

Changes in compliance with labor legislation

On August 21, 2019, the Cabinet of Ministers of Ukraine approved new procedures for state supervision and control of compliance with labor legislation. On August 30, 2019, these new procedures entered into force.

We want to remind you that the preliminary procedures for state supervision and control of compliance with labor legislation were abolished by the court of 14.05.2019.

By its decision, the Cabinet of Ministers resumed inspections of:

- proper registration of labor relations with employees;
- timely and full pay to employees, in compliance with all requirements of the law;
- compliance with the established rights of employees and guarantees of their activities.

What are the new introduced procedures?

In developing the new procedures the State Service of Ukraine on Labor took into account past mistakes. Now inspectors will not hold employers accountable if they eliminate the deficiencies indicated by the inspector and fulfill the requirements indicated. This demonstrates a new approach by the State Service of Ukraine on Labor, which is aimed at introducing preventative measures to remedy violations rather than simply imposing sanctions and penalties.

However, there are exceptions, in particular, if “informal” employees are identified. In such a case, in addition to eliminating the shortcomings, it will a company deemed to have such employees will be obliged to pay a fine (thirty minimum wages), which is more than 120,000 UAH for each “informal” employee.

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In addition, the company's officer will have to bear administrative responsibility and the inspector will have to submit details of the infringement to the court (the fine can reach 17,000 UAH - part three of Article 41 of the Code of Administrative Offences of Ukraine).

We also draw your attention to the fact that the issue of violation of labor rights of non-residents legally located in Ukraine has become relevant: they are also subject to the labor legislation of Ukraine in the same way as residents. Therefore, when hiring a non-resident, special attention should be paid to the correctness of registration of labor relations.

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