

Regional Employment Law Review 2024



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Introduction

The past year has seen a slew of developments in the area of employment law across the region. These range from the introduction of new legislation and regulations, amendments to existing legal frameworks, developments in policy, and new case law. For employers, particularly those with operations across jurisdictions, this has proven a greater challenge in terms of keeping ahead of developments and ensuring regulatory compliance.

In this year-end publication, we review the major developments in employment law over the course of 2024 in selected regional jurisdictions, highlighting the changes that employers should be aware of. Staying ahead of the curve, we also look to the year ahead in 2025 to discern major trends and developments that may be expected. The jurisdictions covered are:

- Cambodia
- Indonesia
- Malaysia
- Myanmar
- Philippines
- Singapore
- Thailand
- Vietnam

We also aim to keep you informed and up to date on important changes in the employment industry in 2025. If you have any queries or matters to discuss, please feel free to contact our regional employment law team.

Key Contacts

Singapore

Rajah & Tann Singapore LLP

Desmond Wee

D +65 6232 0474

E desmond.wee@rajahtann.com

Jonathan Yuen

D +65 6232 0161

E jonathan.yuen@rajahtann.com

Ang Tze Phern

D +65 6232 0922

E tze.phern.ang@rajahtann.com

Cambodia

Rajah & Tann Sok & Heng Law Office

Hout Sotheary

D +855 23 963 112 / 113

E hout.sotheary@rajahtann.com

Indonesia

Assegaf Hamzah & Partners

Ahmad Maulana

D +62 21 2555 7816

E ahmad.maulana@ahp.id

Muhamad Kamal Fikri

D +62 21 2555 7824

E kamal.fikri@ahp.co.id

Malaysia

Christopher & Lee Ong

Yau Yee Ming

D +601 7362 3459 / +603 2267 2669

E yee.ming.yau@christopherleeong.com

John Rolan

D +603 2273 1919 / +603 2267 2664

E john.rolan@christopherleeong.com

Myanmar

Rajah & Tann Myanmar Company Limited

Dr Min Thein

D +959 7304 0763

E min.thein@rajahtann.com

Philippines

Gatmaytan Yap Patacsil Gutierrez & Protacio
(C&G Law)

Cesar E. (Jun) Santamaria, Jr.

D +632 8248 5250

E cesantamaria@cagatlaw.com

Thailand

Rajah & Tann (Thailand) Limited

Piroon Saengpakdee

D +66 2 656 1991

E piroon.s@rajahtann.com

Vietnam

Rajah & Tann LCT Lawyers

Logan Leung

D +84 28 3821 2382

E logan.leung@rajahtannlct.com

Huynh Thi Thu Thuy

D +84 28 3821 2382

E thuy.huynh@rajahtannlct.com

About the RTA Regional Employment Practice Group

The award-winning Regional Employment Practice of Rajah & Tann Asia offers unrivalled expertise in all employment matters in the region, backed up by highly regarded local experts drawn from each of our offices within our network.

With top-ranked resident experts in their home countries well-versed in local employment laws, with on the ground experience, right of audience in local Courts and a firm grasp of local culture and business practices, we provide unparalleled and seamless services to our clients in the region.

We provide support across the full spectrum of workplace needs, including:

- Contracts, policies and HR compliance;
- Executive compensation and negotiations;
- Whistle-blowing, grievance reporting, workplace investigations and disciplinary processes;
- Industrial and union relations, collective and enterprise agreements;
- Business protection (including managing confidentiality, restraint of trade and non-competes);
- Employment structuring (including Employer on Record arrangements and engagement of contract/gig/platform workers);
- Immigration, work pass and global mobility;
- Restructuring, reorganisation and retrenchments;
- Occupational and workplace health and safety;
- Sustainability, Diversity, Equity and Inclusion support;
- Mergers and acquisitions;
- Employment disputes and contentious employment issues; and
- Representation in national court, arbitration, employment tribunal, mediation proceedings as well as in multi-party negotiations involving government bodies.

Cambodia

Looking Back 2024

In 2024, Cambodia's employment landscape saw significant regulatory developments, with authorities continuing to issue regulations to govern the employer-employee relationship.

These updates, primarily issued by the Ministry of Labour and Vocational Training ("MLVT") and other regulatory authorities, addressed key topics such as compensation for employment contract termination, regulation for foreign workers, salary taxation, determination of minimum wage, mandatory healthcare schemes, and mechanisms for dispute resolution.



Summaries of the key developments are provided below.

Compensation for Employment Contract Termination

On 21 March 2024, MLVT issued a Notification on Compensation for the Termination of an Employment Contract to avoid any misinterpretation of the content of the Labour Law dated 13 March 1997 ("**Labour Law**"), and its implementing regulations. The key updates in the Notification address employee compensation for termination due to serious misconduct, termination without a valid cause, or instances where the employer is facing bankruptcy. Compensation for the above circumstances would be based on the type of employment contract (fixed or undetermined duration).

Legal Employment of Foreign Workers

On 12 August 2024, MLVT issued Notification no. 022/24 re-emphasising procedures for the legal employment of foreign workers in Cambodia. Employers are required to obtain a foreign quota from MLVT when hiring foreign employees, and foreign workers are required to obtain valid work permits to work legally in Cambodia. The Notification further states that individuals holding tourist visas or visas other than business visas are strictly prohibited from conducting business or engaging in employment activities in the country.

Foreign Quota Application for the Year 2025

On 11 September 2024, MLVT issued Notification no. 026/24 to inform the owners or directors of companies employing foreign employees to apply for their foreign quota for the year 2025. The permitted ratio of local to foreign employees is 10:1, meaning companies are allowed to employ one foreign employee for every ten local employees employed. Failure to comply with the above requirement will result in a pecuniary fine, which is equivalent to 61 to 90 days of the base daily wage, or imprisonment for a period of six days to one month. Click [here](#) to read our September 2024 Legal Update for more information.

Tax on Salary

The Ministry of Economy and Finance issued Prakas No. 575 on 19 September 2024, which established the rules and procedures for managing salary tax collection in Cambodia. This applies to resident natural persons in Cambodia for Cambodian source salaries and foreign source salaries, as well as non-resident natural persons for Cambodian source salaries. The term "Salary Tax" under this Prakas is defined as the monthly tax imposed on the salary earned from employment activities, consisting of wages, remuneration, indemnity, bonuses, overtime compensation, and additional benefits. The Prakas highlights the provisions relating to the exempted salary from tax, tax base and tax rate, and additional benefits for employees.

Determination of Minimum Wage for Workers in the Textile, Garment, Footwear, Travel Goods and Bag Industries for the Year 2025

Pursuant to Prakas No. 211/24 issued by MLVT on 20 September 2024, the minimum wage for workers in the textile, garment, footwear, travel goods and bag industries for the year 2025 was established. Effective 1 January 2025, the monthly minimum wage for the above industries is set at US\$208 for regular workers, and US\$206 for probationary workers. For piece-rate workers, wages shall be received based on the actual quantities of the relevant product produced. If the quantity of product produced by the worker exceeds the set minimum wage, the worker's wage will be calculated based on the excess quantity of product. However, if the quantity produced is less than the minimum wage, the prescribed monthly minimum wage will apply instead. Additionally, any other entitlements that workers have received until now will remain unchanged.

Conditions, Formalities, and Procedures for Mandatory Health Care Schemes under the Social Security Scheme

On 5 November 2024, MLVT issued Notification no. 235/24 to determine the conditions, formalities, and procedures for providing medical care services, rehabilitation services, and health prevention services, and a list of chronic diseases pertaining to mandatory health care schemes under the social security scheme in Cambodia. It applies to both persons in the public sector and persons defined by the provisions of the Labour Law.

Procedures and Mechanisms for Resolving Disputes or Complaints

The Non-Banking Financial Services Authority issued a decision no. 017 on 22 November 2024 to set out the procedures and mechanisms for resolving disputes or complaints within the social security system. This applies to cases that have undergone dispute resolution procedures at a social security operator level but have not yet reached a settlement. Key provisions include the rights and obligations of the disputing parties, the power of the conciliator, and the details of the reconciliation process.

Gazing into 2025

*As Cambodia steps into 2025, MLVT continues to lead transformative developments with ongoing initiatives such as the Strategic Development Plan for Labour, Social Security, and Vocational Training 2024–2028 ("**Strategic Development Plan**"), the establishment of the Occupational Safety and Health Training Centre, and the implementation of an anonymous complaint box.*

These milestones reflect Cambodia's commitment to enhancing workplace safety, social security, and vocational training, all while ensuring an inclusive and empowered workforce that meets global standards and supports sustainable development objectives. Apart from the foregoing, works in progress also include the drafting of the amended labour law and the review of regulations on, inter alia, overtime work, contract suspension, etc.



Summaries of the key developments are provided below.

Strategic Development Plan for the Labour, Social Security and Vocational Training 2024-2028

MLVT has developed the Strategic Development Plan, which outlines a dynamic vision for advancing the employment landscape in Cambodia for 2024 to 2028. It was launched by the Prime Minister of the Kingdom of Cambodia on 8 February 2024.

According to the Minister of Labor and Vocational Training, the Strategic Development Plan was developed in response to the Pentagonal Strategy-Phase 1 and the Cambodian Sustainable Development Goals Framework 2016-2030. It consists of five technical strategies and one general support strategy (5+1) as follows:

1. Technical strategies:

- 1.1 Develop and implement an active labour market policy in order to minimise the inconsistencies between job seekers, job providers, and training providers;
- 1.2 Transform the technical and vocational education and training system in response to the Fourth Industrial Revolution (also known as Industry 4.0), consisting of a digital economy and society, as well as a green economy, in order to ensure that the Cambodian youth will become a truly skilled workforce that possesses employable and adaptable skills, in addition to technical skills;
- 1.3 Develop working conditions, safety and health, and harmonisation of industrial relations in line with the global evolution in order to ensure that individuals will have better opportunities to seek jobs both inside and outside of Cambodia, as well as earning higher income with better working conditions;
- 1.4 Strengthen the management of labour migration with safety, quality and efficiency to enhance the protection of the rights, honour, dignity, and best interests of Cambodian migrant workers and foreigners working legally in Cambodia; and
- 1.5 Develop a social security system that is in line with the evolution of the socio-economic situation, ensuring the well-being and social security of individuals during employment and until retirement.

2. General support strategy:

2.1 Modernise institutions, public service and general support service provisions through digital technology, which will enable MLVT to further strengthen its capacity, enhance quality, as well as respond and support in a responsible, transparent, accountable manner, with reliance on a clear Information Technology and data system.

Inauguration of the Occupational Safety and Health Training Centre

The Occupational Safety and Health Training Centre ("**OSH Training Centre**") was inaugurated on 29 November 2024 by MLVT under the development assistance project from the Republic of Korea. The OSH Training Centre was established to demonstrate the Cambodian government's strong commitment to improving occupational safety and health conditions, in line with the Strategic Development Plan, the Third Master Plan on Occupational Safety and Health (2023–2027), and the 9th recommendation addressed by the Prime Minister of the Kingdom of Cambodia to MLVT on the implementation of occupational safety and health in the workplace. The OSH Training Centre aims to ensure better working conditions and establish robust workplace safety management systems that adhere to national and international standards.

Moving forward, with the establishment of the OSH Training Centre, occupational safety and health training programmes may be developed for employers and employees, ensuring that they are well-prepared for safety and health at the workplace.

Complaints through an Anonymous Complaint Box

MLVT has announced the launch of an anonymous complaint box for the public through Notification no. 030/24, dated 9 October 2024. The Complaints can be submitted via <https://feedback.mlvt.gov.kh> or by using the QR code attached to the Notification.

Moving forward, with the launch of an anonymous complaint box, the public is now able to conveniently file complaints or report employment-related issues, including submitting requests and inquiries to MLVT, with greater accessibility and efficiency without having to reveal their identities.

Indonesia

Looking Back 2024

In 2024, Indonesia saw significant developments in employment law, primarily influenced by key rulings from the Constitutional Court and new legislative initiatives by the Government.

These changes highlight a push toward greater clarity and balance in employer-employee relations.



Summaries of the key developments are provided below.

Ministry of Manpower's Statement on Holiday Allowances (THR) for Online Ride-Hailing Services

On 15 March 2024, the Ministry of Manpower ("**Ministry**") issued Circular Letter No. M/2/HK.04/III/2024 on the implementation of *tunjangan hari raya* ("**THR**"), or religious holiday allowances, for 2024. In general, the contents of this Circular do not contain anything new or contrary to Minister of Manpower Regulation No. 6 of 2016 on Religious Holiday Allowances for Workers in Companies and other prevailing labour laws and regulations.

During the press conference announcing the Circular Letter, an officer of the Ministry stated that online ride-hailing drivers are included in those who are entitled to holiday allowance. Even though their working relationship is a partnership, they are categorised under the category of fixed-term employment agreement (*perjanjian kerja waktu tertentu* or PKWT) workers.

The officer's statement immediately garnered widespread public response in the news and raised concerns about legal uncertainty regarding THR for online ride-hailing and logistic partners. Click [here](#) to read our March 2024 Legal Update for more information.

New Law on Welfare for Mothers and Children

In June 2024, the House of Representatives ratified a draft law governing the welfare of mothers and children titled Law No. 4 of 2024 on Welfare of Mothers and Children. As evident from the subject matter, the draft law regulates various aspects of the welfare of mothers and children, as well as the rights that need to be guaranteed by the state to realise this. When it comes into effect, the draft law will regulate maternity leave, supporting facilities at workplace for mothers who have recently given birth, and adjustments to working hours for breastfeeding mothers. These changes are in line with the aim of the draft law, which is to ensure the equal rights of mothers and children under the 1945 Constitution.

From an employer perspective, the draft law will impact the rights of workers and employers' obligation to provide facilities for working mothers. It may also lead to amendments in company regulations to accommodate changes in leave entitlements and working hours, among other things. Click [here](#) to read our June 2024 Legal Update for more information.

Major Changes to Indonesian Labour Law: Constitutional Court Ruling Favours Employees

In a significant decision on 31 October 2024, Indonesia's Constitutional Court issued a ruling with major implications for the country's labour law. The Court's decision stems from a judicial review petition (No.168/PUU-XXI/2023) that challenged Law No. 11 of 2020 on Job Creation (as amended) ("**Job Creation Law**"), a law that introduced significant changes to Indonesia's labour regulations.

Key takeaways for employers include:

- Prioritising Indonesian workers over foreign nationals for job vacancies.
- Adhering to the strict five-year limitation on fixed-term employment agreements (*perjanjian kerja waktu tertentu* or PKWT) and ensuring these agreements are in writing.
- Preparing for potential adjustments to outsourcing practices as the Minister of Manpower determines which jobs can be outsourced.
- Reviewing wage structures and scales to ensure compliance with the new eligibility indicators and calculation formula.
- Understanding the revised termination procedures, including the prioritisation of employee payments in bankruptcies and the parties' obligations during the dispute resolution process.

Click [here](#) to read our November 2024 Legal Update for more information.

Gazing into 2025

In 2025, key developments and trends in Indonesian employment law will likely continue to be shaped by subsequent rulings by the Constitutional Court.

The highlights include protection of workers' rights, ranging from minimum wage standards to termination disputes. Stricter regulations on the outsourcing of jobs and the employment of foreign workers are also expected to be implemented.



Summaries of the key developments are provided below.

Protection of Workers

The Constitutional Court's rulings have emphasised the protection of workers' rights, such as reconfirming the cap on fixed-term employment contracts (PKWT) at five years. While the cap is already set out in current regulations, it is expected that the Government will be more proactive in enforcing compliance in 2025. Companies are more likely than not to need to ensure compliance by reviewing employment agreements and transitioning long-term roles into permanent positions where necessary.

Tightened Regulation for Outsourcing

The Minister of Manpower has been expected, in the Constitutional Court's rulings, to determine which jobs can be outsourced. The Court highlighted the need to ensure certainty in outsourcing arrangements to protect workers. Uncertainty about job continuity and length of service, particularly with frequent changes in outsourcing companies, can negatively affect workers by limiting job continuity and opportunities for better income and benefits that are commensurate with their years of service and dedication.

Minimum Wage Standards and Workers' Welfare

In response to the Constitutional Court's rulings, the Minister of Manpower has issued Regulation No. 16 of 2024 on the Stipulation of Minimum Wages for 2025, which came into force on 4 December 2024. One of the key highlights of this regulation is the increase in national minimum wages for 2025, which was initiated in response to the President's directive to raise the minimum wage by 6.5%. Ultimately, this increase aims to maintain workers' purchasing power while strengthening the overall competitiveness of businesses.

Stricter Foreign Workers Regulations

Further restrictions on foreign employees may be implemented, with an emphasis by the Constitutional Court on prioritising Indonesian nationals for most roles. Businesses hiring foreign workers must ensure compliance with skill transfer requirements and adhere to limitations on roles and contract durations.

Updated Rules on Termination

The Constitutional Court's rulings have confirmed the necessity of a final and binding decision/stipulation from the Industrial Relations Court when resolving termination disputes (PHK).

The Court also clarified that an employee will still be entitled to his/her salary until the employment dispute process is completed (i.e., obtaining a final and binding decision/stipulation from the Industrial Relations Court). These rulings may bring further confusion, since there is a Supreme Court's circular which provides guidelines to judges to limit the "process salary" given to employees to a maximum of six months' salary. It will be interesting to see how the Industrial Relations Court's judges will decide on this matter amid the rulings.

Malaysia

Looking Back 2024

2024 saw the passing of amendments to a key piece of legislation, the Occupational Safety and Health Act 1994 ("**OSHA**"). The scope of the OSHA has been widened from being only applicable to specific industries to all places of work including public and statutory authorities with certain limited exceptions. Companies, particularly those in industries which were not previously subject to the OSHA, will now have to be well aware of amendments and to plan for implementation accordingly.



From a disputes context, the number of cases in the Industrial Court (a specialised tribunal that hears employment disputes) continues to rise on a yearly basis. Based on current projections, Industrial Court cases in Malaysia are poised to exceed figures in 2023 (1,822 cases) and 2022 (1,657 cases). This gradual increase has generated a growth in appellate judgments from the highest courts in Malaysia (the Court of Appeal and the Federal Court) on principles of employment law by way of developments in case precedents. This consequence is a welcome one as these appellate judgments set parameters for the Industrial Court (which hears employment disputes at the first instance) to decide on cases, which will achieve coherence and consistency among decisions.

In the corporate sector, 2024 witnessed more decisive and concerted efforts to overcome forced labour issues through investigations and prosecutions. This trend continues from the 2023 figures where 1,321 investigation papers were opened against 645 employers. Following from this, 272 employers were issued compounds totalling RM2.17 million, while 128 employers were fined totalling RM242,000.

Summaries of the key developments are provided below.

Occupational Health and Safety – Amendments to the OSHA

The OSHA establishes the legal framework relating to the occupational safety and health in Malaysia. Key amendments to the OSHA include:

- widening its scope from being only applicable to specific industries to all places of work including public and statutory authorities with certain limited exceptions.

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- expanding the duties relating to measures that are to be taken to ensure the safety and health of persons at work.
- introducing a duty to conduct a risk assessment in relation to the safety and health risks at the place of work.
- significant increases in penalties and punishments for non-compliance, with penalties increasing by at least tenfold.
- requiring employers who have five or more employees to appoint an occupational safety and health coordinator to oversee and manage all occupational safety and health matters.
- possibility of directors and office bearers being jointly and severally liable for non-compliance under the OSHA.

Click [here](#) to read our April 2024 Legal Update for more information.

Wages – Increase in the National Minimum Wage

While tabling the 2025 budget in October 2024, the Prime Minister announced a minimum monthly wage hike from RM1,500 (set in May 2022) to RM1,700.

The new minimum wage will take effect on 1 February 2025. For companies with fewer than five employees, the implementation of the minimum wage would only be effective on 1 August 2025.

A key feature of the new minimum wage is that it will also apply to non-citizens in the private sector (except for domestic workers and apprenticeship contracts). This is consistent with the ILO Equal Remuneration Convention (No 100) as ratified by Malaysia, and Section 69F of the Employment Act 1955 which prohibits any form of discrimination between local and foreign workers.

Forced Labour – Increased Publication of Forced Labour Practices

Shimano, a bicycle-parts manufacturer for the general public and professional competitors (including Tour de France competitors) was alleged to have sold gears produced by 'modern slaves' employed by a Malaysian supplier.

Allegations against the Malaysian company included that the employees were subject to physical abuse,

threats, unlawful salary deductions and recruitment fees.

While no prosecution has been initiated thus far, the Ministry of Human Resources has come out to announce that it has opened investigation papers against the Malaysian supplier for violations of the Employment Act 1955 and Employees' Minimum Standards of Housing, Accommodations, and Amenities Act 1990.

Separately, Panasonic, Sony and Daikin were likewise accused of forced-labour practices including withholding passports and wages via its Malaysian supplier. The companies pledged to conduct a comprehensive audit and take corrective actions. The Ministry of Human Resources commenced investigations against the Malaysian supplier which uncovered that more than 200 employees were not paid their wages and had had their passports withheld. No prosecution has been initiated thus far.

Employment Termination – Mutual Separation Scheme ("MSS")

Generally, where a MSS is executed by an employee, the termination of employment would be deemed to be valid unless there exist vitiating factors such as duress, fraud, etc.

In the Federal Court case of *Mugunthan a/l Vadiveloo v MSSB Braun Medical Industries Sdn. Bhd.*, the apex court took the view that even if the employee voluntarily executed the MSS, the court is still empowered to investigate the background facts leading to the execution of the MSS to determine if there was indirect pressure placed on the employee.

The Federal Court considered that the conduct of the company by offering the employee two options (the first being a MSS with a higher compensation package, and the second being retrenchment with a lower compensation package) indicated that there was indirect pressure placed on the employee to execute the MSS, thereby rendering the MSS invalid and making the termination of employment unfair.

This decision highlights the need for companies to strategically consider their negotiation methods in matters involving a MSS to avoid any implications arising from indirect pressure placed on an employee.

Gazing into 2025

While there has been a sharp rise in publications on forced labour practices among local entities and suppliers of multinational companies, leading to reputational repercussions, legislation to combat such practices have still not caught up.

*While Malaysia ratified the ILO Forced Labour Convention No. 29 ("**Convention**"), the same has not been incorporated into legislation. With government bodies such as the Ministry of Human Resources leading the initiative in this area, it is anticipated that there will be a push for legislation to be amended to particularise forced labour offences in more detail, which will assist with investigation and prosecution efforts.*



On another legislative front, to better manage the increased number of cases in the Industrial Court, it is expected that reforms will be proposed to allow the Industrial Court to dispose of such cases expeditiously. Statistically, the number of cases in the Industrial Court have increased year by year. Reforms are seen to be necessary in order to prevent delays in the disposal of cases.

Summaries of the key developments are provided below.

Forced Labour – Amendments to Legislation

There is a push by the Ministry of Human Resources and stakeholders to implement the 11 indicators of forced labour under the Convention into legislation.

As it stands, there are difficulties in investigating and prosecuting forced labour offences under the 11 indicators of forced labour due to the generality of the existing legislation. With the issues of debt bondage, recruitment fees, and withholding of passports and/or wages still rampant, it will be a question of when, not if, regarding legislative amendments to achieve alignment with the Convention.

Employment Termination - Reform of the Industrial Court

The Ministry of Human Resources announced in October 2024 that it will spearhead reforms to the Industrial Court to enhance its efficiency and improve its facilities. The aim is to allow the Industrial Court to reduce the backlog of cases and to complete the disposal of cases in a shorter lead time.

It is anticipated that the reforms will include increasing the number of Judges in the Industrial Court, extending the tenures of existing Judges, and setting timelines for the disposal of cases.

Myanmar

Looking Back 2024

In recent years, Myanmar has been making efforts to reform its labour laws to improve working conditions and align more closely with international labour standards. The Labor Organization Law, the Labor Law (2011), and the Minimum Wage Law have been under scrutiny for revisions, especially in response to calls from international organisations such as the International Labour Organization (ILO).

For 2024, notable updates include developments relating to overtime pay, minimum wage, remittance of wages by citizens working abroad, and military service.



Summaries of the key developments are provided below.

Working Hours and Overtime Regulations

Myanmar has taken steps to regulate overtime pay more clearly. Employees working overtime should be compensated at a higher rate, generally 1.5 times the regular hourly wage, depending on the specific labour agreement between the employer and employee. This includes working on public holidays, where employers must provide extra pay or time off.

New Wage Increase for Myanmar Workers

On 9 August 2024, Myanmar's National Committee for Setting the Minimum Wage issued a notification increasing the minimum wage nationwide, effective from 1 August 2024. The new rate includes a further allowance of 1,000 kyats on top of the existing minimum daily wage of 4,800 kyats and an earlier additional allowance of 1,000 kyats, bringing the total to 6,800 kyats for an eight-hour workday.

This change also applies to government employees and day labourers, who received a similar increase. Wages for daily employees and day labourers in government departments and organisations had increased by an additional 1,000 kyats on top of the existing fixed-wage of 4,800 kyats for an eight-hour workday, starting in October 2023, in order to provide further support to these workers. As of 1 August 2024, an extra 1,000 kyats allowance has been added, bringing the total daily wage for daily employers and day labourers in government departments to 6,800 kyats.

It should be noted that this wage adjustment does not apply to small businesses with fewer than ten workers or family-owned businesses.

Remittance of Wages by Citizens Working Abroad

On 28 August 2024, Myanmar's Ministry of Labour issued Notification 108/2024 pursuant to Section 31(b) of the Law Relating to Overseas Employment. Under

this notification, Myanmar citizens working abroad are required to remit a minimum of 25% of their monthly wages to their families or their bank accounts on a quarterly basis, through official channels. A failure to comply with the aforesaid remittance requirements will result in a ban on the said worker from departing for overseas employment, as well as restrictions on the issuance or renewal of Overseas Worker Identification Cards (OWIC) and passports.

This has a significant impact on Myanmar workers working overseas, imposing clear remittance obligations with serious repercussions if breached.

Implementation of the People's Military Service Law 2010

Pursuant to Notification 27/2024 issued on 10 February 2024, Myanmar's State Administration Council (SAC) announced that the People's Military Service Law 2010 would come into force as of 13 February 2024. In general, this law affects the following Myanmar citizens who, subject to certain exemptions, will be eligible to be called up to serve two or three years of military service (which may be extended to five years in the case of a state of emergency):

- males who are at least 18 years old but below 35 years old (age limit increased to 45 for "professionals"); or
- females who are at least 18 years old but below 27 years old.

This has had a significant impact on the employment sector in Myanmar, as young workers have been migrating to neighbouring countries.

Gazing into 2025

As Myanmar continues to navigate its complex political and economic landscape, the employment law framework is set to evolve further in 2025. In particular, Myanmar may see impending reform in the area of worker protection as it focuses on key issues such as workplace safety and social welfare. In light of changing working conditions and the pervasiveness of data protection concerns, Myanmar may also see the enhancement of data protection laws and obligations to keep pace with global standards.



Summaries of the key developments are provided below.

Reforms in Employment Contracts and Worker Protections

There has been a growing emphasis on ensuring that employment contracts comply with statutory requirements, particularly regarding wage policies, working hours, and termination conditions. This trend reflects a broader effort to align with international labour standards. Foreign worker employment and translation of contracts into the Myanmar language remain critical areas of compliance. Enhanced oversight into these matters by the Labour Offices is expected and could include:

- **Mandatory Written Contracts:** Employers are increasingly required to provide written contracts that outline terms such as working hours, wage structures, overtime policies, and job responsibilities. Contracts must be compliant with Myanmar's labor laws and, in some cases, translated into the local language to ensure workers understand their rights.
- **Enhanced Worker Protections:** Reforms aim to protect workers from exploitative practices, particularly in vulnerable sectors like agriculture and manufacturing. Workers' rights to fair treatment, timely payment, and safe working conditions are receiving increased attention.
- **Focus on Compliance:** Emphasis is being placed on ensuring compliance with workplace health and safety regulations. Employers must also monitor working hours and overtime limits, with a maximum of 12 hours of overtime permitted weekly, paid at double the regular rate.
- **Sectoral Changes:** Myanmar is witnessing growth in sectors such as data protection, Information Technology, engineering and marketing, which could see the development of sector-specific regulations in these industries.

Focus on Workplace Safety and Social Welfare

With post-pandemic recovery still ongoing, workplace safety regulations and provisions for social benefits like maternity and parental leave are gaining prominence. Businesses are encouraged to review internal policies to meet rising regulatory expectations.

Data Protection and Employee Privacy

As Myanmar introduces broader data protection frameworks, businesses are expected to adopt stricter measures for handling employee data, especially in human resource ("HR") systems and monitoring practices. The current regime has already adopted several data privacy provisions under the Electronic Transactions Law and Telecommunications Law, and employee data management regulations could follow suit in the near future. We can expect Myanmar to gradually align its laws with global data privacy standards such as:

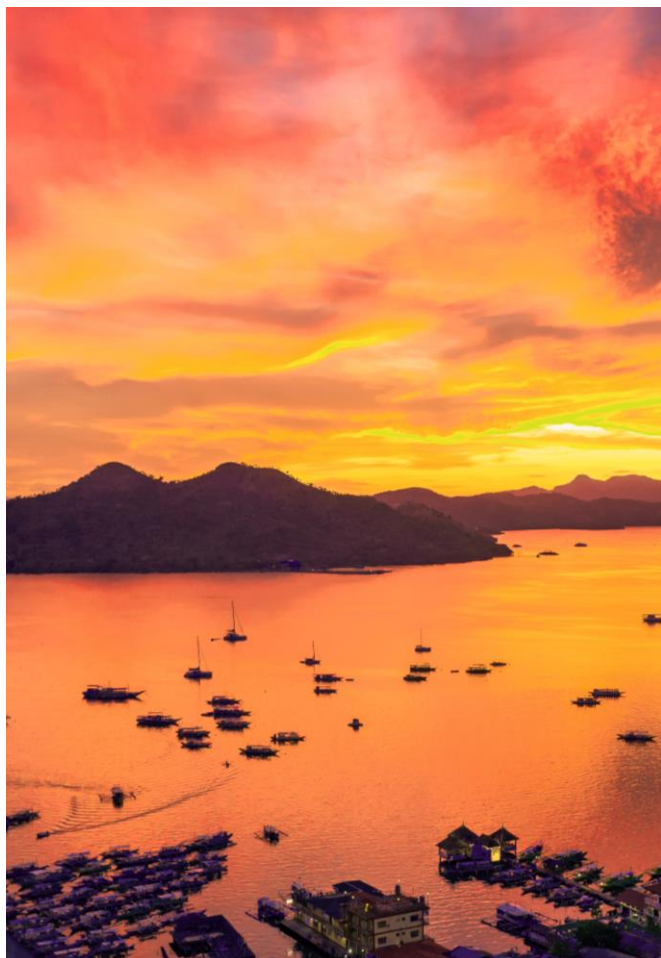
- **Data Collection and Usage:** Employers handling employee data are increasingly required to adopt stricter protocols for data collection, storage, and usage. This includes ensuring transparency and safeguarding employee privacy in HR processes.
- **Monitoring Policies:** As workplace monitoring technologies advance, employers need to strike a balance between operational efficiency and employee privacy, ensuring policies comply with emerging data protection laws.

Philippines

Looking Back 2024

On 24 July 2023, the Philippines declared its commitment to boosting the country's workforce by creating more high-quality jobs for Filipinos. In line with this, the Congress passed Republic Act No. 11962 or the Trabaho Para sa Bayan Act on 27 September 2023, which serves as the national employment masterplan of the Philippines.

Following its implementation, the country noted an increase in the number of middle-skilled, wage and salaried, and full-time jobs, indicating better-quality jobs for Filipino workers in 2024. (See report on "Investments, Key Labour Market Reforms To Boost Job Quality For Filipinos", available on the National Economic Development Agency website [here](#).)



This year, the country continued its efforts to make sure that Filipinos will have more high-quality jobs providing a decent wage. The primary aim has been on tackling challenges beyond reducing unemployment. More importantly, the policy focus has been on enhancing the quality of the jobs available to workers by improving their education, training, and working environment, and attracting more businesses to invest in the Philippines and create more jobs in the country.

The focal point of the labour legislation issued this year has been the promotion of workers' rights and representation. Several pieces of legislation were passed giving special protection to workers in certain sectors which are especially vulnerable to abuse and exploitation.

The country has also focused on ensuring safer working condition for workers, ratifying two International Labour Organization ("ILO") Conventions.

In addition, the country prioritised increasing the minimum wage of workers, which remains the main grievance of minimum wage earners.

The Philippines has also implemented a framework which will strengthen the country's training and apprenticeship programs for workers.

Summaries of the key developments are provided below.

Employee Rights and Representation – Magna Carta for Seafarers

The Magna Carta for Seafarers Act was enacted to promote seafarers' rights by ensuring that domestic labour standards are on par with international standards. This law also aims to establish guidelines for the education, training, and certification of seafarers to make them globally competitive and give them better employment opportunities.

More importantly, this law gives seafarers a more equitable remedy to assert claims against their employers. Awards of salaries, statutory benefits, and undisputed claims are immediately executory. On the other hand, awards of disputed amounts and damages need not be paid by the employer pending appeal unless the claimant files a bond. This policy seeks to strike a balance between the interests of the seafarers and their employers, and to reduce "ambulance chasing" in the country.

Employee Rights and Representation – Eddie Garcia Law

The Eddie Garcia Law was passed to protect the welfare of workers in the movie and television industry. It aims to provide workers in the entertainment industry with opportunities for gainful employment or work engagements, and decent income. It also seeks to safeguard the workers from abuse, harassment, hazardous working conditions, and economic exploitation in the industry.

In particular, the law provides for the implementation of working hours, wages and other wage-related benefits, social security and welfare benefits, basic necessities, health and safety, working conditions and standards, and insurance in favour of workers.

Safer Working Conditions – Ratification of ILO Conventions

The Philippines has ratified Labour Inspection Convention No. 190 of the ILO. On 20 February 2024, the government deposited the instrument of ratification, making the Philippines the first country in Asia and the 38th in the world to ratify the convention. It is the first international labour standard to comprehensively address violence and harassment in the employment sector.

The Philippines also ratified Labour Inspection Convention No. 81 of the ILO and deposited the instrument of ratification on 5 November 2024. This convention seeks to ensure decent work conditions for employees through rigorous enforcement of national laws related to working conditions. It also underscores the importance of a well-resourced inspection staff which is composed of public officials with adequate

conditions of service and the necessary human, material, and financial resources to carry out their duties effectively.

Wages – Timely Review of Minimum Wage Rates

In the recent years, several bills were filed by legislators proposing a nationally legislated across-the-board wage increase for workers in the private sector. However, this had yet to result in amendments to the 1989 Wage Rationalization Act (R.A. 6727, as amended by R.A. 8188 in 1996).

On 1 May 2024 (i.e. Labour Day), the government called on the Regional Tripartite Wages and Productivity Boards ("**RTWPBs**") to initiate a timely review of the regional minimum wage rates (i.e. within 60 days from the anniversary date of the most recent wage order in the region concerned). Thus, the Department of Labour and Employment through the National Wages and Productivity Commission issued Resolution No. 05 Series of 2024 directing the RTWPBs to commence the timely review of minimum wages in the Philippines.

Apprenticeship Programs – Enterprise-Based Education and Training ("EBET**") Framework Act**

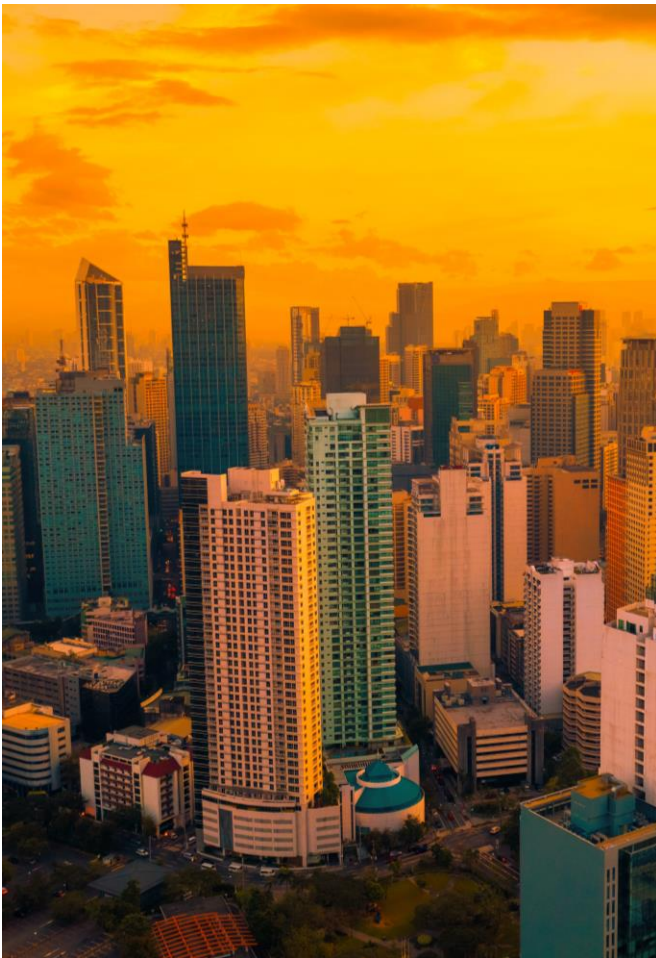
The EBET Framework Act was enacted to institutionalise and strengthen apprenticeship programs in the country. It is a framework to address the jobs-skills mismatch and to develop a more skilled and globally competitive Filipino workforce. The law aims to give Filipino workers adequate education and training to address unemployment, underemployment, and other labour challenges faced by Filipinos.

Under the EBET Framework, there will be programmes which are based on the complexity of the competencies to be learned by the trainees. The programmes shall in no case exceed three years. However, the law mandates the regularisation of any trainee who receives training for a period exceeding three years or in excess of the prescribed period, as may be determined by the Technical Education and Skills Development Authority.

Gazing into 2025

The Philippines remains committed to improving the quality of job opportunities for Filipino workers. The government is working to increase the employability of workers through upskilling and retooling initiatives and numerous human capital development interventions in the education and health sectors. Legislators are also continuously putting emphasis on employee rights and representation, and safer working conditions.

The country is still looking at ways to increase the minimum wage and other benefits of employees. There also appears to be a conscious effort to improve Filipinos' work-life balance and overall well-being, going beyond the issue of employability.



Summaries of the key developments are provided below.

Employee Rights and Representation – Protection in Favor of Workers in Specialized Sectors

The business process outsourcing ("BPO") industry plays a significant part in the Philippine economy, and it continues to provide substantial job opportunities for Filipinos. Hence, several legislators are pushing for the enactment of the BPO Workers' Welfare and Protection Act. This law aims to set practicable and equitable arrangements to provide protection to BPO workers and to prevent exploitation in the workplace.

Legislators are also advocating for the passage of the Delivery Platform Riders Protection Act. This proposal was made in consideration of the growing online selling and delivery industry in the Philippines. One of its aims is establishing employer-employee relationships between delivery riders and digital platform companies.

Employee Rights and Representation – Reforms in the Labour Code and the Cooperative Code of the Philippines

At present, the Labour Code of the Philippines allows the non-economic provisions of collective bargaining agreements to take effect for five years. However, some legislators are of the view that this period is too restrictive. Thus, there is a proposed amendment to the Code which aims to shorten the effective period of these non-economic provisions, thus maximising the opportunity of employees to choose their bargaining representatives, in furtherance of their right to self-organization.

Also, there is also a proposed amendment to the Revised Cooperative Code of the Philippines. This amendment aims to give greater protection to cooperatives, including labour services cooperatives who provide workers to other entities.

Wages – Living Wage Act and Enterprise Productivity Act

With the increasing cost of living in the country, minimum wage earners are increasingly unable to afford their basic necessities. With this, Philippines legislators recognize that increasing the minimum wage will help to alleviate the financial strain on families. The proposed Living Wage Act thus aims to increase the standards for minimum wage fixing to determine the

living wage that is necessary to afford a decent standard of living.

Further, there is also the proposed Enterprise Productivity Act, which aims to promote inclusive and sustainable productivity growth by giving employees incentives for increased productivity. This will also benefit employers as it aims to increase the wages of workers based on their productivity, thus encouraging better overall productivity outcomes for their employers.

Employee Benefits – Additional Leave Benefits

There are several proposals for additional leave benefits in the works. First, the Extended Paternity Leave Act aims to give male employees greater benefits in terms of paternity leave, including those in a common-law relationship. Second, the Family and Medical Leave Act aims to grant employees 15 days of paid leave a year if their spouse, parent, unmarried child, or they themselves are suffering from serious illness. Lastly, the Mental Health Promotion and Leave Act for Employees aims to promote mental health in the workplace by putting emphasis on the responsibility of employers to promote their employees' overall well-being.

These proposed additional leave benefits are aimed at improving the work-life balance and overall well-being of Filipino workers, and are also in line with the policy of the state in protecting the family as the most basic unit of society.

Discrimination in the Workplace – Equal Opportunities for Workers; Equal Pay for Equal Work

Legislators are actively trying to address the discrimination faced by workers in the workplace. There are initiatives in the Congress calling for equal employment opportunities to members of Indigenous Cultural Communities ("ICCs"). This proposal aims to give employment opportunities to members of ICCs who often face discrimination in the workplace. It mandates private enterprises operating in areas where ICCs exist to give preferential employment to members of these communities and to let them express their religion or beliefs in the workplace. In line with this, there is also a separate proposal to require employers to publicise salary offers in job advertisements in order to prevent salary offer discrimination among job applicants.

In addition, the Congress recognises gender-based discrimination which continues to happen in the workplace. Thus, legislators are still advocating for bills protecting women against discrimination in the workplace by amending pertinent provisions in the Labour Code of the Philippines.

Employment of Foreign Nationals – Amendment to the Philippine Immigration Act of 1940

There is a pending proposal in the Congress for the amendment of the Philippine Immigration Act of 1940 concerning the employment of foreign nationals in the country.

This proposed amendment will require all foreign nationals who intend to work in the Philippines to present an employment permit prior to the issuance of non-immigrant visa or temporary admission to the Philippines.

Singapore

Looking Back 2024

2024 has seen several significant developments in Singapore's employment landscape, some of which have been years in the making. These developments reflect the evolving nature of both workplace norms and the workplace itself.

The landmark Workplace Fairness Bill has been tabled in Parliament to provide for protections against discrimination and establish fair employment practices.



In recognition of the emergence – and permanence – of the platform economy, Parliament has passed the Platform Workers Bill to effectively position platform workers in a category of their own, distinct from either employees or contractors.

The Government has also made several moves to support employees to remain in the workforce. The newly introduced Tripartite Guidelines on Flexible Work Arrangements require employers to implement a framework for considering requests for flexible work arrangements (“FWAs”). Further, a Bill to enhance parental leave schemes and leave protections has been passed, while the Ministry of Manpower (“MOM”) announced the next increment in the retirement and re-employment ages.

There has also been a sharpened focus on workplace safety and health (“WSH”), with MOM announcing a significant increase in penalties for WSH breaches, among other measures.

Summaries of the key developments are provided below.

Landmark Workplace Fairness Bill Introduced in Parliament

First mooted at the National Day Rally 2021, the landmark Workplace Fairness Bill (“WF Bill”) seeks to protect individuals from discrimination on the grounds of specified protected characteristics, such as age, nationality, sex, pregnancy, disability, and mental health. It will also establish fair employment practices in relation to job applications, handling of grievances, and the prohibition against retaliation.

A second WF Bill will be tabled in 2025 to set out claims procedures and implement amendments to the Employment Claims Act 2016.

Click [here](#) to read our November 2024 Legal Update for more information.

New Tripartite Guidelines on Flexible Work Arrangement Requests

Following the widespread adoption of telecommuting and staggered working hours amidst the COVID-19 pandemic, the job market in Singapore has seen an increasing demand for FWAs. On 16 April 2024, MOM launched the Tripartite Guidelines on Flexible Work Arrangement Requests ("**FWA Guidelines**"), which establish how formal FWA requests should be made and how employers should consider and communicate their decisions on such requests.

The FWA Guidelines came into effect on 1 December 2024, and will apply to all employers. Click [here](#) to read our April 2024 Legal Update for more information.

Passing of Bill to Enhance Parental Leave Schemes, Institute Leave Protections

In a bid to support parents in the workplace, the Child Development Co-Savings (Amendment) Bill was passed in Parliament on 13 November 2024 to:

1. provide for new and enhanced parental leave schemes;
2. clarify reimbursement where employees are concurrently employed by two or more employers, or are both an employee and a self-employed person;
3. implement a new minimum notice requirement across all parental leave schemes; and
4. introduce protection against a notice of dismissal during any absence from work on paternity leave or paid adoption leave.

Click [here](#) to read our December 2024 Legal Update for more information.

Raising of Retirement and Re-employment Ages

Under the Retirement and Re-employment Act 1993, eligible senior workers are protected from age-related dismissal up until the retirement age. Employers are required to offer re-employment to eligible senior workers up until the re-employment age.

To better support senior workers, the Government is implementing a progressive increase of the retirement and re-employment ages. On 4 March 2024, the next increase was announced for 2026. Employers should use this time to pivot effectively, such as making adjustments to their manpower and upskilling plans to retain their senior workers.

Click [here](#) to read our March 2024 NewsBytes article for more information.

Passing of the Platform Workers Bill: Upcoming New Regulations for Platform Operators

In 2021, the Government set up a committee to review the strengthening of basic protections for platform workers. Following the acceptance of the committee's recommendations, the Platform Workers Bill was passed on 10 September 2024 to:

1. impose several regulatory requirements on platform operators, such as the obligation to provide earnings slips to their platform workers;
2. require platform operators to provide work injury compensation to platform workers, as well as impose a duty to take necessary, reasonably practical measures to ensure the safety and health of its platform workers;
3. require platform operators to provide Central Provident Fund (CPF) contributions; and
4. empower platform work associations to collectively represent platform workers.

Click [here](#) to read our September 2024 NewsBytes article for more information.

Increase in Maximum Fines for WSH Breaches from 1 June 2024

On 27 May 2024, MOM announced that an increase in maximum fines for safety breaches would take effect from 1 June 2024. The new maximum fines run up to S\$50,000 for first convictions, depending on the type of offence. The significant increase in penalties aims to strengthen deterrence and improve ownership and accountability of WSH.

The above follows on from [other WSH measures introduced in 2023](#), particularly in the construction sector. For more information, click [here](#) to read our May 2024 NewsBytes article.

Case Law Developments: Non-Compete Clauses and Summary Dismissals

In *MoneySmart Singapore Pte Ltd v. Artem Musienko* [2024] SGHC 94, the High Court considered the validity of a non-compete clause in an employment contract. On the facts of this case, the Court found in favour of the defendant former employee, who was successfully represented by the team of Lee Eng Beng SC, Timothy Ang and Liu Yulin from Rajah & Tann Singapore LLP's Commercial Litigation Practice Group. The non-compete clause was found by the Court to be

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invalid and unenforceable, and therefore it was inequitable to allow the interim injunctions against the former employee to continue.

The decision clarifies the legal principles applicable in determining whether to grant or maintain interim injunctions where a negative covenant has been breached or is likely to be breached, and in the specific context of restraint of trade clauses. Click [here](#) to read our April 2024 Legal Update for more information.

Separately, the High Court also considered the principles applicable to workplace investigations, disciplinary hearings and summary dismissals in *Dabbs, Matthew Edward v AAM Advisory Pte Ltd* [2024] SGHC 260. In doing so, it examined issues such as:

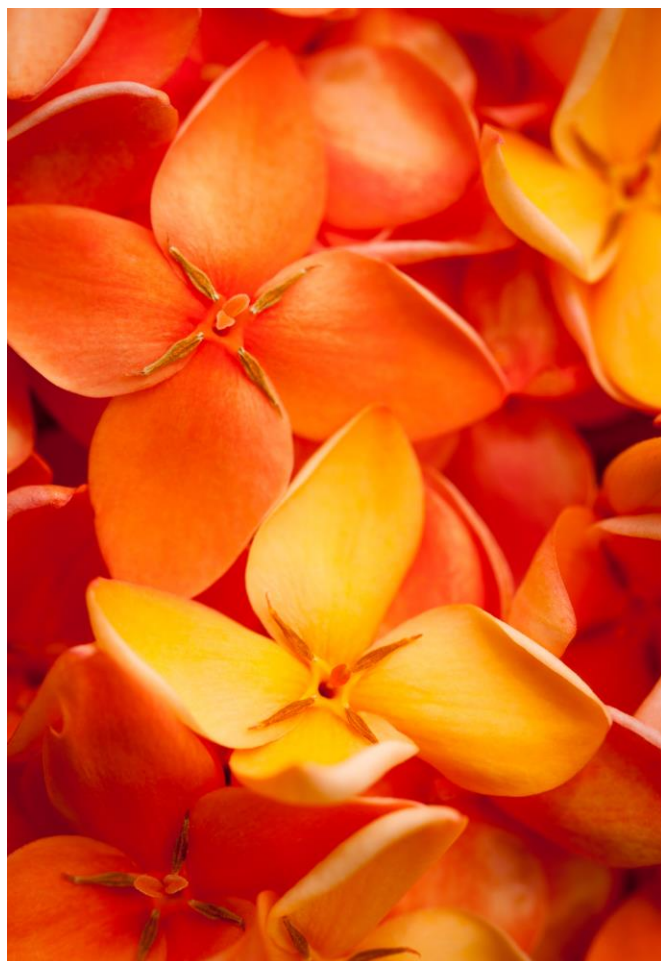
1. How is misconduct defined?
2. Under what circumstances will disciplinary policies be incorporated into the employment contract?
3. Do employees have a common law right to a hearing prior to termination?
4. In privately conducted disciplinary hearings, must employers adhere to the rules of natural justice?

Click [here](#) to read our December 2024 Legal Update for more information.

Gazing into 2025

In 2025, the Platform Workers Act 2024 ("PW Act") will come into force, with administrative processes already in place to allow platform operators to prepare for the upcoming requirements. Alongside the new WSH protections for platform workers under the PW Act, there will also be an increase in work injury compensation limits under the Work Injury Compensation Act for employees generally.

Previously announced changes to Singapore's foreign work policies will also come into effect, with raises of the Employment Pass and S Pass qualifying salaries. We further anticipate that new tripartite guidelines on restrictive clauses in employment contracts will be released to provide better clarity to employers and employees.



Summaries of the key developments are provided below.

Preparations for PW Act: Work Injury Compensation Insurance, Notification of Platform Operator Status

The protections under the PW Act will come into effect on 1 January 2025. Ahead of its commencement, MOM has enabled platform operators to prepare beforehand by:

1. enabling platform operators to voluntarily notify MOM of their status as a platform operator;
2. enabling platform operators to purchase work injury compensation insurance; and
3. allowing applications for registration as a platform work association.

Click [here](#) to read our October 2024 NewsBytes article for more information.

Higher Compensation Limits under Work Injury Compensation Act Effective from 1 November 2025

The Work Injury Compensation Act 2019 ("WICA") protects local and foreign employees, with some exceptions, who sustain work-related injuries or diseases by allowing them to make claims in a more efficient and low-cost manner, as they do not have to file a common law civil suit. The WICA provides for compensation regardless of which party was at fault.

From 1 November 2025, compensation limits under the WICA will be increased to keep pace with wage growth and rising healthcare costs.

Click [here](#) to read our February 2024 NewsBytes article for more information.

Increase in Employment Pass, S Pass Qualifying Salaries

The Employment Pass ("EP") qualifying salary is benchmarked to the wages of the top one-third of local PMETs (Professionals, Managers, Executives, Technicians). To keep pace with the rise in local PMET wages, the EP qualifying salary will be increased to ensure a level playing field for local employees.

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1. **All sectors except the financial services sector:** increased from S\$5,000 to S\$5,600 per month, up to S\$10,700 for a candidate in his mid-40s.
2. **Financial services sector:** increased from S\$5,500 to S\$6,200 per month, going up to S\$11,800 for a candidate in his mid-40s. This is in light of the higher wage norms for this sector.

The above will take effect from 1 January 2025 for new EP applications and 1 January 2026 for renewal EP applications.

Similarly, the S Pass qualifying salary will be increased for new applications from 1 September 2025, and for renewal applications from 1 September 2026. This was announced in Budget 2022 as part of a three-step increase. The quantum of the final increase is yet to be determined, as stated by MOM [here](#). The S Pass Basic / Tier 1 levy rate will also be raised from S\$550 to S\$650.

For more information on other recent revisions to Singapore's foreign workforce policies, click [here](#) to read our March 2024 NewsBytes article.

Anticipated Tripartite Guidelines on Non-competes in Employment Contracts

In February 2024, MOM announced the development of a set of tripartite guidelines on the inclusion of restrictive clauses, such as non-competes, in employment contracts. The guidelines are intended to "share norms and provide employers with further guidance".

As the guidelines were initially targeted for release in the second half of 2024 but have yet to be published, it is likely that they will be released sometime in 2025.

Click [here](#) to read our September 2024 Authored Publication for more information on Singapore's position on non-compete clauses.

Thailand

Looking Back 2024

Thai employment law remains robust in 2024, providing employees with significant protections throughout their employment journey. Employees continue to enjoy basic statutory benefits, such as limited working hours, paid leave, and severance pay. Employees retain the right to file complaints against their employers with relevant authorities at any time if they believe their rights as employees have been violated. Furthermore, employees can seek compensation on broad grounds in the event of termination, including claims related to wrongful dismissal or breach of contract.



*In 2024, there have been no major changes to these employment protections, ensuring that employees' rights remain secure. However, a key development has emerged with the introduction of a new Royal Decree ("**Decree**"), which announced the commencement of contributions to the Employee Welfare Fund. The Decree, enacted on 15 November 2024, stipulates that the contribution system will take effect starting 1 October 2025. Under this system, both employees and employers are required to contribute to the fund. Employers will deduct the employee's contribution from their wages, while employers themselves are also obligated to make a contribution.*

This new initiative aims to further strengthen the financial security of employees in Thailand, reflecting the government's ongoing commitment to improving employment protections and welfare for the workforce in the event of job termination, death, or other circumstances defined by the law.

Summaries of the key developments are provided below.

Employment – Announcement of Contribution to the Employee Welfare Fund

A new requirement for employee welfare contributions is set to take effect in Thailand, beginning on 1 October 2025. Under this system, both employees and employers will be required to contribute to the Employee Welfare Fund, with the employee's contribution deducted from the employee's wages by the employer. The contribution rate will be 0.25% of the employee's wages for both parties, up to a maximum of 5% of the employee's wages. This rate will apply during the initial period until 2030.

However, there is an important exception to this rule. Employers who have already established a provident fund, in accordance with the law on provident funds, or who provide welfare benefits to employees in the event of job termination or death—according to the criteria outlined in recently promulgated ministerial regulations—are exempt from contributing to the Employee Welfare Fund.

Gazing into 2025

In 2025, Thailand is expected to see a growing trend of promoting employee representation and providing employees with a voice in the workplace. The Labour Ministry is fast-tracking revisions to key labour laws, including the Labour Relations Act and the State Enterprise Labour Relations Act, in an effort to align local legislation with International Labour Organization (ILO) standards. These updates are designed to enhance workers' rights and improve workplace protections, with a particular focus on strengthening collective wage negotiations.

These reforms aim to ensure fairer working conditions and better support for workers in negotiating their terms of employment. The potential changes reflect Thailand's commitment to enhancing workers' rights, fostering a more inclusive and balanced employment environment in the coming years.



Summaries of the key developments are provided below.

Employment – Labour Relations Act Proposed Amendments: Strengthening Employee Rights and Union Power

Thailand's Labour Relations Act B.E. 2518 (1975) has long provided labour unions with significant bargaining power, allowing them to negotiate key employment conditions such as wages, working hours, leave entitlements, and other benefits. This legal framework has enabled unions to secure better terms for workers, and with recent proposed revisions, the bargaining power of unions is expected to grow even stronger.

The proposed amendments, which were open for public hearing from April to May 2024, aim to align Thailand's labour laws more closely with international standards. A key provision of the revised law is the explicit recognition of employees' freedom of association, further empowering unions. The proposed amendments also introduce additional methods for resolving labour disputes beyond traditional strikes and lockouts. New dispute resolution options include the involvement of labour conciliators, party negotiations, and submission to a committee, offering a more balanced and structured approach to conflict resolution.

If the proposed amendments receive positive feedback and are approved by the cabinet and parliament, we could see the revised law enacted by 2025.

Vietnam

Looking Back 2024

The most notable developments of 2024 concerned the hiring of foreign workers, with the State imposing an additional requirement for employers to hire foreign workers.

The State further passed a decree to increase the base salary for public sector employees, which is the benchmark for mandatory social and health insurance contributions.



Summaries of the key developments are provided below.

Foreign Workers – New Requirements

From 1 January 2024 onwards, before seeking approval to hire foreign workers, employers are required to publish a job application notice for Vietnamese employees on the electronic portal of the Employment Department of the Ministry of Labor, Invalids and Social Affairs (MOLISA) or a qualified job service centre.

This requirement was introduced to ensure that foreign workers were only being hired for positions for which Vietnamese employees are unable to fill. However, as the notice needs to be published for at least 15 days before an employer may file an application for employing foreign labour, this would have an impact on timing for foreign hires.

Statutory Contributions – Increases

On 30 June 2024, Decree 73/2024/ND-CP was passed to increase the base salary for public sector employees to VND 2.34 million.

While the base salary applies to public sector employees, it resulted in a financial impact to the financial sector, as mandatory social and health insurance contributions are benchmarked against this base salary.

Gazing into 2025

Reforms to laws over the State's management of labour movements and employment are expected to come into fruition in 2025. These reforms further the State's objective of preserving the rights of labourers in the country – both Vietnamese and foreign workers.

One of the most significant reforms is to the Law on Trade Union and the Law on Social Insurance, both of which will take effect from July 2025. The Law on Trade Union is expected to impact employee representation in the workplace, and expand upon

the rights of foreign workers to participate in such representation. The Law on Social Insurance will expand the coverage of the State's social insurance scheme, as well as increase the benefits for social insurance participants.

New legislation is also expected to be enacted in 2025, such as the Law on Employment and the Law on Personal Data Protection.

Summaries of the key developments are provided below.

New Law on Social Insurance

On 29 June 2024, the National Assembly approved the Law on Social Insurance, with an effective date of 1 July 2025.

The new law expands the scope of individuals who will be subject to mandatory social insurance. Individuals who are working under contracts who receive a salary and are subject to management and supervision by the other party could be subject to mandatory social insurance.

The law also refines the methodology for determining social insurance contributions, introduces new responsibilities on employers, and revises the pension participation scheme.

New Law on Trade Union

On 27 November 2024, the National Assembly approved the Law on Trade Union, with an effective date of 1 July 2025.

The new law expands upon the rights of trade unions, as well as enhances transparency requirements on trade union finance.

Among the most notable change, however, is that for the first time, foreign workers will be allowed to participate in grassroots-level trade unions (e.g., those formed in the workplace). The policy objective of this is to drive cultural and professional diversity, as well as provide foreign workers with clearer means for dialogue and representation at work.



Planned Law on Employment – Employment Services and Mandatory Unemployment Insurance

Vietnam has included the enactment of a new Law on Employment as part of its lawmaking program for 2025, replacing the Law on Employment that was passed in 2013.

This new law is expected to set forth new policies on the State's management of employment in the country – including the creation of jobs and provision of employment services. Broader impacts for employers include updates to regulations concerning the mandatory contributions that need to be made towards unemployment insurance.

Planned Law on Personal Data Protection – Processing Employee Data

The State is in the process of developing a comprehensive Law on Personal Data Protection, which is slated for enactment in 2025.

The proposed law is expected to tighten the manner in which employers are able to process personal data of its recruits and employees. This includes the rules on the type of personal data that may be collected from recruits, the monitoring of employees, and the use of global human resource databases by multinational companies.

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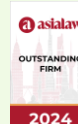
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Our Regional Contacts

Cambodia

Rajah & Tann Sok & Heng Law Office
T +855 23 963 112 / 113
kh.rajahtannasia.com

China

Rajah & Tann Singapore LLP
Shanghai & Shenzhen Representative Offices
T +86 21 6120 8818
F +86 21 6120 8820
cn.rajahtannasia.com

Indonesia

Assegaf Hamzah & Partners
Jakarta Office
T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

Lao PDR

Rajah & Tann (Laos) Co., Ltd.
T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

Malaysia

Christopher & Lee Ong
T +603 2273 1919
F +603 2273 8310
www.christopherleeong.com

Myanmar

Rajah & Tann Myanmar Company Limited
T +951 9253750
mm.rajahtannasia.com

Philippines

Gatmaytan Yap Patacsil Gutierrez & Protacio
(C&G Law)
T +632 8248 5250
www.cagatlaw.com

Singapore

Rajah & Tann Singapore LLP
T +65 6535 3600
sg.rajahtannasia.com

Thailand

Rajah & Tann (Thailand) Limited
T +66 2656 1991
F +66 2656 0833
th.rajahtannasia.com

Vietnam

Rajah & Tann LCT Lawyers
Ho Chi Minh City Office
T +84 28 3821 2382
F +84 28 3520 8206

Hanoi Office

T +84 24 3267 6127
vn.rajahtannasia.com

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