



## Legal Newsletter

(Special Edition - Organic Law of Georgia

„Labor Code of Georgia ”)

The present newsletter contains significant legislative amendments and supplements, which was implemented in October 2020 in the Organic Law of Georgia "Labor Code of Georgia ".

### Organic Law of Georgia „Labor Code Of Georgia ”

On 5<sup>th</sup> of October, 2020, significant legislative amendments and supplement were made in the Organic Law of Georgia on “Labor Code of Georgia”. The following important changes and additions have been made to the Code:

1. **Addition of the chapter on „Labor Discrimination“.** According to the legal changes, a second chapter "Prohibition of Labor Discrimination" was added to the Code. This chapter regulates the notion of labor discrimination, the scope of its prohibition, workplace requirements, burden of evidence, special measures of protection and support, and reasonable adjust. The purpose of this chapter is to regulate labor relations in such a way to eliminate as much cases of labor discrimination in the workplace as possible.
2. **Conclusion of the labor contract.** Legal amendments has also affected an article 12 of the Law, "Conclusion of the labor Contract", according to which if the duration of the employment relationship exceeds 1 month, it is necessary to draft an employment



contract in writing. It should be noted that the maximum term of such a relationship was 3 months before the changes were implemented. Paragraph 5 was added to the same article, according to which, if an employment contract is made for a definite period of time without a basis provided by law, then, it is considered that there has been made permanent employment contract. Also, paragraph 9 was added to the same article, which defines the obligation of the employer to inform the certain period of time employee about the available vacancies, so that he/she, like other employees, has an equal opportunity to hold positions within the contract of indefinite employment.

3. **Institute of Internship.** The new formulation of the code also regulates the promotion of professional development and the internship institute was also regulated, which is a completely new institution in the Labor Code.
4. **Part-time work.** As a result of the amendments and supplements, the law defines the issues of regulation of part-time work in detail, according to which, a part-time employee is an employee whose standardized working hours is less than the normal working hours of a full-time employee under a week or on average, during a period of employment of up to 1 year, is less than the normal working time under the similar conditions of a full-time employee. It should be noted that the law strictly stipulates the condition according to which it is inadmissible to terminate an employment contract with an employee due to his/her refusal to move from full-time to part-time or part-time to full-time.
5. **The content of the labor contract and rules of the introduction of Internal Regulations.** Mandatory components of the content of the labor contract were formed differently and as a result of the changes, the employer's obligation was added to this list to define the rule of termination of employment by the employer and the employee in the contract; Also, the obligation of the employer to introduce to the employees about the amendments into the internal regulations within a maximum of 14 days was defined.
6. **Performance of the work and working time.** Numerous amendments and supplements have been made to the regulation of working time, in particular: "in the conditions of changing the labor contract", "working time, breaks and rest periods", "specified



working hours for shift work", "overtime work" and "restriction of the employer during night work". Specifically, in the part of the working time, the code clarifies that the duration of overtime work performed by a minor in total should not exceed 2 hours during the working day, and during the working week-4 hours totally. Changes that were made in the above chapters have paramount importance in the management of the employment relationship, it is important that the employers pay attention to these changes. It was also regulated, that it is inadmissible for a employer to have an employee worked in two shifts in a row and to define the work schedule in a similar way.

7. **Vocation.** As a result of the amendments, the chapter VI - "Vocation" of the code was amended. Among the significant changes made in this chapter, the invalidity of the contract should be noted if it contains a condition by which the right to use annually paid leave is conceded or denied. It should be noted that the following chapters/articles contain important additions: "leave for pregnancy and childbirth, leave for child care, leave for adoption of a newborn and additional leave for child care".
8. **Work Remuneration, observance of working conditions, termination of the contract.** Significant amendments and supplements were also made to the chapters on "Work Remuneration", "Protection of Labor Condition", "Suspension of Labor Relations and Termination of the Labor Contracts", from which the article 5 of the paragraph 47 of the code should be mentioned, which in detail defines the list of conditions under which an employment contract cannot be terminated. According to 5<sup>th</sup> paragraph of the article 48 of the code, the employee has the right to demand compensation for the forced stoppage in addition to the restoration of the original or equivalent workplace or the payment of compensation imposed in its place, from the date of termination of the employment contract until the date of execution of the decision of the court on annulment of the decision of the employer on termination of the employment contract. In addition, there are important additions in the contract termination rules and massive dismissal articles, to which, the employer shall pay maximum attention during the managing of the employment relationship.



9. **Transfer of the Enterprise.** It is noteworthy that the article on the "Transfer of enterprise" was added to the code. Transfer of an enterprise means that, the transfer of an enterprise or business or part of them to another employer on the basis of a law or transaction, which includes the transfer of economic activity, during which its identity and/or essential similarity is preserved and which implies the organized grouping of resources for the implementation of basic and auxiliary economic activities. Within the transferred enterprise it is inadmissible for the transferor of the enterprise or the recipient of the enterprise to terminate the labor contracts on the basis of the transfer of the enterprise, which of course does not apply to the statutory situation when it comes to the economic circumstances, technological or organizational changes that make it necessary to reduce the number of employees in the workforce.
10. **Work of vital importance.** It should be noted that an important addition to the code is the invention of the regulation on "Work of vital importance", according to which, the right on strike is fully inadmissible by the employee who performs the work to carry out such activities, whose complete cessation endangers lives, personal safety or health of the whole community or part of it.
11. **Information and Consultation on the workplace.** It is important to note that a new chapter "Information and Consultation on the Workplace" has been added to the code, which implies the obligation of the employer to ensure the provision of information and consultation in the enterprise with at least 50 regular employees, in accordance with the rules established by this chapter. It also regulates the procedures of providing information and consultation.
12. **Period of Limitation.** According to the amendments additionally was clarifies the terms of "Period of Limitation", in addition to filing a lawsuit under the termination of the employment contract, the ageing time is 1 year for appeal to the court on the basis of the code and other arising claims from it, which will be counted from the date of notification by the party or from the date when he/she has to be informed about the violation rights.



**13. Labor Inspection and Sanctions.** As a result of the amendments, a chapter about "Labor Inspection" and "Sanctions" was added to the code, which defines the status of "Labor Inspection" and imposes appropriate types of sanctions in case of violation of various norms defined by the code.

As we can see, many legal changes have been made in the Organic Law of Georgia "Labor Code of Georgia", as a result of amendments, the significant changes has done to code. Its structure and article titles have changed, even its numbering. As mentioned above, it should be significantly emphasized that as a result of the amendments, a chapter on the „Labor Inspection Service" has been added to the code. This chapter defines the basic regulations and principles which should be followed by the Labor Inspection Service. The main function of this service is to supervise the labor legislation of Georgia and its implementation. It should be noted that the Labor Inspection Service is authorized to impose administrative liability and administrative penalties on violators of labor norms.

Detailed information on the amendments to the above law can be found at the link: <https://matsne.gov.ge/>, with the registration code: 2700000000.04.001.017990.

The law came into force on 5<sup>th</sup> of October, 2020, the main part of the code enters into force on 1<sup>st</sup> of January, 2021.