

NEW LABOUR CODE PASSED ITS FIRST READING IN UKRAINIAN PARLIAMENT

27 November 2015

On 5 November 2015 the Parliament of Ukraine supported the new Labour Code in its first reading. If adopted, the new Labour Code will substitute the currently effective codified labour laws enacted back in the Soviet times.

The new Labour Code will introduce the following key novelties:

- employment agreements will be concluded exclusively in a written form (currently, the verbal form of agreements is possible);
- the courts will be able to re-characterise independent contractor's services into employment if there is a *de facto* "employee and employer" relationship between the parties involved;
- duration of an employee's annual vacation entitlement will be increased from 24 to 28 days;
- the list of grounds for concluding fixed term employment agreements (as opposed to permanent employment agreements generally preferred by Ukrainian law) will be expanded to cover individual project engagements of short duration;
- employers will be able to terminate employment where employees disclose work-related confidential information without proper authorisation;
- non-residents will be able to hold top-management positions without obtaining work permits in representative offices of foreign companies and companies with at least 10% non-resident shareholding;
- employers will be able to terminate employment agreements in the case of a war, natural disasters, epidemics and other acts of God; and
- the limitation period for labour disputes will be increased from 3 months to 1 year.

KEY ISSUES

- Employment agreements must be in writing
- Employee annual vacation entitlement increased to 28 days
- No need for a work permit for non-resident managers at companies with foreign investments;
- "Re-characterisation" of a services contract into an employment agreement is provided for

The new Labour Code passed its first reading in the Parliament and is currently pending its second reading. This means that additional review of the code will be made. We expect the Parliament to pass the new Labour Code in early 2016.

For more details in Ukrainian please visit:

http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=53221

CONTACTS

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