

## LABOR REGULATION COMMITTEE

**CHAIRPERSON:** Dragica Pilipović Chaffey, *SBB*

**VICE CHAIRPERSON:** Jovana Tomić, *Živković Samardžić Law Office*

### THE COMMITTEE'S MISSION:

The findings of the survey conducted among AmCham member companies at the end of 2013 again confirmed that labor legislation reform is the priority, and is the only reform measure which directly affects the employment rate. The mission of the Labor Regulation Committee is to improve labor legislation and monitor the challenges to its implementation, with the aim of increasing Serbia's competitiveness as an investment destination as well as facilitating economic growth and sustainable increase of employment.

### THE COMMITTEE'S MEMBERS:

ADVOKATSKA KANCELARIJA VUKOVIĆ & PARTNERS

APATINSKA PIVARA

AVON COSMETICS

BALKANS REAL ESTATE

BALL PACKAGING EUROPE

BANCA INTESA

BDK ADVOKATI

BDO

BEL MEDIC GENERAL HOSPITAL

BELGRADE OPEN SCHOOL

BOJOVIĆ & PARTNERS

CBS INTERNATIONAL

COCA COLA HELLENIC

CROWE HORWATH

CROWNE PLAZA

DBP ADVOKATI

DELHAIZE

DELTA HOLDING

DHL

DINERS CLUB INTERNATIONAL

DUFRY

EOS MATRIX

ERNST & YOUNG

ERSTE BANK

EUROBANK

EXECUTIVE GROUP

G4S SECURE SOLUTIONS

GI GROUP HR SOLUTIONS

HARVARD CLUB OF SERBIA

HEMOFARM

HEWLETT PACKARD

HYPO ALPE ADRIA BANK

IBM

JANKOVIĆ, POPOVIĆ & MITIĆ

JOHNSON & JOHNSON

JT INTERNATIONAL

KARANOVIĆ & NIKOLIĆ

KINSELLAR

KOMERCIJALNA BANKA

KPMG

LALIN LAW

LEO BURNETT

L'OREAL BALKAN

MERCK SHARP & DOHME

METRO CASH & CARRY

MICROSOFT SOFTWARE

MIKIJEVIĆ, JANKOVIĆ & BOGDANOVIĆ

MK GROUP

MOJI BRENDOVI

MONDELEZ

MORAČEVIĆ, VOJNOVIĆ & PARTNERI

NAFTNA INDUSTRIJA SRBIJE

NAUMOVIĆ & PARTNERI ADVOKATI

NELT

ORION TELEKOM

PHILIP MORRIS SERVICES

PMI SERBIA CHAPTER

PRICEWATERHOUSECOOPERS

RAIFFEISEN BANK

S&T

SBB

SCHNEIDER ELECTRIC

SEKULOVIĆ LAW OFFICE

SERBIAN BUSINESS SYSTEMS

SIEMENS

SOCIETE GENERALE BANK

ŠTAMPA SISTEM

STAR IMPORT

TELEGROUP

TELESIGN

TITAN CEMENTARA

TMF SERVICES

UNIQA NEŽIVOTNO OSIGURANJE

VICTORIA GROUP

VIP MOBILE

VOJVODANSKA BANKA

WIENER STADTISCHE OSIGURANJE

ŽIVKOVIĆ & SAMARDŽIĆ LAW OFFICE

## THE COMMITTEE'S FOCUS 2014-2016:

- Improving labor legislation through amendments to the Labor Law, by cutting unnecessary paperwork, providing for easier entry to and exit from the labor market through more flexible employment, sanctioning underperforming employees, and creating a predictable system of social negotiations
- Watching over the implementation of labor legislation
- Addressing any problems in the implementation of the Law on the Employment of Foreigners

## THE COMMITTEE'S GREATEST ACCOMPLISHMENTS:



### SIGNIFICANTLY IMPROVED LABOR LEGISLATION WITH ADOPTED AMENDMENTS TO THE LABOR LAW

Due to the problems identified and the measures proposed, the Labor Regulation Committee focused on developing job creation incentives by improving labor legislation in order to make it compatible with the economic situation, facilitate efficient oversight of implementation (diminish abuse and the grey economy), and enhance predictability as a key precondition for further investment and a long-term rise in employment. There is no doubt that the greatest accomplishment of the committee was the adoption in mid-2014 of a new **Labor Law which resolved most open issues in this area and made major progress in labor legislation.** After more than 25 meetings with representatives of the Ministry of Labour, Employment, Veteran and

Social Affairs, members of working groups, trade unions, and business associations – 70% of the Law Committee's comments were incorporated into the final text of the Labor Law, the most important among which relate to:

- The disbursement of severance pay to the employee only for the duration of his service with the employer with whom his employment terminates
- Extending the maximum duration of a fixed-term contract of employment to 36 months
- More flexible employment, as well as the sanctioning of underperforming employees – by increasing the number of reasons for the termination of contract (including the abuse of sick leave), and introducing disciplinary measures (15 days suspension plus 20% salary reduction)

Furthermore, AmCham took part in amending the **Law on Employment of Foreigners**, most importantly by making suggestions which make it easier for employers to employ non-residents.

### **SUCCESSFULLY MONITORING THE IMPLEMENTATION OF LABOR REGULATION**

After the Labor Law was adopted, the Labor Regulation Committee continued to monitor the implementation of the Labor Law, including by organizing a **seminar attended by the representatives of the Ministry of Labour, Employment, Veteran and Social Affairs**, who took part in its drafting, with the aim of clarifying a number of provisions and harmonizing it with common practice.

AmCham's contribution to the implementation of the adopted laws and increasing compliance

of companies was continued through a **Briefing Session on Mobbing and the Protection of Whistleblowers**, and through a **roundtable with representatives of the competent Ministry and the National Employment Service on implementing previously amended rules for employment of foreign nationals**. The goal of these implementation seminars was to obtain the competent institutions' answers to AmCham member companies' numerous questions about the practical implementation of labor regulation.

### **FOCUS IN THE UPCOMING PERIOD 2016-2018:**

In the coming period the committee will certainly:

- Monitor the implementation of labor legislation and insist on consistent implementation and uniformity of interpretation
- Monitor amendments to legislation which concern the functioning of social dialogue

**WIDE ANGLE**

**Jovana Tomić,**  
*Živković Samardžić Law Office*

The Labor Regulations Committee was established with the aim of improving labor legislation, learning more about current practice, and clarifying ambiguities in the current implementation of labor legislation. Amending the Labor Law was certainly the top priority for the committee, and AmCham member companies showed great enthusiasm and desire to use their long-term experience to contribute to the amendment of this law. Committee members pointed out the challenges they encounter in practice and, thanks to their suggestions and their active participation at meetings, the text adopted for the Labor Law included 70% of the proposals made by the committee. After the law was adopted, the committee took part in its implementation, organizing a seminar with the participation of the competent authorities who had taken part in developing the law, so that ambiguities with regard to the application of its numerous provisions

could be dispelled. In 2015, the committee closely followed the adoption process for the Law on the Employment of Foreigners and the Law on the Protection of Whistleblowers, organizing relevant seminars with the representatives of competent ministries, with the aim of aligning these legal texts with actual practice.

The plan for the upcoming period is to organize a seminar about the Law on Requirements for Seconding Employees Abroad on a Temporary Basis. Moreover, the committee will recommend that the Law on Labor-Related Records should be amended and will implement other activities aimed at modernizing legislation, creating legal certainty, and ensuring consistency of practice.

For all that we have managed to do, as Vice Chair of the Labor Regulations Committee, I owe a huge thank you to all members of the committee for devoting their time and offering their help in such a generous manner, and in particular to AmCham representatives for being so well-organized and patient.

