

Taiwan Chapter

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MINIMUM TERMS

What are the key sources of minimum terms of employment?

A multitude of Acts and Regulations relate to employment in Taiwan. A selection of some of the key statutes is set out below:

- the *Labour Standards Act (LSA)*;
- the *Labour Safety and Health Act*;
- the *Labour Inspection Act*;
- the *Labour Insurance Act*;
- the *National Health Insurance Act*;
- the *Labour Pension Act (LPA)*;
- the *Employment Services Act*;
- the *Employee Welfare Fund Act*;
- the *Labour Union Act (LUA)*;
- the *Collective Bargaining Agreements Act (CBAA)*;
- the *Settlement of Labour Disputes Act (SLDA)*;
- the *Mass Lay-off Protection Act*; and
- the *Gender Equality in Employment Act*.

The LSA is the most significant law concerning employment terms and conditions in Taiwan. Certain industries and occupations are excluded from the operation of the LSA. The Civil Code governs individual contracts that are not covered by the LSA.

Although it is not a common law jurisdiction, judicial and administrative interpretations are nevertheless important sources of regulation in Taiwan.

Are employers required to establish work rules?

An employer with 30 or more employees must have work rules in Chinese registered with the local labour authority having jurisdiction over the registered office of the employer. The work rules must address the matters in article 70 of the LSA, such as:

- regular working days;
- hours and rest time;
- holidays;
- salary;
- overtime pay;
- benefits;
- safety and health;
- compensation for occupational hazard;
- termination of employment;
- severance; and
- retirement.

What different forms of employment exist?

The LSA distinguishes between fixed term employment and non-fixed term employment.

A fixed term employee is an individual employed to perform temporary, short-term, seasonal or special work that is non-continuous. The period of fixed term employment should be:

- in the case of temporary or short term work, six months or less;
- in the case of seasonal work, nine months or less; or

- in the case of special work, the exact duration of such work should be specified and regulatory approval is required if the duration exceeds one year.

Does the employment contract need to be in writing and, if so, must it be in any specific languages?

A binding employment contract can be entered into orally or in writing. However, according to Article 7 of the Enforcement Rules of the LSA, an employment contract shall include the following:

1. Matters relating to the workplace and the work to be performed in the workplace,
2. Matters relating to time of starting and finishing work, rest periods, holidays, public holidays, leave, and shift changes in the rotation system,
3. Matters relating to the determination, readjustment, calculation, final settlement, the dates and the methods of wage payment,
4. Matters relating to the entering and termination of a labor contract, and retirement,
5. Matters relating to severance pay, pension and other allowances, and bonuses,
6. Matters relating to the expenses for boarding, lodging and tools which the worker should bear,
7. Matters relating to safety and health,
8. Matters relating to labor education and training,
9. Matters relating to welfare,
10. Matters relating to compensation and remedy for occupational accident and subsidy for ordinary injury or sickness,
11. Matters relating to work discipline that shall be observed,
12. Matters relating to award and discipline, and
13. Other matters relating to rights and obligations of the labor and management.

It is not legally required to sign the agreement in Chinese. It is not legally required to sign the employment contract in traditional Chinese, the official language in Taiwan. Dual-language employment contract is also not required under Taiwan law.

Can employees be subject to a probationary period?

Probationary periods are not provided for under the LSA. Pursuant to the rulings issued by the Council of Labour Affairs and some court opinions, even if the parties agree to a probationary period, if the employer dismisses the employee during the probationary period or at the end of the probationary period, the requirements regarding statutory cause, advance notice and severance pay for a lay-off will still apply to the termination.

Is there a minimum wage payable to employees?

The "basic wage", which applies as a minimum wage across all industries in Taiwan, is determined by the Basic Wage Commission of the Council of Labour Affairs (Ministry of Labour) and submitted to the Executive Yuan for approval. At the time of writing, the basic wage in Taiwan is TWD19,273 per month or TWD115 per hour.

What is the structure of remuneration?

The LSA defines wages as the compensation which an employee receives for his/her work, including wages, salaries, bonuses and allowances, whether computed on an hourly, daily, monthly or piecework basis, whether payable in cash or in kind (eg food, residence and utilities) and any other regular payments under whatever name.

Are there restrictions on working hours?

Hours of work

A work day is considered to be up to eight hours per day, though it is possible to extend this in certain circumstances by agreement with the labour union or the Labour-Management Conference if there is no labour union. Regular work hours must not exceed eight hours per day and 84 hours every two weeks.

Overtime

An employer covered by the LSA may request its employees to work overtime upon obtaining the consent of the labour union or the Labour-Management Conference if there is no labour union. The hours of employment (normal hours plus overtime) must not exceed 12 hours per day. In addition, no more than 46 overtime hours may be worked per month.

An employer is required to pay overtime wages for work hours exceeding eight hours per day and 84 hours every two weeks. For the first two hours of overtime on a normal working day, the overtime rate is an additional one-third of the ordinary hourly pay rate (133%). For the second two hours of overtime on a normal working day, the overtime rate is an additional two-thirds of the ordinary hourly pay rate (166%).

Rest periods

Employees must be given at least one day off with pay every seven days under the LSA. The LSA contemplates that salary payable on a monthly basis will be paid for 30 days in a month, even though the employee will be resting on one or more days in any seven-day period.

An employee is entitled to 30 minutes' rest for every four consecutive hours of work, except where a shift system is adopted or the work is of a continuing or urgent nature.

Are employees entitled to any public holidays? If so, what are they?

An employee is entitled to time off with pay on all official public holidays listed under the LSA.

The 19 official public holidays are:

HOLIDAY	DATE
Founding Day of the Republic of China	1 January
The day following the Founding Day of the Republic of China	2 January
Chinese New Year's Eve	Last day of the lunar calendar
Chinese New Year	1-3 January of the lunar calendar (3 days)
Peace Memorial Day	28 February
Revolutionary Martyrs' Day	29 March
Women's Day and Children's Day (combined)	4 April
Tomb Sweeping Day	Ching Ming Festival of the lunar calendar
Labour Day	1 May
Dragon Boat Festival	5 May of the lunar calendar
Mid-Autumn Festival	15 August of the lunar calendar
Confucius' Birthday	28 September
National Independence Day	10 October
Taiwan's Restoration Day	25 October
President Chiang Kai-shek's Birthday	31 October
Dr Sun Yat-sen's Birthday	12 November
Constitution Day	25 December

Are employees entitled to paid annual leave?

Employees are entitled to paid annual vacation days based on their length of service as set out in the following table:

LENGTH OF SERVICE	PAID ANNUAL LEAVE ENTITLEMENT
More than 1 year but less than 3 years	7 days
3 years or more but less than 5 years	10 days
5 years or more but less than 10 years	14 days

10 years or more	14 days + 1 additional day per year of service, up to a maximum of 30 days
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Are employees entitled to any other types of leave?

Sick leave

A non-hospitalised employee is entitled to ordinary sick leave of 30 days per annum for non-work related illnesses and injuries, which is paid at half-pay. In addition, if an employee is hospitalised, he/she is entitled to unpaid sick leave of up to one year in any two years. Total sick leave (non-hospitalised and hospitalised) cannot exceed one year in every two consecutive years.

An employee may take sick leave for receiving outpatient services because of carcinoma in situ, and a female employee may take sick leave because of tocolysis needs during pregnancy. In either case, such sick leave should be counted as sick leave requiring hospitalisation.

If an employee has not recovered after taking all his/her ordinary and (if applicable) hospitalised sick leave, annual leave and personal leave, he/she may apply for an additional leave of absence of up to one year without pay.

Maternity leave

Female employees are entitled to maternity leave before and after childbirth for a combined period of eight weeks. If the employee has more than six months service, she is entitled to full pay during her maternity leave. If she has been working for less than six months, she is entitled to half-pay.

An employee who suffers a miscarriage after being pregnant for at least three months is entitled to four weeks' leave. An employee who suffers a miscarriage after being pregnant for at least two but less than three months is entitled to one week's leave. For a miscarriage after being pregnant for less than two months, five days' leave must be granted. The amount of salary for leave due to a miscarriage after being pregnant for less than three months may be decided by the employer.

Paternity leave

A male employee is entitled to five days' paid paternity leave on the birth of his child.

Parental leave

Male and female employees with more than six months' service who have a child under the age of three are entitled to parental leave. This is unpaid leave for a maximum of two years. When an employee is raising two or more children at the same time, the combined parental leave for the children expires when the two years' leave granted for the youngest child expires.

Pursuant to the Employment Insurance Act, male or female employees who take unpaid parental leave may apply for the parental leave allowance of 60% of the insured person's average insured monthly salary in the six months immediately before the unpaid parental leave commenced. An insured person on unpaid parental leave may receive such an allowance for up to six months per child. If there are two or more children requiring care at the same time, the allowance will be granted for only one child. When both parents are covered by the employment insurance and take parental leave between the two of them, they can apply for the allowance for only one child and must submit the applications separately.

Menstruation leave

A female employee is entitled to one day of menstruation leave per month, which is treated as part of her ordinary sick leave entitlement unless the cumulative menstruation leaves are no more than 3 days per year. The employee is entitled to half pay for taking the menstruation leave.

Military leave

An employer must provide paid leave to employees called in for reserve military duty.

Wedding leave

An employee is entitled to eight days' paid leave for the purposes of celebrating their own marriage.

Funeral leave

An employee is entitled to paid funeral leave upon the death of a relative, of either three, six or eight days, depending on the closeness of the relative.

Personal leave

An employee is entitled to up to 14 days' unpaid personal leave per annum.

Family care leave

An employee is entitled to take up to seven days' unpaid family care leave per year, to be taken out of their personal leave entitlement, where an employee's family member gives birth, suffers from a serious disease or there is a significant matter requiring the employee's personal attention.

Pregnancy examination leave

A female employee is entitled to up to five days of paid pregnancy examination leave.

Unpaid leave due to shrinking or decrease in business

On 1 December 2011, the Council of Labour Affairs (which was reorganized and name changed to the Ministry of Labour) issued Guidelines on Decrease of Work Hours by Mutual Consent of Employer and Employee to Address Economic Recession (**Unpaid Leave Guidelines**). According to the Unpaid Leave Guidelines, if an enterprise has to downsize or cease business operations owing to a recession, the employer may, subject to the consent of the employee, shorten work hours, decrease wages or even put the employee on unpaid leave by paying the employee a reduced salary that is not less favourable than the basic wage, so as to weather the recession. The employer is required to notify the local labour authority of such actions, providing a summary of the unpaid leave to be taken that includes information regarding the total number of employees, the number of affected employees, the proposed period of unpaid leave and the number of days or hours of unpaid leave in a month etc. The employer must also submit the relevant signed agreements to the labour authority for its records. The Council of Labour Affairs also provides a Decrease of Work Hours Agreement template for employers' and employees' reference.

Do employers and/or employees make pension and/or social security contributions?

The minimum social benefits which must be provided to local employees are as set out below.

Pension contributions

The LPA took effect on 1 July 2005 and applies to local employees hired after that date. Employers are required to contribute at least 6% of an employee's monthly pensionable salary to an individual pension account at the Bureau of Labour Insurance (**BLI**). Employees can also make voluntary contributions of up to 6% of their monthly pensionable salary.

In addition, companies with over 200 employees may invest their funds in annuities if approval is obtained from the employees' unions, or where there is no union, from half of all employees. Approval from the Council of Labour Affairs is also required. Companies who obtain the requisite approvals may purchase private insurance for employees who consent to participate in the plan.

Labour insurance

Labour insurance is governed by the Labour Insurance Act. Participation is compulsory for employees aged 15–65 in all companies with at least five employees. However, employers with fewer than five employees may enrol its employees in the labour insurance scheme on a voluntary basis. Benefits are financed by employer and employee contributions and government subsidies.

The premiums are paid by the employer, the employee and the government. Employers should withhold employees' contributions from their salaries and make payment, including the employer's contributions, based on monthly payment slips issued by the BLI.

Employment insurance

Though employment insurance is a separate scheme from the labour insurance scheme and pension scheme, the monthly premiums of these insurance and pension contributions (including the employees' portions) are paid together by employers to the government authority.

National health insurance

National health insurance is a social insurance scheme governed by the National Health Insurance Act (NHIA) and applicable to all nationals employed by any private or public enterprise or institution and their unemployed dependants. As for the labour insurance scheme, the NHIA requires the employer, the employee and the government to contribute to the payment of the insurance premiums.

DISCIPLINARY PROCEDURES

What are the legal requirements regarding disciplinary procedures?

There are no formal procedures in Taiwan that an employer must follow when disciplining or dismissing an employee.

However, the LSA requires employers to include the matter of disciplinary actions and procedures in its work rules. In practice, when the local labour authority reviews the employer's work rules, it will request the employer to obtain the prior consent of employees in relation to the rules for disciplinary action and submit the relevant meeting minutes together with the work rules for their review and approval.

Can an employee be suspended pending a disciplinary outcome?

There are no specific regulations governing the suspension of an individual employment contract while an employer is conducting investigations in relation to an employee's suspected misconduct.

Wages and benefits may be terminated only when the employment contract is terminated, so employees would have to be paid during a period of suspension for investigation if not otherwise stipulated in the contract (although this concept of suspension is not common in Taiwan and there are no special suspension or investigation procedures).

TERMINATION OF EMPLOYMENT

What are the legal requirements regarding termination of an employment contract?

The circumstances in which termination of employment is permitted are restricted under the LSA.

Termination with notice and severance pay (lay-off)

An employer may terminate employment only in the following circumstances, provided that notice and severance pay entitlements are met:

- the employer is ceasing business or the ownership of the employer is transferred;
- the employer suffers a loss or curtails business operations;
- the operations of the employer are suspended for more than one month due to force majeure;
- the business nature of the employer is altered, a reduction in the number of employees is necessary, and there are no other suitable job openings for the redundant employees; or
- the employee is proved to be incapable of carrying out the work assigned to them.

Immediate termination without severance pay (dismissal)

An employer may terminate employment with immediate effect and without payment of severance pay in the following circumstances:

- the employee misrepresents facts at the time of signing the employment contract, thereby misleading the employer;
- the employee commits violence against or insults the employer or fellow employees;
- the employee seriously breaches the employment contract or violates the work rules;
- the employee is sentenced to imprisonment by a court of final judgment and is not given a suspension of punishment or allowed to commute the imprisonment to a fine;
- the employee wilfully causes damage to machinery or other property of the employer, or intentionally discloses technological or business secrets of the employer; or

- the employee is absent from work for three consecutive days, or for six days within one month, without justifiable reasons.

Resignation by an employee

An employee may resign from his/her employment by giving prior notice to the employer.

Involuntary termination by an employee

An employee may also terminate their employment immediately in the following circumstances, without giving prior notice, and will be entitled to severance pay upon termination under these circumstances:

- the employer misrepresents facts at the time of signing the employment contract, thereby misleading the employee;
- the employer commits violence against or severely insults the employee;
- the work specified in the employment contract is detrimental to the employee’s health and the employer has not improved the situation after receiving notice of the danger;
- the employer, an agent of the employer or a fellow worker contracts a deadly, contagious disease and there is a possibility that the employee may contract the disease;
- the employer fails to pay remuneration as prescribed in the employment contract or to give sufficient work to the employee where they are paid on a piecework basis; or
- the employer breaches the employment contract or the labour laws in such a way that is likely to prejudice the rights and interests of the employee.

Is there a requirement to give notice?

Where an employer or an employee is required to give notice of termination of non-fixed term employment, the following notice periods apply:

LENGTH OF SERVICE	NOTICE REQUIRED
Three months or longer but less than one year	10 days
One year or longer but less than three years	20 days
Three years or longer	30 days

An employee is entitled to paid leave of up to two working days per week during the notice period for the purpose of finding a new job.

An employer may elect to make payment in lieu of the notice period.

Are there any restrictions on the ability to terminate an employment contract?

Pursuant to the *Employment Services Act* and the *Gender Equality in Employment Act*, an employer must not terminate an employee’s employment on the basis of race, class, language, beliefs, religion, political party, place of origin, place of birth, sex, sexual orientation, age, marital status, appearance, facial features, physical or mental disability or membership of a labour union.

Pursuant to the LUA, an employer shall not terminate an employee on the basis of the employee’s union-related activities.

Pursuant to the LSA, an employer must not terminate the employment contract of an employee who is on maternity leave or occupational sick/injury leave even when there are recognised statutory causes for that termination, unless the employer needs to terminate the employment because it cannot continue the business due to an act of God, catastrophe or other force majeure and prior approval has been obtained from the local labour authorities.

What employment law remedies are available to employees?

An employee who has been laid off for legitimate reasons, but without appropriate notice or severance pay, may file a claim for payment in respect of the notice period and severance amount.

An employee who has been terminated without a legitimate reason for a lay-off or a dismissal may pursue a claim for unlawful termination. If successful, the court may order reinstatement and back pay.

Are severance payments payable?

Severance payments must be made within 30 days of termination of employment. An employee's prior consent to forgo their severance payment given before the termination of employment is invalid and unenforceable.

An employee's severance payment will depend on whether or not the employee remains under the pension scheme under the LSA or is a participant in the pension scheme under the LPA, which took effect on 1 July 2005. Hence, employees may be divided into two categories:

1. Labour Pension Act employees

This will include all local employees hired on or after 1 July 2005, as well as all employees who were hired prior to 1 July 2005 and who elected before 30 June 2010 to transition over to the new pension scheme under the LPA.

2. Non-Labour Pension Act employees

This will include all foreign employees (as foreigners are not eligible to participate in the new pension scheme), as well as all employees who were hired prior to 1 July 2005 and who did not switch to the new pension scheme under the LPA before 30 June 2010.

For LPA employees, severance pay is calculated as follows:

- one month's average wage per year of service, for each year of service (if any) rendered with the employer prior to commencing participation in the new pension scheme (no maximum cap applies to this component); plus
- one half month's average wage pay per year of service, for each year of service rendered with the employer after commencing participation in the new pension scheme (up to a maximum cap of six months' pay).

For non-LPA employees, severance pay is calculated as one month's average wage per year of service for each year of service rendered with the employer (no maximum cap applies), pursuant to the LSA.

Are there any specific requirements applicable to redundancy?

The Mass Lay-off Protection Act sets out additional obligations that apply to employers proposing to implement mass redundancies, as defined in the legislation. Where the legislation applies:

- 60 days' advance notice and public announcements must be given to the labour union to which the affected employees belong (if any), the employees' representatives at the Labour-Management Conference and the affected employees in relation to the redundancies;
- the employer must notify the local labour authorities of the redundancy plans; and
- within ten days of the date of notification of the redundancy plans, the employer and the affected employees must engage in discussion to reach agreement regarding the mass redundancies.

If the affected employees and/or the employer refuse to engage in discussion or cannot reach agreement, the competent labour authority must, within ten days, invite the affected employees and the employer to form a Consultation Committee to negotiate the terms of the mass redundancy plan, and propose alternatives where appropriate.

Is an employer obliged to provide a reference?

There is generally no legal obligation in Taiwan for an employer to provide a reference in respect of a former employee. In practice, it is not unusual for an employer to seek to obtain a reference from previous employers. Nevertheless, following the implementation of the Personal Data Protection Act (PDPA), which took effect on 1 October 2012, it may be necessary to obtain explicit consent from a prospective employee prior to providing a reference.

DISCRIMINATION AND HARASSMENT

Are employees protected against discrimination and harassment?

Taiwanese labour laws contain extensive anti-discrimination obligations, prohibiting employment discrimination on grounds including race, class, language, beliefs, religion, political party, place of origin,

place of birth, sex, sexual orientation, age, marital status, appearance, facial features, physical or mental disability or membership of a labour union.

Sexual harassment is also prohibited, and employers are required to actively take steps to prevent sexual harassment in the workplace. For employers with over 30 employees, measures for preventing and correcting sexual harassment, related complaint procedures and punishment measures must be established. All these measures must be openly displayed in the workplace.

WHISTLE-BLOWING

Are "whistle-blowers" protected?

The *Anti-Corruption Informant Rewards and Protection Regulation* provides protection for whistle-blowers, confidentiality in reporting acts of corruption, and compensation for the whistle-blower. This legislation applies to any accusation reported to the Taiwan High Prosecutors Office, the Ministry of Justice Investigation Bureau, the Ministry of Justice of Government Ethics and the Agency Against Corruption.

According to Paragraph 4, Article 33 of the Labor Inspection Act effective from February 4, 2015, an employer should not terminate an employee or impose any unfavorable treatment on the employee where an employee files a complaint to the Labor Inspection Bureau.

OCCUPATIONAL HEALTH AND SAFETY

What legislation regulates occupational health and safety?

The Occupational Safety and Health Act prescribe the occupational health and safety requirements. A multitude of sub rules and regulations deal with workplace health and safety and workplace inspections.

In general, employers are required to maintain a safe workplace, including complying with any specific laws that apply to their industry and cooperating with any inspection. Employers must also protect employees from hostile work environments and sexual harassment.

DATA PROTECTION

What legislation regulates data protection?

The PDPA applies to all government, non-government sectors and individuals.

The definition of "personal data" is broad and includes name, birthday, ID card number, passport number, special features, fingerprints, marriage, family, education, occupation, medical records, medical history, generic information, sex life, health examinations, criminal records, contact information, financial status, social activities, and other data which is sufficient to directly or indirectly identify a person.

The broad principles that apply under the PDPA are as follows:

Notification

The party collecting personal data must advise the data subject of its identity, the purpose for collection, the type of personal data to be collected, the time period, the area, the target and method of using the personal data, information regarding certain rights that the data subject has under the PDPA and, if the data subject has the right to determine whether to provide the personal data or not, the effect on their rights and benefits if they chose not to provide that personal data.

Collection

To collect personal data from others, the data collector must have a specific purpose and meet a statutory legal ground for collection under the PDPA. For example, pursuant to an employment agreement between an employer and an employee, the employer may collect, process and use the employee's personal data for the purposes of human resource management. However, this position may change when amendments to the PDPA come into effect. Further to those amendments, additional written consent may be required from employees prior to the collection of sensitive personal data such as medical history, health examination records and criminal records, where the employer does not have any other legal ground on which to rely.

Use

The use of the personal data collected must be within the necessary scope of its specific purpose when the personal data was collected and should be fair and reasonable. If the use of the personal data will exceed the scope of the specific purpose, unless an alternative statutory ground under the PDPA can be established, written consent from the data subject is required. For example, if an employer shares an employee's personal data with others, that use of the data would normally be deemed to exceed the necessary scope of its specific purpose such that the employee's written consent is required, unless the employer has an alternative justification under the PDPA.

Disclosure

Under the PDPA, disclosure is deemed to be a type of "use" and the disclosure of data should follow the rules for "use" of personal data under the PDPA.

Storage

A data collector is responsible for the information security of the personal data that it collects and holds and must take necessary security measures, including in relation to the personal data of employees.

There are a few exceptions to which the PDPA does not apply, such as personal data collected by an individual purely for personal use or family activities and video or audio data collected in public without attaching to the identity of any specific individual. Those exceptions normally would not be applicable to an employer's collection, processing and use of employee personal data.

Employers that collect, process or use personal data are subject to the PDPA and failure to comply with the PDPA may be subject to civil liabilities (up to TWD200 million), administrative penalties (up to TWD500,000) and criminal liabilities (up to five years and/or TWD1 million). An employer's representative may be punished for the same amount of administrative penalties where the employer is found to have breached the PDPA.

REGULATION OF OUTSOURCING AND CONTRACTING

How are outsourcing and contracting regulated?

Independent contractors fall outside the scope of the LSA. However, if a purported "independent contractor" is in substance an employee, then the courts will deem that the worker is covered by the LSA. In deciding whether a worker is in substance an "employee", the court will examine whether the principal was empowered to decide the time, place and intensity of services provided by the worker, and the degree of control or supervision exercised over the worker. The greater the degree of control or supervision exercised by the company, the more likely it is that the court will find a deemed employment relationship. If the court finds that the worker had great discretion as to how to perform their work, they are more likely to be an independent contractor. In this case, the relationship between the parties will be governed by the Civil Code.

INDUSTRIAL RELATIONS

What legislation regulates industrial relations?

The three key statutes regulating industrial relations matters in Taiwan are the LUA, the CBAA and the SLDA. In addition, there are a number of rules, regulations and notices that apply to industrial relations matters.

What role do trade unions and collective agreements play in the workplace?

The LUA recognises three types of unions – corporate unions, industrial unions, and craft unions. Under the LUA, employees are legally required to join the corporate union at their place of employment, but there are no penalties for not joining the union. Unions have discretion to determine standards for the election, dismissal and suspension of union directors and supervisors. In addition, foreign workers can take part in union elections and be elected as union officials. Further, union officials can take time off from work to conduct union business.

The LUA explicitly prohibits and stipulates penalties for employers engaging in unfair labour practices, such as hindering the organisation or operation of unions and discriminating against union members. Employers will be subject to fines if they terminate or lay off an employee, reduce the salary of an employee or impose any adverse treatment on an employee because the employee has joined a union or engaged in union activities.

The CBAA provides for collective bargaining but does not mandate it. Collective bargaining is conducted between an employer or an association of enterprises and a labour union which is established in accordance with the LUA. Collective agreements must be in writing and submitted to the labour authority for notification purposes only.

What is the position regarding industrial action and dispute resolution?

In practice, disputes are normally resolved through conciliation rather than the formal mediation and arbitration processes provided for in the SLDA.

According to the SLDA, workers in all industries, except for government employees, teachers, employees of the Department of Defence and its subordinate agencies, and employees of schools, are permitted to go on strike provided that such strike is favoured by a majority of the entire membership by secret ballot. No general meeting of a labour union needs to be held. Companies whose products or services are related to the people's daily lives and safety, such as suppliers of water, electricity, or gas and hospitals must enter into a service agreement with their employees in order to guarantee minimum services to the public before a strike is mounted.