable to return to their home countries due to the health crisis, were permitted to stay in Iceland without a residence permit or visa until 10th November 2020, upon being registered at the Directorate of Immigration. The permission to stay without a residence permit or visa will not be extended again and such stays beyond 10th November 2020 may result in an expulsion.

ISLE OF MAN: Island residents wishing to return must complete a [Landing Form](#) to provide arrival details within 48 hours prior to arriving back on the Island.

ISRAEL: The state of emergency due to coronavirus has been extended until 3rd January 2021.

KENYA: The nationwide COVID-19 curfew has been extended until 3rd January 2021. Moreover, political rallies have also been banned for 60 days as infections have surged over the last month.

LITHUANIA: Starting 7th November 2020, a three-week lockdown will be imposed to slow the spread of COVID-19.

SOUTH AFRICA: Visa-free status has been reinstated for citizens of France, Germany, Hong Kong (China), Iran, Italy, Portugal, Singapore, South Korea, Spain, the United Kingdom and the United States.

SWEDEN: The current entry ban has been extended until 22nd December 2020.

TAIWAN: A sea warning has been issued for Tropical Storm Atsani. Anticipate heavy rain and high waves in northern and eastern parts of Taiwan during the next few days.

UNITED KINGDOM: With the four-week lockdown planned until the 2nd December 2020 in England, TUI, easyJet and Jet2holidays have all either reduced or cancelled their flight schedules. Under the new [restrictions](#), all non-essential retailers, leisure and entertainment venues must shut, with pubs and restaurants told to close, except for takeaways. Additionally, travellers returning to the UK from Cyprus and Lithuania must self-isolate for two weeks.

USA: The American Airlines will cut up to 100,000 flights in the month of December 2020 due to low demand over the pandemic. Furthermore, expect protests across the country in the coming days over the Presidential election results.

FEDEE NEWS

DIVERSITY MONITORING: We have had several enquiries recently concerning the establishment of diversity monitoring in a wide range of countries. Although such a practice is normally founded on an admirable intent, it can easily backfire in practice. This is because, outside the UK (where it is mandatory anyway in [Northern Ireland](#)), there are numerous legal pitfalls concerning the way such monitoring may be carried out. In many countries, the dangers of unintended consequences can be dire and put the very operation and reputation of the company at risk. The categorisation (and wording) of such variables as race and religion can be almost impossible to get right and the risks of including a group in the "other" bracket could, itself, be seen as an affront, as in the case of those from the Islamic community in India (in light of Citizenship laws). Employers also commonly include the term "black" to represent a racial group, whereas this relates to skin colour and has no real meaning as a racial epithet, except to betray an implicit racism. Diversity monitoring is also a field where informed consent may not be a sufficient basis for requesting the completion of a questionnaire, even on a voluntary basis, and also where courts will be willing to recognise that the difference in the relative power of an employer vs a job applicant make the notion of consent problematic. It is for this reason that we counsel members not to introduce such interventions, at least without first consulting FedEE experts in the field.

EXCHANGE RATES: It has been our long-standing practice to convert the majority of monetary figures given in local currency to US dollars. This is to assist when making points of comparison. It should be noted that the exchange rates used are those at the time of writing and are subject to fluctuation, even over short periods. If a precise exchange rate is necessary, please undertake the [conversion](#) on the date it is required.

JOBS POSTING: We have issued for "Members Only" some important guidance on the [Directive](#) that must now have been incorporated into EU country laws. This is essential reading if your organisation operates in the European Union and you ever send employees to work in another EU country. [Here](#) is our principal guidance document and [here](#) our note on individual Member State compliance.

NEWSWIRE LINKS: If you wish to explore newswire links, **please first login to the members' area** of our website [here](#). Up to date salary tables are available in our Knowledgebase.

CONTACT US

Head Office: Adam House, 7-10 Adam St, The Strand, London WC2N 6AA, UK. **Telephone:** +0044 203 807 9205.

EU/Middle East Office: Suite 201, 46 Athinon Str, Agios Dometios, 2363 Nicosia, Cyprus. **Telephone:** +(00357) 222 563 81.

Japan (Sapporo) Telephone: +0081 1120 66814; **USA Telephone:** +001 85757 68452; **Email:** admin@fedee.com.

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