

Local Knowledge for Global Business

The Labor Code of the Republic of Uzbekistan has been adopted in a new edition

A new edition of the Labor Code of the Republic of Uzbekistan (the "New Labor Code") has been approved by the Law "On approval of the Labor Code of the Republic of Uzbekistan" No. 3PY-798 dated October 28, 2022.

The New Labor Code, in comparison with the current edition, introduces innovations in the regulation of individual labor relations, as well as details the regulation of a large array of specific provisions of labor legislation.

The New Labor Code defines the range of regulated relations, which include individual labor and social relations directly related to the former. It refers to individual labor relations as the relationship between an employee and an employer on the performance of a labor function in return for the provision of a certain fee with subordination to internal labor order.

For the first time, social relations directly related to individual labor relations, which include: employment with an employer, professional training of employees, collective labor relations (social partnership), labor protection, consideration of labor disputes, received legislative framework.

Amendments have also been introduced in the procedure for concluding of an employment agreement. This procedure, in accordance with Article 122 of the New Labor Code, is divided into such stages as the introductory procedure for hiring, approving the terms and signing of an employment agreement, issuing an employment order and subsequent actions of the employer.

Changes to the employment agreement are supplemented by such grounds as changing the locality due to the employer moving to another locality and secondment of the employee to another employer. According to the new rules of the New Labor Code, when an employer moves to another locality, it is necessary to change the terms of an employment agreement concluded with an employee, while in case of secondment, a fixed-term employment agreement is concluded with the new employer for a period of no more than one year.

The rules on termination of an employment agreement at the initiative of an employee are differentiated according to such criteria as the subject composition (managers, seasonal workers, etc.), the status of the enterprise/employer (micro firms, individual entrepreneurs, individuals using domestic workers). The new rule also supplemented the procedure for termination of an employment agreement at the initiative of the employer for a single gross breach of employment duties. The innovation is that if the trade union does not inform about the decision to continue the employment relationship in ten days, the employer has the right to terminate an employment agreement with the employee without the consent of the trade union.

Amendments and additions also affected the procedure for resolving labor disputes. By the New Labor Code, individual labor disputes are classified into disputes of a claim nature (on the application of labor legislation and other legal acts on labor, an employment agreement) and of non-claim nature (disputes on the establishment of new or changing existing working conditions for an employee). Thus, the employer and the trade union (Article 543 of the New Labor Code) resolve individual labor disputes of a non-claim nature. New limitation periods have also been established: for disputes on reinstatement at work, the limitation period was increased from one to three months, calculated from the date of receipt of the order, and for other disputes (except for compensation for material damage caused by an employee) – from three to six months (begins to be calculated when the employee found out about the violation).

For collective labor disputes, conciliation and mediation procedures are established, which represent a consistent resolution (settlement) of a collective labor dispute initially in the conciliation commission, and in labor arbitration if no agreement is

achieved, as well as by mutual consent of the parties using mediation procedures.

The New Labor Code will come into force on April 30, 2023.

Practice areas

EMPLOYMENT

Locations

<u>UZBEKISTAN</u>

