

## BGI Law Brief

### Labor Code Fundamentally Amended

On September 29 the Parliament passed extensive amendments to the Labor Code introducing new obligations for employers, defining various aspects of internship, night shift work, as well as labor aspects of transfer of an enterprise, and most importantly, expanding the government's authority to monitor and sanction labor rights' infringements, including by private companies. Amendments will come into force gradually, with full effect from September 1, 2021.

A new chapter on prohibition of labor discrimination has been added to the Code. Amendments to the Code differentiate between direct and indirect discrimination, determine a scope of discrimination, principles of equal treatment, etc. The employer is obligated to ensure equal pay for male and female employees in the event of equal performance of work.

The Code now provides a definition of a person employed on a part-time basis and prohibits termination of employment with such employee in case he/she refuses to transfer from part-time to full-time job or vice versa, unless the employer is authorized to terminate the employment based on economic grounds that make it necessary to reduce workforce.

The Code now also defines an internship and establishes that an unpaid internship must not exceed six months, while a paid internship must not exceed one year. Additionally, an employment agreement must be entered into with an intern.

Further, the employer must support professional development of its employees. After a maternity leave, at the request of the employee, the employer is

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obligated to provide such employee with a professional development assistance if it is necessary to perform the work provided by the employment agreement and this does not result in "disproportionate costs". Additionally, if an employer makes a decision on an employee's participation in a vocational training, an advanced training or other training course, the employee's participation in this course is counted towards working hours and is to be compensated accordingly.

The Code now defines standard working hours that must not exceed 40 hours per week. While in an enterprise with a specific work regime, where there is a continuous mode of production/work process lasting more than 8 hours a day, standard working time must not exceed 48 hours per week. The Government of Georgia shall establish a list of areas with special work regime. In addition, at least one-hour rest time is mandated when working for a consecutive 6-hour shift.

From January 1, 2021 employers must record the working time of their employees daily, in writing and/or electronically and provide such document to the employee unless it is impossible due to the specifics of the enterprise. In addition, employers are obligated to keep a record of working hours for a 1-year period. A violation of this obligation will result in sanctions as provided by the Code.

Additionally, the Code now defines and regulates labor aspects of transfer of an enterprise and prohibits terminating employment based on such grounds. However, this does not exclude termination of an employment agreement based on economic circumstances, technological or organizational changes that make it necessary to reduce workforce.

From January 1, 2021 the Labor Inspection Service will be established under the relevant Ministry, which will be authorized to impose administrative sanctions on employers for violations of their obligations provided under the Code (except for regulations regarding termination of employment agreements). The Code defines the amount of sanctions varying from GEL 200 to GEL 1,000. However, the Code also provides for circumstances when sanctions may be increased threefold. Additionally, sanctions imposed by the Labor Inspection on the employer do not relieve the latter from any other liability that may be imposed on it by court in the course of civil proceedings.

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