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LABOUR & EMPLOYMENT GENDER PAY GAP ANALYSIS

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ALIANT+ LABOUR & EMPLOYMENT GENDER PAY GAP ANALYSIS OVERVIEW

The Aliant+ Labour and Employment Practice Area Group (PAG) brings together experienced legal and accounting professionals from across our global network with deep knowledge of employment and workplace matters.

This document presents an overview of our Labour and Employment services by country. It features member firms that assist clients with every aspect of employment law, including compliance, contracts, workforce strategy, and dispute resolution across jurisdictions.

Created as a practical reference for international businesses and advisors, it outlines the strengths of each country, the services available, and the advantages of working with Aliant+ members around the world.

Through this collaboration, clients benefit from coordinated, locally grounded expertise supported by a global perspective.

TÜRKIYE

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Türkiye has a clear statutory basis for equal pay and non-discrimination in employment, but it does not currently impose a broad private-sector obligation to publish gender pay gap reports comparable to the reporting models used in some European jurisdictions. The main legal anchors are the constitutional equality principle, Article 5 of the Labor Law No. 4857 (Labor Law), and Law No. 6701 on the Turkish Human Rights and Equality Institution (**TİHEK Law**), all of which prohibit discrimination and support equal treatment in employment.

Article 5 of the Labor Law expressly provides that an employer may not treat an employee differently on the basis of sex or pregnancy in the making, implementation, or termination of the employment relationship, unless biological reasons or the nature of the job objectively require otherwise. The same article also states that lower pay cannot be agreed upon on the basis of sex for the same work or work of equal value. At present, Türkiye does not have a general statutory rule requiring employers to disclose annual gender pay gap data, maintain a formal gender-based remuneration register, or adopt mandatory equality action plans across the private sector. Even so, employers still need robust internal payroll and HR documentation because wage records, grading systems, promotion criteria, and social security records can become central evidence in labor disputes, inspections, and discrimination complaints. Recent official policy documents point to a broader equality trend rather than an immediate hard-law reporting obligation. In particular, the 2024-2028 Women's Empowerment Strategy Document and Action Plan and the 2024-2028 gender-responsive planning and budgeting framework show that public authorities are increasingly embedding gender equality into policy planning and monitoring.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Equal pay and anti-discrimination rules in Türkiye are enforceable through multiple channels, including labor courts, labor inspections, and complaints filed with the Turkish Human Rights and Equality Institution (**TİHEK**). Enforcement is not driven by a nationwide ex-officio pay-gap reporting system, but the legal tools available to employees and equality authorities are still significant.

If an employer breaches Article 5 of the Labor Law, the employee may claim up to four months' wages as discrimination compensation, in addition to any rights that were withheld because of the discriminatory treatment, including wage differentials. This makes equal pay disputes financially relevant even where no class-style mechanism exists.

Employers may also face administrative consequences. Under the TİHEK Law, TİHEK may review complaints alleging discrimination on the basis of sex and may impose administrative fines if it finds a violation of the equality principle. The public visibility of TİHEK's anti-discrimination mandate also increases reputational risk, particularly for international employers with ESG, compliance, or human-rights reporting commitments. In practice, the risk profile has three dimensions: legal exposure through employee claims, administrative exposure through equality proceedings, and reputational exposure if a discrimination finding becomes public. The absence of mandatory public pay-gap reports does not eliminate risk; it mainly shifts the focus toward litigation readiness, documentation quality, and complaint management.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in Türkiye should build a preventive compliance framework even though local law does not yet require formal pay-gap reporting. The most effective starting point is an internal pay equity review comparing employees who perform the same work or work of equal value and documenting the objective reasons for any differences in pay.

Recommended employer actions include:

- Reviewing salary, bonus, grading, and promotion systems for direct or indirect gender bias.
- Documenting objective compensation criteria such as role scope, tenure, performance, qualifications, and market benchmarks.
- Keeping payroll and HR files in a form that can be produced quickly in court, inspections, or TİHEK proceedings.
- Updating equal treatment, anti-discrimination, grievance, and investigation policies for Türkiye-specific legal standards.
- Training HR teams, payroll teams, and managers on Article 5 compliance and discrimination risk indicators.
- Aligning Turkish employment practices with broader group-level ESG and human-rights governance frameworks where applicable.

Gökçe Attorney Partnership assists clients at both the preventive and dispute stages. On the preventive side, our support includes legal risk assessments, pay equity audits, review of compensation architecture, policy drafting, investigation protocols, and management training tailored to Turkish law. On the dispute side, we represent employers in labor litigation, respond to employee discrimination claims, prepare submissions before TİHEK, and design remediation plans where pay disparities have already been identified. On the accounting side, **Neo Mali Müşavirlik** provides payroll and compensation data analysis, pay gap calculations, and the related statutory reporting under Turkish accounting and tax regulations.

LITHUANIA

Firm Profile & Key Contacts

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Lithuania has established legal obligations regarding equal pay and gender equality primarily through the Lithuanian Labour Code and the Law on Equal Opportunities for Women and Men. Employers are required to ensure equal pay for equal work or work of equal value and to avoid both direct and indirect discrimination on the basis of gender.

Currently, employers with 20 or more employees must provide gender pay gap information to the works council or employer-level trade union upon request. The information generally includes average remuneration by occupational group and gender, excluding managerial positions where applicable. In addition, Lithuania's State Social Insurance Fund Board (SoDra) publicly publishes salary and gender pay gap data based on employer payroll submissions.

Lithuania is also in the process of implementing Directive (EU) 2023/970 on pay transparency. Draft amendments published in 2025 introduce significantly broader transparency obligations, including enhanced employee rights to pay information, mandatory gender-neutral remuneration systems, disclosure obligations during recruitment, and stricter reporting obligations for employers. These measures are expected to enter fully into force by June 2026. Recent legislative developments also require certain large companies to report on gender balance within management and supervisory bodies and to implement measures promoting balanced gender representation.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Equal pay and anti-discrimination rules are actively supervised by the State Labour Inspectorate and the Office of the Equal Opportunities Ombudsperson. Employees may also pursue claims directly before the labour disputes commission or courts. Lithuanian authorities increasingly align enforcement practices with EU standards on pay transparency and discrimination.

Current penalties for non-compliance with pay transparency obligations are relatively moderate, but the risk profile is expected to increase significantly following implementation of the EU Pay Transparency Directive. Existing administrative fines may apply for breaches of labour and equality legislation, while future amendments are expected to introduce substantially higher penalties, potentially reaching several thousand euros, together with corrective obligations and enhanced inspection powers.

In addition to financial exposure, employers face reputational risks arising from publicly available pay gap information published by SoDra and potential employee claims alleging discrimination or unequal pay practices. Litigation risks are also expected to increase once employees gain expanded rights to request comparative remuneration information under the new transparency framework.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in Lithuania should proactively review and document their remuneration structures to ensure that compensation systems are objective, gender-neutral, and consistently applied. Employers should conduct internal pay audits, establish transparent job classification systems, assess recruitment and promotion practices, and prepare for enhanced reporting and employee information requests under the upcoming EU Pay Transparency Directive. Early preparation is particularly important given the expected expansion of reporting obligations and increased scrutiny from employees and regulators.

Our firm assists clients by conducting pay equity assessments, reviewing employment policies and remuneration frameworks, advising on compliance with Lithuanian and EU equal pay requirements. We also support clients during labour inspections, internal investigations, employee complaints, and litigation relating to discrimination or unequal pay claims. In addition, we advise multinational employers on harmonising global pay equity strategies with Lithuanian employment law requirements and local enforcement practices.

SPAIN

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Spain has one of the most demanding pay-equity regimes in the European Union, built on three layers. The foundational layer is Organic Law 3/2007 on the Effective Equality of Women and Men, reinforced by Royal Decree-Law 6/2019, which made equality plans compulsory for companies with 50 or more employees. The technical layer consists of two implementing regulations issued in October 2020: Royal Decree 901/2020, governing the structure, negotiation and registration of equality plans, and Royal Decree 902/2020, governing equal pay, which introduced three compulsory instruments : the pay register (registro retributivo), the gender-neutral job evaluation system (valoración de los puestos de trabajo) and, where applicable, the pay audit (auditoría retributiva).

The pay register is mandatory for all companies, regardless of size, and must reflect average and median values of salary, salary supplements and non-wage payments, broken down by sex and by professional classification group. The pay audit is compulsory for every company with a registered equality plan and must include a substantive valuation of jobs of equal value. Equality plans, in turn, must be negotiated with the workers' legal representatives (or an ad-hoc negotiating commission) and registered in the public REGCON registry to be valid and enforceable, and they are mandatory for >50 employees.

Looking ahead, Directive (EU) 2023/970 on Pay Transparency must be transposed by 7 June 2026. As of mid-2026, Spain has not yet formally enacted the transposition, although a draft text is expected in the weeks immediately preceding the deadline. The Directive will introduce significant changes for Spanish employers: the threshold triggering a mandatory joint pay assessment will be reduced from the current 25% to 5%, salary bands will have to be disclosed in recruitment, candidates may no longer be asked about their pay history, and employers with 250+ employees will have to submit their first pay-gap report on 2026 data by 7 June 2027.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Enforcement in Spain is active and intensifying. The Labour and Social Security Inspectorate (Inspección de Trabajo y Seguridad Social, ITSS) has made equality-plan compliance a priority of its 2025–2027 Strategic Plan, with dedicated nationwide campaigns. In 2023 alone, 4,500 inspections were carried out, of which 1,600 resulted in sanctions for a combined total of more than €2 million, and inspection activity has continued to grow since.

Sanctions are governed by the Law on Infractions and Sanctions in the Social Order (LISOS). Companies that fail to adopt a mandatory equality plan face fines of up to €225,018 per work centre, classified as a very serious infraction, while breaches of the pay register or pay audit obligations can be classified as serious (€751 to €7,500) or very serious (€7,501 to €225,018) depending on the circumstances. Beyond the monetary fine, non-compliance triggers a set of accessory consequences that are often more damaging in practice: loss of Social Security bonuses and contracting incentives, automatic exclusion from public procurement, ineligibility for European subsidies for up to six months, and a clear reputational impact in tenders and ESG reviews. Where pay discrepancies translate into actual discrimination, employees may also bring individual or collective claims before the labour courts, with potential moral-damages compensation set independently from any administrative fine.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in Spain should treat pay equity as a structural compliance area rather than a documentation exercise. We typically recommend a five-step approach:

1. Verify whether the headcount triggers a mandatory equality plan and confirm that the pay register is in place from day one.
2. Carry out a gender-neutral job evaluation using the official SVPT tool published by the Ministry of Labour and the Institute of Women, so that "work of equal value" is identified on objective criteria.
3. Conduct a diagnostic and a pay audit before opening negotiations with the workforce representatives, in order to anticipate gaps and remedial measures.
4. Register the plan in REGCON and align the harassment protocol, LGTBI measures (Law 4/2023) and reasonable accommodation policies.
5. Prepare in advance for the additional obligations of the EU Pay Transparency Directive, particularly pre-contractual salary disclosure and the 5% justification threshold.

Conesa Legal advises Spanish subsidiaries of international groups across the full life cycle of pay-equity compliance. Our services include drafting and negotiating equality plans, designing pay registers and conducting pay audits with the official methodology, leading job-valuation projects, representing companies before the Labour Inspectorate during equality-plan campaigns, and defending pay-discrimination claims before the labour courts. Our integrated legal-and-advisory structure combining employment lawyers, payroll specialists and AI experts allows us to deliver compliance projects that are legally robust and operationally workable for HR and finance teams through tools like Conesa Legal Job Valuation Tool.

CZECH REPUBLIC

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

The Czech Republic has enshrined the principle of equal treatment of all employees and the prohibition of discrimination against them in the existing Act No. 262/2006 Coll., the Labour Code ("LC"). Under Section 16(1) of the LC, the employers are required to ensure equal treatment of all employees with regard to their working conditions, remuneration for work, and the provision of other monetary benefits and benefits of monetary value, professional training, and opportunities for promotion or other career advancement. According to Section 16(2) of the LC, any form discrimination, whether direct or indirect, is prohibited in labour relations. The terms "direct discrimination," "indirect discrimination," as well as the circumstances under which differential treatment is permissible, are governed by Act No. 198/2009 Coll., on Equal Treatment and Legal Remedies for Protection against Discrimination (the Anti-Discrimination Act).

The principle of equal pay under the Czech Labour Code means that all employees of an employer (regardless of their gender) are entitled to the same wage, salary, or contractual remuneration for the same work or work of equal value and the criteria for assessing whether the work is equal or of equal value, complexity, responsibility, and physical or mental strain, are objective and gender-neutral.

Nevertheless, under the current Czech law, the employers are not required to establish wage regulations or compensation systems, nor are they required to report on gender pay gaps. Of course, the employers may do so voluntarily, and in practice, many of our clients already do so.

The mandatory obligation to implement pay systems and regularly report on gender pay gaps will be introduced through the transposition of the EU Pay Transparency Directive ("Directive") into Czech law. The transposition of the Directive, i.e. a draft amendment to the Czech Labour Code and other laws, is currently being prepared. The inter-ministerial comment procedure was concluded as of April 27, 2026, and the Czech Ministry of Labour and Social Affairs is now addressing the comments submitted; whereas it is estimated that the law draft should be submitted to the Czech Government in June 2026, to the Chamber of Deputies during the summer 2026, and the legislative process should be completed during the autumn 2026.

The amendment to the Czech Labour Code is expected to take effect as of January 1, 2027 and should primarily concern the obligation of employers to develop appropriate pay systems divided into job groups based on the value of work. The mandatory obligation to report on gender pay gaps will take effect gradually: for large employers (250 or more employees) and for medium-sized employers (150 to 249 employees) as of January 1, 2028, and for small employers (100 or more employees) as of January 1, 2031.

Q2: How strictly are equal pay laws enforced by local labour authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

A violation of the principle of equal treatment and equal pay is classified as an offense in the area of equal treatment of employees under the Act No. 251/2005 Coll., on Labour Inspection. The Labour Inspectorate may impose a fine of up to CZK 1 million (approx. EUR 41,000) on the employer for such a violation.

In addition to an administrative fine imposed on the employer, the employees have the right to demand corrective action and, if necessary, seek compensation in court for damages (back pay) resulting from unequal treatment. The means of protection against discrimination are directly regulated by the Anti-Discrimination Act.

The number of anti-discrimination lawsuits has been increasing recently, and their further increase can be expected after the transposition of the Directive.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

In practice, it turns out that international companies best adhere to the principle of equal pay when their employees' remuneration system is based on clearly defined rules. These rules typically require an internal classification of all job positions established at the employer, divided into specific levels based on the complexity, responsibility, and physical demands of the work; and the existence of at least generally defined, universally applicable rules regarding the wages that employees in a given position receive.

Since in practice it cannot be expected that all employees in a given position will have the same wage, it is also advisable to establish general rules according to which a specific wage amount is determined for a particular employee within a given range. If the process is to include exceptions to the generally applicable rules, it should be determined in advance what circumstances may justify such an exception and who will approve it.

In order to comply with the principle of equal pay our law firm provides legal assistance to these companies in preparing all necessary documents and setting appropriate rules, from auditing the current state to setting the correct procedure for recruiting employees, drafting relevant job descriptions, developing internal wage regulations, and internal regulations regarding employees' benefits, and we also assist in negotiating collective agreements with trade unions if they operate at our clients. Further, we provide support to our clients during inspections of the Labour Inspectorate and represent our clients in anti-discrimination disputes before the courts.

BULGARIA

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Bulgarian law has long recognised the principle of equal pay for equal work and prohibits discrimination based on gender. The main legal framework is contained in the Labour Code and the Protection Against Discrimination Act, both of which require employers to provide equal remuneration for the same work or work of equal value.

At present, Bulgaria does not impose mandatory gender pay gap reporting obligations, remuneration registers, or compulsory equality plans for private-sector employers. Companies are generally free to determine remuneration structures, provided they comply with the principles of equal treatment and non-discrimination.

However, Bulgaria must implement Directive (EU) 2023/970 on pay transparency. The Directive introduces significant new obligations, including salary transparency during recruitment, employee rights to information regarding pay levels and pay-setting criteria, restrictions on asking candidates about salary history, and mandatory gender pay gap reporting for larger employers.

Under the Directive, employers with 250 or more employees will be required to report gender pay gap information annually. Employers with 150–249 employees will report every three years, with smaller employers becoming subject to certain reporting obligations in later phases. Where an unexplained gender pay gap of at least 5% is identified, employers may be required to conduct a joint pay assessment together with employee representatives.

As of mid-2026, Bulgaria is in the process of transposing the Directive into national legislation. Employers should therefore expect a substantial increase in transparency and reporting obligations over the coming years.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Equal pay and anti-discrimination rules are enforced primarily by the General Labour Inspectorate Executive Agency and the Commission for Protection Against Discrimination.

Employees who believe they have been subjected to unequal treatment may file complaints with the Commission, initiate court proceedings, or seek compensation for damages resulting from discriminatory practices. Courts may order payment of compensation, wage adjustments, and corrective measures where discrimination is established.

Administrative sanctions may also apply. Employers found in breach of anti-discrimination legislation or labour law provisions may face financial penalties, labour inspections, and mandatory corrective actions. While Bulgaria has historically relied more on complaint-driven enforcement than proactive pay-gap investigations, this is expected to evolve following implementation of the EU Pay Transparency Directive.

Beyond legal and financial exposure, international companies increasingly face reputational risks linked to ESG reporting, diversity commitments, and corporate governance standards. Pay equity is becoming an important component of broader compliance and sustainability frameworks.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in Bulgaria should prepare for the upcoming pay transparency framework well before mandatory reporting obligations take effect. Early preparation typically reduces compliance costs and limits future legal exposure.

Recommended actions include:

- Reviewing salary structures and remuneration policies for consistency, objectivity, and transparency.
- Establishing clear criteria for determining salaries, bonuses, promotions, and career progression.
- Conducting internal pay equity assessments to identify unexplained disparities.
- Maintaining accurate payroll, HR, and job-classification documentation.
- Training managers and HR personnel on equal pay and anti-discrimination requirements.
- Aligning Bulgarian employment practices with broader group-level ESG, governance, and compliance policies.

Aidos assists employers with payroll compliance reviews, remuneration structure assessments, internal pay-gap analysis, HR and payroll process reviews, and preparation for future reporting obligations arising from the EU Pay Transparency Directive. We support both Bulgarian and international employers in developing practical, data-driven compliance frameworks and in aligning local employment practices with multinational reporting and governance requirements.

Further Reading: EU Pay Transparency Directive in Bulgaria

GERMANY

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Germany has comprehensive legal requirements regarding equal pay, particularly under the Pay Transparency Act (EntgTranspG), as well as accompanying reporting obligations and gender equality measures. Under sections 3 and 7 EntgTranspG, pay discrimination based on gender is explicitly prohibited. Section 10 EntgTranspG grants every employee and individual right to information, in line with sections 11 to 16 EntgTranspG, enabling workers to compel their employer to file a pay gap reporting. Otherwise, a pay gap reporting is mandatory only for companies with more than 500 employees under section 21 EntgTranspG. Companies with more than 500 employees are also required to conduct testing procedures to identify violations of the principle of equal pay under the aforementioned section 7 EntgTranspG.

The EU Pay Transparency Directive (EU) 2023/970 must be transposed into national law by June 2026 and provides for more extensive transparency requirements, such as mandatory gender pay gap reports and the right of employee representatives to bring class-action lawsuits.

Section 289f of the German Commercial Code (HGB) requires listed stock corporations, listed partnerships limited by shares (KGaA), listed European companies (SE), and certain other corporations to provide information on the promotion of gender equality and compliance with gender quotas in management positions as part of their corporate governance statement.

To date, there are no general "remuneration registers" for companies in Germany, nor is there a nationwide requirement for the private sector to develop gender equality plans. Gender equality plans are mandatory only in the public sector (Sections 14 and 15 of the Landesgleichstellungsgesetz (LGG)), where they must be developed and published on a regular basis and must include specific measures and targets for the advancement of women.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

The enforcement of equal pay laws in Germany is primarily carried out through individual lawsuits filed by employees, as well as through internal company and judicial oversight mechanisms; to date, official monitoring by local labor authorities has been limited. The General Equal Treatment Act (AGG) and the Pay Transparency Act (EntgTranspG) do not provide for systematic monitoring by government agencies, but instead rely on internal company complaint mechanisms, the involvement of the works council, and the option to contact the Federal Anti-Discrimination Agency. Third parties such as works councils, trade unions, and anti-discrimination organizations have rights to intervene and provide support, but cannot issue administrative orders against companies.

In cases of violations of the equal pay principle, employees are entitled to damages and compensation under Section 15 of the AGG; this includes both pecuniary damages (e.g., lost wages) and non-pecuniary damages (e.g., damages resulting from discrimination).

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

Firms should immediately publish salary ranges in job descriptions and prepare for the mandatory reporting obligations enforced by the EU Pay Transparency Directive.

Core Strategies for Pay Equity are from our perspective:

Conduct Regular Pay Audits

- Run annual regression analyses using HR data tools to catch unexplainable gaps.
- Identify any salary differences between employees performing work of equal value.
- Adjust salaries upward immediately for individuals facing unjustified gaps.

Standardize Compensation Structures

- Tie all base salaries, bonuses, and equity to objective, gender-neutral criteria.
- Establish transparent, fixed salary bands for every role and seniority level.
- Limit the amount of manager discretion allowed in setting off-cycle raises.

Remove Negotiation Biases

- Post clear salary ranges on all public job descriptions to set objective baselines.
- Ban questions about a candidate's salary history during the interview process.
- Use fixed, non-negotiable starting offers for specific entry-level cohorts.

Modernize Career Progression Pipelines

- Use blind resume screening and structured interview panels to eliminate hiring bias.
- Standardize promotion criteria to ensure equal access to high-paying leadership roles.
- Offer equal, paid parental leave to normalize career breaks across all genders.

INDIA

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

India requires employers to provide equal pay for equal work and maintain wage records, but it does not currently mandate gender pay gap reporting, pay-equity audits, or compulsory equality action plans.

The original framework was established under the Equal Remuneration Act, 1976, which required equal remuneration for men and women performing the same or similar work and prohibited gender-based discrimination in recruitment and employment. This legislation has now been subsumed into the Code on Wages, 2019.

On 21 November 2025, the Government of India notified the Code on Wages, 2019 along with the other three labour codes. The Code prohibits discrimination in wages, recruitment, and employment conditions and adopts a gender-neutral approach. Importantly, equal remuneration protections now extend to all genders, including transgender persons.

The principle of equal pay for equal work is also supported by Article 39(d) of the Constitution of India and reinforced by Articles 14 and 16, which guarantee equality before the law and equality of opportunity in public employment. In addition, the Transgender Persons (Protection of Rights) Act, 2019 prohibits discrimination against transgender persons in employment.

India does not require employers to calculate, report, or publicly disclose gender pay gap data. Employers must, however, maintain remuneration registers and wage records for inspection by labour authorities. There is also no legal requirement for employers to conduct pay-equity audits, benchmarking exercises, or implement equality action plans, although such measures may be adopted voluntarily as part of corporate governance.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

The enforcement mechanism is complaint-driven, not audit-driven. Equal pay requirements in India are legally enforceable, but enforcement is more complaint-driven than proactive.

The enforcement philosophy has shifted from policing to facilitation. The Code replaces the old labour inspector with an "inspector-cum-facilitator," and the design intent is guidance over punishment. The inspector-cum-facilitator system shifts enforcement from punitive action to guidance, awareness, and compliance support, with randomized, algorithm-based inspections.

Labor authorities primarily focus on compliance with wage laws, maintenance of records, and investigation of complaints filed by employees, trade unions, or other affected parties. Courts and Labour Tribunals can also hear claims alleging gender-based wage discrimination under the principles embodied in the Code on Wages, 2019 and the Constitutional principle of Equal

Pay for Equal Work.

Financial and legal penalties under the Code:

Code is genuinely employer-adverse in two ways. First, the burden of proof is reversed: in a claim for non-payment of remuneration, the burden is on the employer to prove that the dues have been paid to the employee. Second, the adjudicating authority's award power is large: the Code empowers designated authorities to award compensation up to 10 times the claim amount, and the limitation period for claims is now three years, widening the window of recoverable arrears.

Reputational penalties:

Reputational consequences are indirect and arise mainly from litigation becoming public, adverse media, or investor/ESG scrutiny. Allegations of pay discrimination can attract negative media attention, affect employee morale and retention, damage relationships with investors and customers, and undermine an employer’s reputation as a fair and inclusive workplace.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in India should adopt a proactive pay equity strategy that includes conducting periodic compensation reviews, establishing objective salary and promotion criteria, documenting pay decisions, maintaining accurate wage records, and training managers on non-discriminatory employment practices. Employers should also review recruitment, performance evaluation, and promotion processes to identify and address potential gender-based disparities. Regular internal audits and alignment with global diversity, equity, and inclusion (DEI) standards can further reduce legal and reputational risks.

Our firm assists clients by conducting pay equity and employment law compliance reviews, assessing compensation structures, identifying potential risk areas, and recommending corrective measures. We help develop compliant remuneration policies, employee handbooks, and documentation practices that support defensible pay decisions. In the event of employee complaints, labor inspections, or litigation, we provide strategic advice, represent clients before labor authorities and courts, and assist in negotiating settlements where appropriate. By combining preventive compliance measures with dispute-resolution support, we help organizations minimize legal exposure and maintain fair, transparent, and compliant workplace practices.

SLOVAKIA

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

The key legislative instrument is Act No. 76/2026 Coll. on equal pay for men and women for equal work or work of equal value and on amendments to certain acts (hereinafter the "Act"), which entered into force on 7 June 2026, and transposes Directive (EU) 2023/970 of the European Parliament and of the Council. The Act introduces several new obligations that fundamentally alter the existing legal framework for remuneration in the Slovak Republic.

Obligation to Establish a Remuneration Structure

The Act imposes an obligation on every employer to establish a remuneration structure that ensures compliance with the right to equal pay. The structure must enable assessment of whether employees perform work of equal value. Remuneration criteria must not be based, directly or indirectly, on gender; they must encompass complexity, responsibility, effort, working conditions, and soft skills (in particular social and communication skills), and must be applied in an objective, non-discriminatory manner (Section 3(1) of the Act). Where employee representatives operate within the employer's organisation, the criteria must be agreed with them (Section 3(2) of the Act). The Act does not prescribe a specific methodology;

however, the chosen methodology must be objective and transparent.

Employee's Right to Information on Remuneration

The Act establishes the right of every employee, upon request, to receive written information from the employer regarding the level of their remuneration, as well as the average level of remuneration broken down by gender for the category of employees performing the same work or work of equal value. An exception applies only if this information could be used to determine the remuneration level of another specific employee (Section 6(1) of the Act).

Pre-Employment Transparency and Remuneration Criteria

Employers are required to provide job applicants, prior to the interview or the conclusion of a contract, with information on the initial remuneration or its range for the position applied for, as determined in accordance with the remuneration structure criteria. Employers are prohibited from requesting information on an applicant's current or previous remuneration (Section 4 of the Act). Employers must further make accessible to employees the criteria used to determine, set levels of, and increase remuneration; the obligation concerning criteria for remuneration increases does not apply to employers with fewer than 50 employees (Section 5 of the Act).

Mandatory Reporting on Remuneration

The Act establishes differentiated reporting obligations depending on employer size. Employers with at least 250 employees must submit the pay report to the Ministry of Labour on an annual basis, by 15 April of the following calendar year. Employers with 100 to 249 employees are required to submit the report every three years, by 15 April. Employers with fewer than 100 employees may submit the report voluntarily (Section 8(2)–(4) of the Act). The report must include: the pay gap, the pay gap for supplementary remuneration components, the median pay gap, the median pay gap for supplementary remuneration components, the proportion of men and women receiving supplementary remuneration components, the proportion of men and women in each pay quartile, and the pay gap by employee category broken down by base pay and supplementary components (Section 8(1) of the Act).

Joint Assessment of Remuneration

The Act further introduces an obligation for a joint assessment of remuneration for employers who are required to submit reports. This obligation is triggered if the report demonstrates a difference in the average level of remuneration between men and women of at least 5% in any category of employees, the employer has not justified this difference based on objective criteria not grounded in discrimination, and has not eliminated the unjustified difference within six months of submitting the report to the Ministry of Labor (Section 9(1) of the Act). A joint assessment of pay is conducted in cooperation with employee representatives.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

The primary authority responsible for monitoring and coordinating enforcement of the right to equal pay is the Ministry of Labour, Social Affairs, and Family of the Slovak Republic (Section 14 of the Act). Compliance with employers' obligations under the Act is further supervised by the Labour Inspectorate (inšpektorát práce), whose supervisory mandate was expressly extended to cover equal pay obligations pursuant to Article IV of the Act. The Labour Inspectorate may also be called upon to participate in the implementation of corrective measures arising from a joint remuneration assessment (Section 9(6) of the Act).

Administrative Sanctions for Failure to Submit a Remuneration Report

If an employer fails to fulfill the obligation to submit a remuneration report, the Ministry of Labor shall set a deadline for the employer to subsequently fulfill this obligation, which may not be less than 15 days. If the employer fails to comply with the obligation even within this additional period, the Ministry of Labor will impose a fine ranging from €4,000 to €8,000 (Section 16(1) of the Act).

Shift in the Burden of Proof

The Act introduces a fundamental change in the employer's procedural position. If an employer violates the obligations established regarding pre-employment transparency, remuneration criteria, employees' right to information, reporting, or joint assessment of remuneration, the employer is required to prove in legal proceedings that no discrimination occurred, even where the claimant does not present facts from which a violation of the right to equal pay could reasonably be inferred. This reversal of the burden of proof does not apply where the employer demonstrates that the breach was manifestly unintentional and of a less serious nature (Section 12 of the Act).

Right to Compensation

Any individual whose right to equal pay has been violated is entitled to monetary compensation designed to restore their financial position to what it would have been had no violation occurred. Compensation may include: unpaid remuneration (i.e. the difference between the remuneration received and that which would have been due), compensation for lost opportunities linked to remuneration levels, compensation for non-pecuniary damages, and interest on arrears on unpaid remuneration. Claims are subject to a three-year limitation period, running from the date on which the claimant became, or could reasonably have become, aware of the violation (Sections 11(1)–(3) of the Act).

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

Implementation or Revision of the Compensation Structure

The first and most urgent step for every employer is to implement or revise the compensation structure in accordance with the requirements of the Act. The structure must allow for the comparison of the value of different job positions within the same organizational structure, including comparisons between departments, and must be based on objective, gender-neutral criteria.

Preparation of Pay Data Systems

Employers subject to the reporting obligation must ensure that their payroll information systems are capable of generating all indicators required by law: the gender pay gap expressed as a percentage, the median pay level for men and women, the distribution of employees into pay quartiles, and the segmentation of base pay from supplementary pay components by employee category.

How Our Law Firm Can Assist Clients:

Based on the legal framework, the following areas of legal assistance can be identified:

- Pay structure audit – a legal review of existing pay systems and the identification of unexplained gender pay gaps prior to the obligations taking effect. The Act shifts the burden of proof, meaning that the employer must be able to justify any proven disparity using objective criteria — timely risk identification is therefore crucial.
- Setting up the compensation structure – since the Act does not prescribe the use of a specific methodology, the chosen methodology must be objective, transparent, and in accordance with the Act's criteria. A law firm can assist in designing the methodology and ensuring its legal compliance.
- Establishing reporting mechanisms – preparing processes and systems to fulfill the obligation to report to the Ministry of Labor within the statutory deadlines, including

ensuring proper consultation with employee representatives.

- Representation in disputes – since a violation of any of the listed legal obligations gives rise to a presumption of discrimination and the employer must prove that no discrimination occurred, legal support in defending pay decisions is crucial.

SERBIA

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Serbian legislation guarantees equal pay for equal work and prohibits discrimination based on gender through the Labour Law, the Law on Gender Equality, and the Law on the Prohibition of Discrimination. Employers must provide equal remuneration for the same work or work of equal value and ensure equal treatment in recruitment, promotion, compensation, and termination of employment.

The Law on Gender Equality introduced broader obligations to promote equal opportunities and gender equality in the workplace. However, Serbia does not currently require private-sector employers to publish gender pay gap reports, maintain formal remuneration registers, or adopt mandatory equality plans. Employers are nevertheless expected to maintain accurate payroll and employment records demonstrating compliance with equal treatment principles.

As a candidate for European Union membership, Serbia continues to align its legislation with

EU standards. Future developments are expected to reflect the principles of the EU Pay Transparency Directive and may introduce additional transparency and reporting obligations.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Equal pay and anti-discrimination rules are enforced by the Labour Inspectorate, civil courts, and the Commissioner for the Protection of Equality. Employees may file complaints or pursue legal claims where unequal treatment or discriminatory pay practices are suspected.

Employers found in violation may be required to eliminate discriminatory practices, compensate affected employees, and pay wage differences where unequal pay is established. Administrative fines and corrective measures may also apply. While Serbia does not currently operate a formal gender pay gap reporting regime, employers increasingly face reputational risks arising from discrimination claims, employee dissatisfaction, and scrutiny from international partners, investors, and ESG-focused stakeholders.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in Serbia should establish transparent remuneration structures, conduct periodic compensation reviews, apply objective salary and promotion criteria, and maintain comprehensive payroll and HR documentation. Regular reviews of recruitment, performance evaluation, and compensation practices can help identify and address potential disparities before they develop into legal or reputational issues.

Dosen Accounting Firm assists international employers with payroll compliance reviews, compensation structure assessments, internal pay equity evaluations, employment-related tax matters, and HR and payroll process optimization. We support foreign investors and multinational groups in establishing compliant remuneration frameworks in Serbia and aligning local practices with international governance, ESG, and pay transparency standards. Our services include payroll and compensation data analysis, compliance audits, payroll process reviews, and support during labour inspections, helping clients reduce risk and maintain fair and compliant workplace practices.

ISRAEL

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

For many years, Israeli labour law did not contain statutory provisions requiring equal pay for men and women. As a result, the only way to address pay disparities was through legal proceedings based on claims of discrimination, which, in the absence of a clear statutory framework, gave rise to a number of legal and evidentiary challenges.

This situation changed in 1996 with the enactment of the Equal Pay for Female and Male Employees Law. The Law provides that an employer may not pay a female employee a lower wage than that paid to a male employee performing the identical work, substantially similar work, or work of equal value. The Law established a clear legal framework for bringing claims based on unequal gender pay.

A further legislative development was introduced to enhance pay transparency and reduce the gender pay gap. In 2020, an amendment to the Law came into force imposing specific reporting obligations on large employers regarding gender pay disparities. Employers with more than 518 employees are now required to prepare and publish an annual internal report analyzing gender pay gaps within the organization by employee groups and job categories.

These reporting obligations are intended to facilitate a systematic review of an organization's remuneration policies and to encourage the early identification of unjustified pay disparities. Accordingly, employers falling within the scope of the Law are required to publish data concerning gender pay gaps, provide employees with information in accordance with the statutory requirements, and maintain transparency with employee representatives where such representation exists.

Although Israeli law does not currently require employers to implement a comprehensive equal pay action plan, as is the case in certain European countries, the existing legislative framework reflects a clear trend towards enhanced regulatory oversight, greater corporate accountability in this area, and the reduction of gender pay disparities.

Even for employers with fewer employees who are not subject to these reporting obligations, the legislative changes provide employees with a clear statutory basis for bringing claims alleging gender pay discrimination.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Responsibility for the enforcement of these legal provisions rests primarily with the Ministry of Labor and the Labor Courts, which have exclusive jurisdiction over disputes relating to equal pay and all employment law matters.

In practice, enforcement is based predominantly on individual complaints submitted by employees to the Ministry of Labor and on claims brought by employees before the Labor

Courts, rather than on proactive, large-scale inspections initiated by the authorities. Consequently, the principal legal risk faced by employers arises from their exposure to legal proceedings initiated by employees alleging pay discrimination.

Where a Labor Court determines that the principle of equal pay has been violated, it is empowered to order the employer to pay the relevant wage differentials, together with additional compensation where appropriate. In certain circumstances, the Court may also award compensation without requiring proof of actual damage. Beyond the direct financial exposure, breaches of equal pay legislation may adversely affect a company's reputation, attract public scrutiny, and have a negative impact on workplace relations within the organization.

Although the enactment of the legislation has significantly improved enforcement and contributed to reducing gender pay disparities, the institutional enforcement of equal pay laws in Israel is still generally regarded as relatively moderate. This is largely due to the limited use of proactive enforcement measures and the authorities' reliance on employee complaints. As a result, Israel's enforcement regime is still considered less robust than that of other Western jurisdictions, where proactive regulatory oversight and more substantial administrative penalties are commonly employed.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

Our Law firm advises employers on all aspects of equal pay and employment law in Israel. The services we provide include conducting legal reviews of remuneration structures, advising on compliance with statutory and reporting requirements, preparing legal opinions and risk assessments, developing internal policies and procedures, and representing employers in litigation and disputes with employees and regulatory authorities. Our objective is not only to assist our clients in complying with applicable legal requirements, but also to minimize future exposure and effectively manage the legal and commercial risks associated with this area.

We recommend that international companies operating in Israel adopt a proactive approach to equal pay rather than addressing pay disparities only after they have been identified by employees or regulatory authorities. As a first and most significant step, every company should conduct a comprehensive internal review of its remuneration structure, including an analysis of salary data by reference to job roles, seniority, education, professional experience, and other relevant factors. Such a review enables employers to identify unexplained pay disparities and address them at an early stage.

We further recommend adopting a clear and transparent remuneration policy based on objective criteria and integrating equal pay considerations into recruitment, promotion, and salary review processes. Providing managers and other relevant personnel with training on equal pay principles and the prohibition against discrimination can further reduce legal exposure and strengthen the organization's internal compliance and oversight mechanisms.

In addition, employers should ensure full compliance with all reporting obligations applicable to the organization in light of its size and characteristics, and designate an internal officer or other responsible person to oversee equal pay compliance and adherence to the applicable legal requirements.

It should be emphasized that the above recommendations apply equally to domestic employers. Israeli law does not impose separate or additional regulatory obligations on international or foreign companies operating in Israel solely due to their foreign status.

ITALY

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Q1: What are the specific legal requirements and recent legislative trends in Italy regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

In Italy the principle of equal pay for "equal work" is not new and already provided by our Constitution (Art. 37). Moreover, from 2006 up to date, Italy's pay-equity framework has evolved in two stages:

1. **Italian Equal Opportunities Code (Legislative Decree No. 198/2006)**, included biennial reporting obligations on the situation of male and female personnel for employers with more than 50 employees and gender equality certification;
2. **The new pay-transparency regime introduced by Legislative Decree No. 96/2026 ("Decree"), which entered into force on 7 June 2026, implementing the EU Pay Transparency Directive (Directive 2023/970)**.

One of the most significant changes introduced by the Decree is the creation of new information rights. Employees may now request information regarding:

- (i) the criteria used to determine pay, pay levels and pay progression. To this end, reference can be made to the salary items provided for each job level by the national collective bargaining agreement ("CCNL") applied;

- (ii) average pay levels, broken down by gender, for employees performing the same work or work of equal value. Again, job classifications provided by CCNLs are the point of reference to determine whether work is comparable and, therefore, entitles female employees to an equal pay with respect to their male coworkers, unless a different treatment is justified by objective factors such as skills, responsibility, effort and working conditions.

Moreover, employers with at least 100 employees must periodically report gender-pay-gap data and related remuneration information. Where reporting identifies a gender pay gap exceeding 5% and the difference cannot be objectively justified, employers may be required to carry out a "joint pay assessment" with employees' representatives and implement corrective measures.

Finally, the Decree introduces new obligations that apply before employment begins in order to prevent historical pay disparities from being carried forward into new employment relationships. To this end, employers must:

- (i) provide information about the initial remuneration or salary range for a position before hiring;
- (ii) use gender-neutral recruitment processes;
- (iii) refrain from asking candidates about their current or past salary.

Q2: How strictly are equal pay laws enforced by Italian labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

The Decree significantly increases litigation, reporting, and reputational risk even where administrative fines remain relatively limited.

Traditionally, many equal-pay cases arose through individual discrimination claims rather than proactive government investigations. However, recent reforms are intended to make pay disparities more visible through mandatory reporting and transparency obligations, making enforcement easier and increasing the likelihood of litigation. As a result, the practical risk is shifting from: "*Will the authorities discover the issue?*" to "*Can the company justify the pay difference once employees, unions, regulators, or courts see the data?*"

The most substantial risk remains judicial. Where discrimination is found, courts may order:

- Full compensation for affected employees;
- Recovery of lost remuneration or payment of bonuses and benefits improperly denied;
- Corrective measures to eliminate discriminatory practices.

In Italy, the principal enforcement trend is not a dramatic increase in fines. The more important development is that the Decree substantially increases transparency, employee access to evidence, and the likelihood that unjustified pay disparities will result in litigation, compensation awards, and reputational consequences (e.g. towards investors, public-sector clients, employer branding for recruitment).

Q3: What proactive steps should international companies take to ensure pay equity in the Italian market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

For international companies operating in Italy, pay equity risk management has shifted from being primarily a discrimination-law issue to becoming a governance, compliance, and litigation-risk issue.

Following the entry into force of the Decree, each and any employer, irrespective of its size, should immediately begin a legal-risk review of their existing compensation structures, reward policies, incentive plans and recruitment procedures.

On the topic at stake, one of the most valuable services our firm provides is conducting pay-equity reviews. Namely, we assist companies in undertaking a review of the salaries, including base salary, superminimum, bonuses, incentive plans and benefits in kind. The goal is:

- To identify unexplained differences between male and female employees performing the same work or work of equal value before those disparities become visible through employee requests;
- Be prepared to provide employees with pay-comparison information;
- conduct corrective joint assessments if significant unexplained pay disparities are identified;
- Review job-classification and remuneration systems, gathering evidence, to ensure they can withstand regulatory scrutiny and discrimination claims.

In fact, when challenged, employers will need to demonstrate that compensation decisions derive from objective factors rather than gender-based assumptions or unconscious bias.

We also regularly assist companies in the recruitment processes which must be reviewed in terms of job advertisements, interview scripts, offer letters, compensation approval procedures.

Our labor and employment lawyers can play a central role by helping companies identify risks before they become claims, structure legally defensible compensation systems, comply with the new transparency obligations under the Decree and efficiently resolve disputes should they arise.

BRAZIL

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

The Brazilian Labor Code prohibits wage disparities between men and women who perform work of equal value for the same employer and at the same workplace. Legally, work of equal value is defined as work performed with identical productivity and technical proficiency between employees whose difference in length of service at the company does not exceed four years and whose time in the position does not exceed two years.

This legal framework was recently reinforced by Law No. 14,611 of 2023, which strengthened the equal pay regime by establishing objective mechanisms for transparency and inspection.

Currently, companies with 100 or more employees are legally required to publish Pay Transparency and Compensation Criteria Reports every six months. These documents are intended to enable an objective comparison of salaries and the gender breakdown of leadership positions, and must be prominently displayed on the company's institutional channels, such as websites and social media, ensuring broad access to employees and the general public.

Q2: How strictly are equal pay laws enforced by local labour authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Companies are subject to inspection by the Ministry of Labor and Employment:

- (i) Where unjustified pay discrimination is identified, the company is subject to an administrative fine equivalent to ten times the amount of the new salary owed to the affected female employee;
- (ii) Failure to publish the transparency reports within the statutory deadlines may result in fines of up to 3% of the company's total payroll; and
- (iii) If inequalities are identified in the reports, the Ministry of Labor and Employment may notify the company to submit, within 90 days, an Action Plan for the Mitigation of Pay Inequality.

Companies are also subject to investigation by the Labor Public Prosecutor's Office. Where unwarranted pay disparities between men and women are identified, this entity may open a civil inquiry and propose the execution of a Compliance Agreement imposing obligations to remedy the situation. Refusal to enter into this agreement, or failure to comply with the obligations set out therein, may give rise to the filing of a Public Civil Lawsuit, including claims for the payment of compensation for collective moral damages.

In addition, companies remain exposed to individual labor lawsuits brought by employees seeking equal pay, salary differentials, and related statutory remedies, as well as compensation for moral damages.

With respect to reputational risk in particular, the publication of transparency reports increases exposure vis-à-vis employees, trade unions, investors, clients, and authorities. In Brazil, therefore, non-compliance with pay equity entails legal, financial, and reputational risks for companies operating in the country.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

For multinational companies operating in Brazil, it is advisable to implement preventive measures to mitigate risks associated with pay equity compliance. Such measures include:

- (i) Conducting periodic compensation audits based on a proper assessment of job positions, responsibilities, reporting levels, and variable compensation criteria, with a view to identifying and addressing potential gender-based pay disparities;
- (ii) Maintaining a well-structured and up-to-date Job and Salary Plan in compliance with Brazilian labor legislation;
- (iii) Ensuring the timely publication of Salary Transparency Reports in accordance with the applicable legal requirements; and
- (iv) Implementing and maintaining internal reporting channels that ensure the confidentiality of discrimination complaints, enabling the proper investigation and the adoption of corrective measures whenever necessary.

Our firm provides specialized legal support to clients in pay equity matters. We conduct preventive legal audits, carry out strategic reviews of compensation policies, and prepare or update job and salary plans. We also provide guidance and clarification on the preparation and publication of pay transparency reports.

Furthermore, we defend companies in administrative proceedings before the Ministry of Labor and Employment and the Labor Public Prosecutor's Office, as well as in individual and collective labor lawsuits.

SINGAPORE

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Singapore does not currently have legislation requiring mandatory gender pay gap reporting, remuneration registers, or compulsory equality action plans for private sector employers.

The primary legislation governing employment practices is the Employment Act, supplemented by the Tripartite Guidelines on Fair Employment Practices issued by the Ministry of Manpower (MOM), National Trades Union Congress (NTUC), and Singapore National Employers Federation (SNEF). Employers are expected to recruit, reward and promote employees based on merit, regardless of gender, age, race, religion, marital status, family responsibilities, or disability.

In recent years, Singapore has strengthened its regulatory framework on workplace fairness. The Workplace Fairness Act, which was passed in 2025 and is expected to be implemented in phases, prohibits discrimination in employment decisions, including recruitment, promotion, training and dismissal, on specified protected characteristics such as sex, age, race, religion and disability. However as of current, the legislation does not impose mandatory gender pay gap reporting or require employers to publish remuneration data.

While there is increasing public and regulatory focus on diversity, equity and inclusion, pay equity reporting remains largely voluntary. Listed companies are encouraged through corporate governance and sustainability reporting frameworks to disclose diversity-related information and board diversity policies.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

In Singapore, there is currently no equal pay law that specifically requires equal pay for equal work or mandates gender pay gap reporting. However, employers are expected to adopt fair and merit-based employment practices under the Employment Act, the Tripartite Guidelines on Fair Employment Practices (TGFEP), and the Workplace Fairness Act, which is expected to be implemented in phases.

Enforcement of workplace fairness requirements is generally carried out by the Ministry of Manpower (MOM). Where discriminatory employment practices are identified, MOM may investigate complaints and take administrative action against employers. Such actions may include warnings, requirements to rectify employment practices, restrictions on the employer's ability to obtain or renew work passes, and increased regulatory scrutiny.

Under the Workplace Fairness Act, employees will have statutory avenues to raise discrimination-related claims. Employers found to have engaged in discriminatory employment practices may face financial penalties, civil claims, and other enforcement measures prescribed under the legislation.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

Companies operating in Singapore should ensure that pay decisions are based on objective factors such as an employee's role, responsibilities, qualifications, experience and performance. It is good practice to periodically review salary structures and employment policies to identify any inconsistencies and ensure that employees are treated fairly.

With the Workplace Fairness Act being introduced in phases, employers should review their hiring, promotion, appraisal and remuneration processes to ensure that decisions are properly documented and supported by legitimate business reasons.

Although Singapore does not currently require gender pay gap reporting or equality plans, many multinational companies choose to apply their global pay equity standards locally and conduct regular reviews of compensation practices as part of their broader governance and ESG objectives.

Strategic Consultancy supports clients by providing audit, accounting, financial and regulatory advice on employment-related matters. We assist with reviewing remuneration arrangements, assessing the financial impact of workforce decisions, and ensuring compliance with applicable regulations and guidelines. Where disputes arise, we can help quantify claims, analyse relevant financial information, and support discussions between employers, employees and legal advisers to facilitate a practical resolution. We also assist companies with workforce restructuring and retrenchment exercises, including assessing severance arrangements, reviewing financial implications, and supporting management in navigating employment-related disputes and stakeholder concerns.

NETHERLANDS

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

Current Legal Framework

Dutch law already prohibits unequal pay between men and women for equal work or work of equal value. This follows from the general prohibition of discrimination, the Dutch Equal Treatment Act framework, the Equal Treatment of Men and Women Act, and Article 7:646 of the Dutch Civil Code. The principle covers all components of remuneration, including salary, bonuses, allowances and fringe benefits. Pay differences are only permissible if they are based on objective, gender-neutral factors, such as relevant experience, performance, seniority or scarcity on the labour market. At present, the Netherlands does not yet have a general statutory obligation for private employers to publish gender pay gap reports, maintain a public remuneration register, or adopt a formal equality plan solely in relation to pay equity. Enforcement is mainly individual and complaint-driven: employees may invoke equal pay rights before the courts or ask the Netherlands Institute for Human Rights to assess whether prohibited discrimination has occurred. The Institute stresses that the right to equal pay already exists, but that lack of transparency often makes pay discrimination difficult to identify and prove.

Legislative Trend: EU Pay Transparency Directive

The most important development is the implementation of Directive (EU) 2023/970 on pay transparency. The Dutch government submitted the implementation bill to the House of Representatives on 21 May 2026. The intended entry into force is 1 January 2027, subject to parliamentary approval. The bill marks a shift from an individual enforcement model towards a more preventive and transparency-based system. Employers will be expected to structure, explain and, for larger employers, report on pay practices in a way that makes gender-based pay differences visible.

Main Expected Employer Obligations

First, employers will have to use objective and gender-neutral systems for job evaluation and job classification. This requirement is intended to ensure that equal or equivalent work is valued consistently. The government has already published guidance and a checklist to help employers prepare. According to the current government information, such a system will become mandatory for all employers after implementation of the directive. Second, employers will no longer be allowed to ask job applicants about their previous salary during recruitment or negotiations on employment conditions. This is designed to prevent existing historical pay inequalities from being carried forward into new employment relationships. Third, employees will receive stronger information rights. They will be able to request information about their own pay level and average pay levels, broken down by gender, for employees performing the same work or work of equal value. This is not a general remuneration register, but it does create a more concrete right of access to comparative pay information. Fourth, employers with more than 100 employees will have to report periodically on pay differences between male and female employees. The first reporting wave will apply to employers with at least 150 employees, who must report by 7 June 2028 on pay differences in calendar year 2027. Employers with 100 to 150 employees will follow in 2031, reporting on calendar year 2030. The reported information will be made accessible through a website of the Ministry of Social Affairs and Employment, allowing comparison between organisations or sectors.

Remuneration Registers and Equality Plans

The Dutch proposal does not introduce a broad public remuneration register comparable to systems in some other jurisdictions. Instead, it introduces targeted transparency: employee information rights, company-level pay gap reporting for employers above the statutory threshold, and public availability of certain reported data through a government platform. Likewise, there is currently no general statutory obligation for Dutch employers to adopt a separate "pay equality plan" as such. However, the new framework will push employers towards active pay governance. Where unexplained pay gaps emerge, employers will need to be able to justify them objectively and, where necessary, correct them. Works councils are expected to play a significant role, particularly because the proposal links several implementation responsibilities to employee representation structures.

Practical Conclusion

The Netherlands is moving from a relatively reactive equal pay regime towards a transparency and compliance model. The underlying right to equal pay is not new; what is new is the obligation to make pay structures, salary criteria and gender pay differences more visible and verifiable. Employers should therefore prepare by reviewing job classification systems, salary bands, recruitment practices, pay progression criteria and data availability. For larger employers, preparation for mandatory reporting should start well before 2027, because the first reports will be based on pay data from calendar year 2027. In short: the Netherlands does not yet have mandatory gender pay gap reporting in force, a general remuneration register, or compulsory pay equality plans. However, the pending implementation of the EU Pay Transparency Directive will introduce substantial new transparency obligations, especially for employers with more than 100 employees, and will materially increase the compliance burden around pay equity.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

At present, Dutch equal pay law is not enforced in a highly proactive, inspection-led manner in individual pay discrimination cases. Individual employees generally have to invoke their rights themselves, either before the civil courts or through the Netherlands Institute for Human Rights. The Dutch Labour Inspectorate does not currently act as the primary enforcement authority for individual unequal pay claims. Under the proposed Pay Transparency Implementation Act, however, its role will become more important for monitoring compliance with the new transparency obligations. The explanatory memorandum states that the Labour Inspectorate will supervise compliance with the Equal Treatment of Men and Women Act, while individual pay discrimination cases remain primarily for courts and equality bodies. The proposed enforcement model is mainly administrative and corrective. The Labour Inspectorate may impose a compliance order, issue a written warning, impose an order subject to a penalty payment, or impose an administrative fine. A fine may be imposed up to the amount of the third statutory fine category, and in case of recidivism the fine may be increased by 100%. The proposal also provides for publication of inspection results, including findings of non-compliance. Financial exposure may also arise in civil proceedings. Employees who suffer gender-based pay discrimination may claim compensation, including back pay and related bonuses or benefits. The EU Pay Transparency Directive also strengthens the employee's evidentiary position: once a plausible equal pay claim is made, the employer will increasingly have to demonstrate that it has complied with equal pay and transparency rules. In practice, reputational risk may become as important as formal penalties. Larger employers will have to report pay gaps, and inspection outcomes may be made public. Non-compliance can therefore create exposure not only to fines and claims, but also to works council pressure, employee claims, adverse publicity, ESG criticism and difficulties in recruitment and retention.

Q3: What proactive steps should international companies take to ensure pay equity in your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in the Netherlands should prepare early by reviewing their Dutch pay structures, job classification systems, salary bands, bonus criteria and promotion practices. Particular attention should be paid to whether employees performing equal or equivalent work are grouped consistently and whether any pay differences can be justified by objective, gender-neutral criteria. Companies should also update recruitment practices, remove questions about salary history, prepare for employee information requests, and ensure that HR, legal and payroll teams can produce reliable gender-segmented pay data. For multinational employers, it is also advisable to align Dutch compliance work with wider EU pay transparency projects, while still taking account of Dutch employment law, works council rights, privacy rules and collective bargaining arrangements. Internal pay audits should be handled carefully, preferably under legal privilege where possible, because the findings may later become relevant in employee claims, works council discussions or regulatory inquiries. Our firm assists clients by reviewing employment documentation, remuneration policies and job classification systems, advising on works council involvement, preparing Dutch pay transparency compliance plans, and assessing legal risks arising from identified pay gaps. We also assist in individual and collective disputes, including employee claims, settlement negotiations, proceedings before the Dutch courts or equality bodies, and strategic advice on how to correct pay differences while limiting legal, financial and reputational exposure.

CHINA

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Q1: What are the specific legal requirements and recent legislative trends in your jurisdiction regarding pay equity, such as mandatory gender pay gap reporting, remuneration registers, or compulsory equality plans?

China's equal-pay framework rests on several layers rather than a single dedicated statute. At the constitutional level, Article 48 of the Constitution guarantees women equal rights with men across economic life and enshrines the principle of equal pay for equal work, this is an entrenched but largely aspirational guarantee. The operative obligations sit in ordinary legislation: Article 46 of the Labour Law requires equal pay for equal work, and the Employment Promotion Law prohibits gender discrimination in hiring. Most significantly, the Law on the Protection of the Rights and Interests of Women (substantially revised in 2022 and in force from 1 January 2023) requires equal pay for equal work (Article 45), guarantees women equal enjoyment of welfare benefits and equal treatment in promotion and the evaluation of professional titles (Article 46), and obliges employers to include special clauses protecting female employees in labour and service contracts (Article 44). China has also ratified ILO Conventions Nos. 100 (Equal Remuneration) and 111 (Discrimination), and the Special Rules on the Labour Protection of Female Employees (2012) set further protective standards.

China imposes no Western-style gender pay-gap reporting on private-sector employers, thus there is no statutory pay register, mandatory pay audit, or registered equality plan. The emphasis is instead prohibitive, barring reductions in female employees' pay and benefits, obstacles to their promotion, and gender-discriminatory recruitment, with prohibited recruitment practices now expressly specified. Employment contracts and service agreements concluded after 1 January 2023 must contain specific female-employee protection provisions. Policy instruments such as the China Women's Development Outline (2021–2030) signal a gradual shift toward more proactive compliance, but reporting-based obligations of the kind introduced by the EU Pay Transparency Directive currently have no Chinese equivalent.

Q2: How strictly are equal pay laws enforced by local labor authorities, and what are the potential legal, financial, or reputational penalties for companies that fail to comply?

Enforcement in China does not operate through a centralised pay-gap reporting and sanctions mechanism. Instead, the 2023 amendments to the Women's Protection Law brought gender-discriminatory practices across the full employment cycle within the supervisory remit of the human resources and social security authorities. Employers that publish gender-discriminatory recruitment information may be entered on the human-resources market integrity record (the "name-and-shame" list) maintained by the Ministry of Human Resources and Social Security (MOHRSS) and ordered to rectify. Specific breaches, such as enquiring into a female applicant's marital or parenting status, or failing to extend the contract of an employee who is pregnant or on maternity leave, may attract an administrative fine of between RMB 10,000 and RMB 50,000 per incident, with the company's legal representative or responsible individual also potentially personally liable.

Individual redress runs through labour arbitration and, on appeal, the civil courts: an employee alleging pay discrimination may claim the salary differential and, depending on the circumstances, additional compensation. In practice, enforcement is constrained by the evidentiary difficulty of proving discrimination, as pay data is rarely transparent to employees. A notable addition in the revised law (Article 77) is the procuratorial public-interest litigation mechanism, which allows the people's procuratorates to bring proceedings where employers infringe women's equal-employment rights or fail to prevent sexual harassment.

For international companies, the ESG and reputational dimension is highly relevant: findings of discrimination are publicly recorded, and for foreign-invested enterprises whose parent groups publish ESG or human-rights reports, a Chinese labour violation can carry group-level consequences well beyond any local administrative penalty.

Q3: What proactive steps should international companies take to ensure pay equity in

your market, and how does your firm specifically assist clients in mitigating these risks or resolving disputes?

International companies operating in China should treat pay equity as a structural compliance area rather than a documentation exercise. Effective starting points include: Review of compensation structures across equivalent roles to identify unexplained gender differentials. Policy audit covering recruitment. Performance evaluation and promotion criteria. Confirmation that all employment contracts signed since 1 January 2023 contain the required female-employee protection provisions. Targeted training for management and HR to reduce discrimination risk at source.

For firms engaged in cross-border M&A, pay equity also carries a specific transactional dimension. In due diligence, acquirers should assess a target's exposure to undisclosed equal-pay liabilities and any MOHRSS integrity-record entries; share purchase agreements should include representations and warranties addressing gender-discrimination compliance; and post-closing integration should harmonise pay structures across the combined entity to eliminate inherited disparities.

IPO Pang Shenjun assists international clients across the advisory and transactional life cycle: conducting employment-compliance reviews within China-inbound and China-outbound M&A due diligence; advising on post-acquisition HR integration and pay harmonisation; drafting and updating employment contracts and internal policies in line with the 2023 Women's Protection Law; and advising IP-holding entities on the interaction between employee-incentive structures and equality requirements. Where compliance risks or potential disputes emerge, we help clients assess their exposure, implement remedial measures, and develop risk-mitigation strategies designed to resolve issues before they escalate.

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