# Labor Law

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## Chapter 1
## General Provisions

### Section 1: Scope of Application
Different Categories of Workers in the Kingdom of Cambodia

**Article 1**
This law governs relations between employers and workers resulting from employment contracts to be performed within the territory of the Kingdom of Cambodia, regardless of where the contract was made and what the nationality and residences of the contracted parties are.

This law applies to every enterprise or establishment of industry, mining, commerce, crafts, agriculture, services, land or water transportation, whether public, semi-public or private, non-religious or religious; whether they are of professional education or charitable characteristic as well as the liberal profession, associations or groups of any nature whatsoever.

This law shall also apply to every personnel who is not governed by the Common Statutes for Civil Servants or by the Diplomatic Statutes as well as officials in the public service who are temporarily appointed.

**This law shall not apply to:**

- Judges of the Judiciary.
- Persons appointed to a permanent post in the public service.
- Personnel of the Police, the Army, the Military Police, who are governed by a separate statute.
- Personnel serving in the air and maritime transportation, who are governed by a special legislation. These workers are entitled to apply the provisions on freedom of union under this law.
- Domestics or household servants, unless otherwise expressly specified under this law. These domestics or household servants are entitled to apply the provisions on freedom of union under this law.

**Article 2**
All natural persons or legal entities, public or private, are considered to be employers who constitute an enterprise, within the meaning of this law, provided that they employ one or more workers, even discontinuously.

Every enterprise may consist of several establishments, each employing a group of people working together in a defined place such as in factory, workshop, work site, etc., under the supervision and direction of the employer.

A given establishment shall be always under the auspices of an enterprise. The establishment may employ just one person. If this establishment is unique and independent, it is both considered as an enterprise and an establishment.

**Article 3**
"Workers", within the meaning of this law, are every person of all sex and nationality, who has signed an employment contract in return for remuneration, under the direction and management of another person, whether that person is a natural person or legal entity, public or private. To clearly determine the characteristics of a worker, one shall not take into account of neither the jurisdictional status of the employer nor that of the worker, as well as the amount of remuneration.

**Article 4**
"Domestics or household servants" are those workers who are engaged to take care of the home owner or of the owner's property in return for remuneration.

**Article 5**
"Employees or helpers" are those who are contracted to assist any person in return for remuneration, but who do not perform manual labour fully or who do so incidentally.

**Article 6**
"Labourers" are those workers who are not household servants or employees, namely those who perform mostly manual labour in return for remuneration, under the direction of the employer or his representative. The status of labourer is independent of the method of remuneration; it is determined exclusively by the nature of the work.

**Article 7**
"Artisans" are persons, who practice a manual trade personally on their own account, working at home or outside, whether or not they use the motive force of automatic machines, whether or not they have a shop with a signboard, who primarily sell the products of their own work, carried out either alone or with the help of their spouse or family members who work without pay, or with the help of workers or apprentices, but the entire workshop is solely under the direction of their own. The number of non-family workers, who regularly work for an artisan, cannot exceed seven; if this number is exceeded, the employer loses the status of artisan.

**Article 8**
"Apprentices" are those who have entered into an apprenticeship contract with an employer or artisan who has contracted to teach or use someone to teach the

apprentice his occupation; and in return, the apprentice has to work for the employer according to the conditions and terms of the contract.

**Article 9**
In accordance with the stability of employment, it is distinguished:

- Regular workers
- Casual workers, who are engaged to perform an unstable job.
- Regular workers are those who regularly perform a job on a permanent basis.
- Casual workers are those who are contracted to:
- Perform a specific work that shall normally be completed within a short period of time.
- Perform a work temporarily, intermittently and seasonally.

**Article 10**
Casual workers are subject to the same rules and obligations and enjoy the same rights as regular workers, except for the clauses stipulated separately.

**Article 11**
In accordance with the method of remuneration, workers are classified as follows:

- Workers remunerated on a time basis (monthly, daily, hourly), who are paid
- Daily or at intervals not longer than fifteen days or one month.
- Workers remunerated by the amount produced or piecework.
- Workers remunerated on commission.

## Section 2: Non-Discrimination

**Article 12**
Except for the provisions fully expressing under this law, or in any other legislative text or regulation protecting women and children, as well as provisions relating to the entry and stay of foreigners, no employer shall consider on account of:

- race
- colour
- sex
- creed
- religion
- political opinion
- birth
- social origin
- membership of workers' union or the exercise of union activities.
- to be the invocation in order to make a decision on:
- hiring
- defining and assigning of work
- vocational training

- advancement
- promotion
- remuneration
- granting of social benefits
- discipline or termination of employment contract.

Distinctions, rejections, or acceptances based on qualifications required for a specific job shall not be considered as discrimination.

## Section 3: Public Order

**Article 13**
The provisions of this law are of the nature of public order, excepting derogations provided expressly. Consequently, all rules resulted from a unilateral decision, a contract or a convention that do not comply with the provisions of this law or any legal text for its enforcement, are null and void.

Except for the provisions of this law that cannot be derogated in any way, the nature of public order of this law is not obstructive to the granting of benefits or the rights superior to the benefits and the rights defined in this law, granted to workers by a unilateral decision of an employer or a group of
employers, by an employment contract, by a collective convention or agreement, or by an arbitral decision.

## Section 4: Publicity

**Article 14**
The employer must keep at least one copy of the labour law at the disposal of his workers and, in particular, of the workers' representatives in every enterprise or establishment set forth in Article 1 of this law.

## Section 5: Forced Labour

**Article 15**
Forced or compulsory labour is absolutely forbidden in conformity with the International Convention No. 29 on the Forced or Compulsory Labour, adopted on June 28, 1930 by the International Labour Organization and ratified by the Kingdom of Cambodia on February 24, 1969. This article applies to everyone, including domestics or household servants and all workers in agricultural enterprises or businesses.

Article 16
Hiring of people for work to pay off debts is forbidden.

# Chapter 2
## Enterprises-Establishments

### Section 1: Declaration of the Opening and Closing of the Enterprise

**Article 17**
All employers to whom this labour law is applied, shall make a declaration to the Ministry in charge of Labour when opening an enterprise or establishment. This declaration, called a declaration of the opening of the enterprise or establishment, must be made in writing and be submitted to the Ministry in charge of Labour before the actual opening of the enterprise or establishment.
Employers who employ fewer than eight workers on a permanent basis and who do not use machinery, shall make and submit this declaration to the Ministry in charge of Labour within thirty days following the actual opening of the enterprise or establishment.

**Article 18**
For the closing of the enterprise, employers shall also make a declaration to the Ministry in charge of Labour within thirty days following the closing of the enterprise.

**Article 19**
A Prakas of the Ministry in charge of Labour shall define the formality and procedure of the declarations to follow in each case.

**Article 20**
Every employer shall establish and neatly keep a register of an establishment that was numbered and initialled by the Labour Inspector. The model of the register shall be set by a Prakas of the Ministry in charge of Labour.

### Section 2: Declaration on Movement of Personnel

**Article 21**
Every employer must make the declaration to the Ministry in charge of Labour each time when hiring or dismissing a worker. This declaration must be made in writing within fifteen days at the latest after the date of hiring or dismissal. This period is extended to thirty days for agricultural enterprises. The declaration of hiring and dismissal is not applied to:

- Casual employment with a duration of less than thirty continuous days.
- Intermittent employment for which the actual length of employment does not exceed three months within twelve consecutive months.

### Section 3: Internal Regulations of the Enterprise

**Article 22**
Every employer of an enterprise or establishment, set out in Article 17 above, who employs at least eight workers shall always establish an internal regulation of the enterprise.

**Article 23**
Internal regulations adapt the general provisions of this law in accordance with the type of enterprise or establishment and the collective agreements that are relevant to the sector of activity of the aforementioned enterprise or establishment, such as provisions relating to the condition of hiring, calculation and payment of wages and perquisites, benefits in kind, working hours, breaks and holidays, notice periods, health and safety measures for workers, obligations of workers and sanctions that can be imposed on workers.

**Article 24**
The internal regulations must be established by the manager of enterprise after consultation with workers' representatives, within three months following the opening of the enterprise, or within three months after the promulgation of this law if the enterprise already exists. Before coming into effect, the internal regulations shall be visaed by the Labour Inspector. This visa shall be issued within a period of sixty days.

**Article 25**
The articles of internal regulations that suppress or limit the rights of workers, set forth in laws and regulations in effect or in conventions or collective agreements applicable to the establishment, are null and void. The Labour Inspector shall require the inclusion of enforceable provisions in virtue of laws and regulations in effect.

**Article 26**
An employer can not impose disciplinary action against a worker for any misconduct of which the employer or one of his representatives has been awarded for over fifteen days. The employer shall be considered to renounce his right to dismiss a worker for serious misconduct if this action is not taken within a period of seven days from the date on which he has learned about the serious misconduct in question.

**Article 27**
Any disciplinary sanction must be proportional to the seriousness of the misconduct. The Labour Inspector is empowered to control this proportionality.

**Article 28**
The employer shall not impose fines or double sanctions for the same misconduct. These fines mean any measure that leads to a reduction of the remuneration being normally due for the performance of work provided.

**Article 29**
The internal regulations must be diffused and affixed to a suitable place that is easily accessible, on the premises where work is carried out and on the door of the premises where workers are hired. These internal regulations shall constantly be kept in a good state of legibility.

**Article 30**
All modifications to the internal regulations must comply with the provisions governing the enterprise or establishment.

**Article 31**
In enterprises or establishments, employing less than eight workers, where there are no internal regulations, the employer may pronounce, according to the seriousness of the misconduct of the workers concerned, a warning, a reprimand, a suspension of work without pay for not more than six days or a dismissal with or without a prior notice.

## Section 4: Employment Card

**Article 32**
Every person of Cambodian nationality working as a worker for any employer is required to possess an employment card. No one can keep a worker in his service who does not comply with the provision of the above paragraph.

**Article 33**
The possession of an employment card is optional for seasonal farm workers.

**Article 34**
The employment card is for the purpose of identifying the holder, the nature of work for which he has contracted, the duration of contract, the agreed wages and the method of payment, as well as the successive contracts. It is forbidden to use a worker’s employment card for purposes other than those for which it is created. When the worker quits working for the employer, that employer shall not write any appreciation on the employment card.

**Article 35**
The employment card is drawn up and issued by the Labour Inspectors at the request of the worker who presents an identity card issued by the competent authorities and a certificate of employment issued by his employer.

**Article 36**
The issuance of employment card shall be subjected to a fee that shall be collected and given to the national budget. The fee rate and the method of collection shall be set by a joint Prakas of the Ministry of Finance and the Ministry in charge of Labour.

**Article 37**
The hiring and dismissal of a worker, his wage and wage increase shall be recorded in his employment card. The above record made by the employer must be presented, within seven whole days following the date of entry and departure of the worker, for the visa of the Labour Inspector.

**Article 38**
The loss of employment card must be declared to the Labour Inspectorate. A duplicate shall be issued under the same conditions as those laid for the issuance of employment card.

## Section 5: Payroll Ledger

**Article 39**
Every employer of an enterprise or establishment covered by Article 17 above shall constantly keep a payroll ledger whose format shall be set by a Prakas of the Ministry in charge of Labour. Before being used, all the pages of the payroll ledger must be numbered and initialed by the Labour Inspector.

The payroll ledger must be kept in the Bureau of Cashier or Head Office of each enterprise so that it is readily available for inspections. The employer shall keep the payroll ledger for three years after it has been closed. The Labour Inspector may require to see the payroll ledger at any time.

**Article 40**
The payroll ledger shall record:
a) information about each worker employed by the enterprise.
b) all indications concerning the work performed, wage and holidays.

**Article 41**
Any enterprises that wish to make the payroll ledger in a different way but contains the same type of information and the same method of review, may apply to the Labour Inspectorate.

## Section 6: Company Store

**Article 42**
The “company store” is defined as any establishment where the employer directly or indirectly sells his workers or their families foodstuffs and merchandise of any kind, for their personal needs. Company stores are authorized under the four conditions as follows:

1. The workers are not obliged to shop just there.
2. The employer or his attendant is not allowed to make a profit from the sale of the merchandise.

3. The accounting of each company store is to be entirely distinctive of that of the enterprise.
4. The price of items on sale is to be displayed visibly.

**Article 43**
The opening of a company store is determined by a Prakas of the Ministry in charge of Labour.
The Labour Inspector monitors the operation of company stores whose management is also shared by the elected representatives of the concerned workers. The Labour Inspector has the authority to order a temporary shutdown of a company store until a final decision is made by the Ministry in charge of Labour.

## Section 7: Guarantee

**Article 44**
The employer cannot subject the signing or the maintaining of employment contract to a cash guarantee or bond of any form.

## Section 8: Characteristics of Labour Contractor

**Article 45**
The labour contractor is a sub-contractor who contracts with an entrepreneur and who himself recruits the necessary work force or workmen for the execution of certain work or the provision of certain services for an all-inclusive price. Such a contract must be in writing.

**Article 46**
The exploitation or underestimation of workmen by the labour contractor or sub-contractor is forbidden.

**Article 47**
The labour contractor is required to observe the provisions of this law in the same manner as an ordinary employer and assumes the same responsibilities as the latter.

**Article 48**
In case of insolvency or default by the labour contractor, the entrepreneur or the manager of enterprise shall substitute for the contractor to fulfill his obligations to the workers. The harmed workers, in such case, may file a case directly against the entrepreneur or manager.

**Article 49**
The labour contractor is required to indicate his status, the name and address of the entrepreneur, by affixing them to a place that is readily visible in each workshop, storeroom, or work site where work is performed.

**Article 50**

The entrepreneur shall constantly keep available a list of labour contractors with whom he has contracted. This list, indicating the name, address, and status of the labour contractor as well as the situation of each workplace, must be sent to the Labour Inspectorate within seven whole days following the date of signing the labour contract.

This period is extended to fifteen days for agricultural enterprises or businesses.

# Chapter 3
# Apprenticeship

## Section 1: Nature and Form of the Apprenticeship Contract

### Article 51
The apprenticeship contract is one in which a manager of an industrial or commercial establishment, an artisan or craftsman agrees to provide or is entrusted with complete, methodical and professional training to another person who contracts, in return, to work for him as an apprentice under the conditions and for a time period that have been agreed upon. This time period cannot exceed two years.

### Article 52
The apprenticeship contract must be in form of writing by notarial deed or by private agreement within a fortnight of its implementation, otherwise it is considered null.

### Article 53
An apprenticeship contract shall be made up according to customary practices of a profession if there are no rules established by the Labour Inspectorate, with consent of representatives of the profession taught. The apprenticeship contract must contain:

1. The last name, first name, age, profession and address of the instructor.
2. The last name, first name and address of the apprentice.
3. The last name, first name, profession and address of the apprentice’s parents guardian or a person authorized by his parents.
4. The date and duration of the contract, as well as the trade for which the apprentice is trained.
5. The conditions for the apprentice’s remuneration and, if applicable, all benefits in kind: food, accommodation or any other items agreed between both parties.
6. The skill area that the manager of the enterprise is contracted to teach the apprentice.
7. Indemnity to be paid in case of termination of the contract.
8. The main obligations of the instructor and the apprentice.

The apprenticeship contract must be signed by the instructor and the apprentice. In case that the apprentice is a minor, the contract can be signed by his legal representative and the instructor. The Labour Inspector shall review, countersign and register the apprenticeship contract.

## Section 2: Terms of Apprenticeship Contract

**Article 54**
No one can be an instructor or undertake an apprenticeship if he is less than twenty-one years of age, and cannot justify having practiced, for at least two years, the profession to be taught as a technician, trainer, craftsman or skilled worker.

The period of practice of his profession can be reduced to one year, if the instructor has a diploma in theoretical and practical training from a recognized school or a specialized training centre.

**Article 55**
No employer, instructor in charge of an apprenticeship can live in the same house with female minor apprentices. The capacity as an apprenticeship instructor or a person in charge of apprenticeship is disqualified for:

1. Individuals who have been convicted of a crime.
2. Individuals who have been guilty of behaving against the local traditional customs.
3. Individuals who have been imprisoned for stealing, fraud, misappropriation and corruption.

**Article 56**
A Prakas of the Ministry in charge of Labour shall determine the occupation and types of work for which teenagers aged at least eighteen years are allowed to be an apprentice. Once his vocational skill training is adequate, the apprentice is no longer treated as an apprentice but as a worker hereafter.

**Article 57**
Any enterprise employing more than sixty workers must have the number of apprentices equal to one-tenth of the number of the workers in service of that enterprise. The maximum number of apprentices employed in an enterprise, regardless of the total number of workers, shall be determined by a Prakas of the Ministry in charge of Labour in accordance with the possible availability of personnel and materials.

Derogation of the obligation stated in the first paragraph of this article can be endorsed by a decision of the Labour Inspector for enterprises that have requested to pay an apprenticeship tax whose amount and method of payment shall be set by a Prakas of the Ministry in charge of Labour.

## Section 3: Duties of Instructors and Apprentices

**Article 58**
The instructor shall behave in loco parentis towards the apprentice, that is, watch over his conduct and manners, either at home or outside, and inform his parents or

their representative of any serious offenses committed by the apprentice or any incorrect propensity manifested. Moreover, the instructor must also inform the apprentice's parents, without delay, in the case of illness, absence or any other problem, for their intervention. The instructor shall not employ an apprentice for an overwork or for any work or service other than those related to the exercise of the apprentice's profession.

**Article 59**
The instructor must progressively and completely teach the apprentice the occupation that is the subject of the contract, and where applicable, provide him with every facility or opportunity in the event of the apprentice wishing to take a course in a vocational training school.

At the end of the apprenticeship, a certificate attesting the execution of the contract by both parties and the professional skill of the apprentice shall be awarded after an official examination conducted by a neutral exam panel.

**Article 60**
The apprentice shall obey and respect his instructor within the context of apprenticeship. He must assist the instructor in his work to the best of his ability. He shall keep the professional confidentiality.

**Article 61**
Any person who is convinced of having incited an apprentice to break his contract shall be liable to an indemnity in favour of the manager of the establishment or of the workshop that the apprentice has abandoned. The indemnity must, in no case, not exceed the amount of actual damages suffered by the former employer. Any new apprenticeship contract made before the fulfilment of all the obligations or termination of the preceding contract shall be null and void.

### Section 4: Monitoring of Apprenticeship

**Article 62**
A system for monitoring the apprenticeship, such as determining programs by trade, supervision during the apprenticeship, final examination, methods for setting up examination panel, etc., shall be determined by a Prakas of the Ministry in charge of Labour.

The Prakas of the Ministry in charge of Labour shall also clearly determine the regulations regarding the duration of the apprenticeship, including the trial period, according to the level of professional skill and technical and conceptual knowledge, as well as all the apprentice's previous training and experience or professional progress made during the course of the apprenticeship.

### Section 5: Termination of Apprenticeship Contract

**Article 63**
The apprenticeship contract is terminated lawfully:

1. By the death of the instructor or the apprentice.
2. If the apprentice or the instructor is obliged to serve in the army.
3. If the instructor or the apprentice is imprisoned for a felony or misdemeanor.
4. By the closure of workshop or enterprise, specified in the above articles.

**Article 64**
An apprenticeship contract may be terminated at the request of one or both parties, particularly in the following cases:

1. In case either party does not comply with the stipulations of the contract.
2. In case of serious or regular violation of the provisions in this chapter.
3. In case the apprentice obstinately does not respect internal regulations.
4. If the instructor moves his residence to Sangkat (section) or Khum (commune) other than the one in which he lived at the signing of the contract. Nevertheless, a request for termination of contract for this reason is acceptable only within three months following the day when the instructor moved. Either party considered to be damaged by the unjustifiable termination of an apprenticeship contract, can demand for a compensation from the other party.

# Chapter 4
## The Labour Contract

### Section 1: Signing and Execution of a Labour Contract

**Article 65**
A labour contract establishes working relations between the worker and the employer. It is subject to ordinary law and can be made in a form that is agreed upon by the contracting parties. It can be written or verbal. It can be drawn up and signed according to local custom. If it needs registering, this shall be done at no cost. The verbal contract is considered to be a tacit agreement between the employer and the worker under the conditions laid down by the labour regulations, even if it is not expressly defined.

**Article 66**
Everyone can be hired for a specific work on the basis of time, either for a fixed duration or for an undetermined duration.

**Article 67**

1. A labour contract signed with one consent for a specific duration must contain a precise finishing date.
2. The labour contract signed with one consent for a specific duration cannot be for a period longer than two years. It can be renewed one or more times, as long as

the renewal does not surpass the maximum duration of two years. Any violation of this rule leads the contract to become a labour contract of undetermined duration.

3. Sometimes, this contract may have an unspecified date when it is drawn up for

- replacing a worker who is temporarily absent;
- work carried out during a season; and
- occasional periods of extra work or a non-customary activity of the enterprise. This duration is then finished by:
- the return to work of the worker who was temporarily absent or the termination of his labour contract;
- the end of the season; and
- the end of the occasional period of extra work or of the non-customary activity of the enterprise.

4. At the signing of the contract, the employer must inform and clarify the worker of the eventually sensitive issues and the approximate duration of the contract.
5. Contracts without a precise date can be renewed at will as many times as possible without losing their validity.
6. Contracts of daily or hourly workers who are hired for a short-term job and who are paid at the end of the day, the week or fortnight period, are considered to be contracts of fixed duration with an unspecified date.
7. A contract of a fixed duration must be in writing. If not, it becomes a labour contract of undetermined duration.
8. When a contract is signed for a fixed period of or less than two years, but the work tacitly and quietly continues after the end of the fixed period, the contract becomes a labour contract of undetermined duration.

**Article 68**

A contract for a probationary period cannot be for longer than the amount of time needed for the employer to judge the professional worth of the worker and for the worker to know concretely the working conditions provided. However, the probationary period cannot last longer than three months for regular employees, two months for specialized workers and one month for non-specialized workers.

The round trip travel costs incurred by a worker during the probationary period when working far from his habitual residence are to be covered by the employer.

**Article 69**

Within the framework of his contract, the worker shall perform all of his professional activities for the enterprise. Primarily, he must do the work for which he is hired, and perform it by himself with due care and attention.

However, outside working hours, the worker can engage in any professional activities that are not in competition with the enterprise for which he works or that

are not harmful to the agreed process of performance, unless there is an agreement to the contrary.

**Article 70**
Any clause of a contract that prohibits the worker from engaging in any activity after the expiration of the contract is null and void.

## Section 2: Suspension of the Labour Contract

**Article 71**
The labour contract shall be suspended under the following reasons:

1. The closing of the establishment following the departure of the employer to serve in the military or for a mandatory period of military training.
2. The absence of the worker during obligatory periods of military service and military training.
3. The absence of the worker for illness certified by a qualified doctor. This absence is limited to six months, but can, however, be extended until there is a replacement.
4. The period of disability resulting from a work-related accident or occupational illness.
5. The leave granted to a female worker during pregnancy and delivery, as well as for any post-natal illness.
6. Absence of the worker authorized by the employer, based on laws, collective agreements, or individual agreements.
7. Temporary layoff of a worker for valid reasons in accordance with internal regulations.
8. The absence of a worker during paid vacations, including an incidental travel period as well.
9. The incarceration of a worker, without a later conviction.
10. An act of God that prevents one of the parties from fulfilling his obligations, up to a maximum of three months.
11. When the enterprise faces a serious economic or material difficulty or any particularly unusual difficulty, which leads to a suspension of the enterprise operation. This suspension shall not exceed two months and be under the control of the Labour Inspector.

An employer can reinstate a suspended contract provided that the reasons for the suspension have been remedied and he has given prior notice in accordance with the law.

**Article 72**
The suspension of a labour contract affects only the main obligations of the contract, that are those under which the worker has to work for the employer, and the employer has to pay the worker, unless there are provisions to the contrary that require the employer to pay the worker. Other obligations such as furnishing of

accommodation by the employer, as well as the worker's loyalty and confidentiality towards the enterprise, continue to be in effect during the period of suspension. The suspension of a labour contract does not leads to a suspension of the union's mandate or that of workers' representative. Unless otherwise specified, periods of suspension are taken into account when calculating the employment seniority.

## Section 3: Termination of the Labour Contract

### A. Labour Contracts of Specific Duration

**Article 73**
A labour contract of specific duration normally terminates at the specified ending date. It can, however, be terminated before the ending date if both parties are in agreement on the condition that this agreement is made in form of writing in the presence of a Labour Inspector and signed by the two parties to the contract.
If both parties do not agree, a contract of specified duration can be cancelled before its termination date only in the event of serious misconducts or acts of God.
The premature termination of the contract by the will of the employer alone for reasons other than those mentioned in paragraphs 1 and 2 of this article entitles the worker to damages in an amount at least equal to the remuneration he would have received until the termination of the contract.

The premature termination of the contract by the will of the worker alone for reasons other than those mentioned in paragraphs 1 and 2 of this article entitles the employer to damages in an amount that corresponds to the damage sustained.
If the contract has a duration of more than six months, the worker must be informed of the expiration of the contract or of its non-renewal ten days in advance. This notice period is extended to fifteen days for contracts that have a duration of more than one year. If there is no prior notice, the contract shall be extended for a length of time equal to its initial duration or deemed as a contract of unspecified duration if its total length exceeds the time limit specified in Article 67.

At the expiration of the contract, the employer shall provide the worker with the severance pay proportional to both the wages and the length of the contract. The exact amount of the severance pay is set by a collective agreement. If nothing is set in such agreement, the severance pay is at least equal to five percent of the wages paid during the length of the contract.

If a contract of unspecified duration replaces a contract of specified duration upon the latter's expiration, the employment seniority of the worker is calculated by including periods of both contracts. In every case of contract termination, the worker can require the employer to provide him with an employment certificate.

### B. Labour Contracts of Unspecified Duration

**Article 74**
The labour contract of unspecified duration can be terminated at will by one of the contracting parties. This termination shall be subject to the prior notice made in writing by the party who intends to terminate the contract to the other party. However, no layoff can be taken without a valid reason relating to the worker's aptitude or behaviour, based on the requirements of the operation of the enterprise, establishment or group.

**Article 75**
The minimum period of a prior notice is set as follows:

- Seven days, if the worker's length of continuous service is less than six months;
- Fifteen days, if the worker's length of continuous service is from six months to two years;
- One month, if the worker's length of continuous service is longer then two years and up to five years.
- Two months, if the worker's length of continuous service is longer than five years and up to ten years.
- Three months, if the worker's length of continuous service is longer than ten years. Method for calculating the length of service of workers, who are not employed on a monthly basis, shall be determined by a Prakas of the Ministry in charge of Labour.

**Article 76**
Any article of a labour contract, of an internal regulation, or any other individual agreement that sets the prior notice period to be less than the minimum set forth in this provision shall be null and void.

**Article 77**
The termination of a labour contract at will on the part of the employer alone, without prior notice or without compliance with the prior notice periods, entails the obligation of the employer to compensate the worker the amount equal to the wages and all kinds of benefits that the worker would have received during the official notice period.

**Article 78**
The prior notice is the obligation to be observed in enterprises or establishments set forth in Article 1 of this law, both by the worker and by the employer when one of them decides unilaterally to terminate the labour contract. However, the worker laid off for reasons other than serious misconduct can leave the enterprise before the end of the notice period if he finds a new job in the meantime. In such case, the worker will not be required to compensate the employer.

**Article 79**
During the notice period, the worker of the enterprise is entitled to two days leave per week with full payment to look for a new job. These leave days are paid to the

worker at the normal rate of remuneration, regardless of how it is calculated. This payment shall include other perquisites.

**Article 80**

For task-work or piecework, the worker usually cannot abandon the task that he has been assigned before it has been finished.

However, for a long-term employment that cannot be completed in less than one month, one of the contracting parties who wishes to release himself from the obligations of the contract for serious reasons, he can do so as long as he notifies the other party eight days in advance.

**Article 81**

Throughout the notice period, the employer and the worker shall be bound to carry out the obligations incumbent on them.

**Article 82**

The contracting parties are released from the obligation of giving prior notice under the following cases:

1. For a probation or an internship specified in the contract.
2. For a serious offense on the part of one of the parties
3. For acts of God that one of the parties is unable to meet his obligations.

**Article 83**

The followings are considered to be serious offenses:

A. On the part of the employer

1. The use of fraudulent measures to entice a worker into signing a contract under conditions to which he would not otherwise have agreed, if he had realized it.
2. Refusal to pay all or part of the wages
3. Repeated late payment of wages.
4. Abusive language, threat, violence or assault.
5. Failure to provide sufficient work to a piece-worker.
6. Failure to implement labour health and safety measures in the workplace as required by existing laws.

**B. On the part of the worker**

1. Stealing, misappropriation, embezzlement.
2. Fraudulent acts committed at the time of signing (presentation of false documentation) or during employment (sabotage, refusal to comply with the terms of the employment contract, divulging professional confidentiality).
3. Serious infractions of disciplinary, safety and health regulations.
4. Threat, abusive language or assault against the employer or other workers.
5. Inciting other workers to commit serious offenses.

6. Political propaganda, activities or demonstrations in the establishment.

**Article 84**
Pending the creation of the Labour Court, the ordinary court has the jurisdiction to determine the magnitude of offenses other than those included in the preceding article.

**Article 85**
The employer may find himself unable to meet his obligations in the context of Article 82 - paragraph 3, particularly in the following cases:

1. The closing of the establishment by public authorities; an
2. Catastrophe (flooding, earthquake, war) that cause material destruction and make it impossible to resume work for a long time. For death of the employer that cause the closure of the establishment, the workers are entitled to an indemnity equal to that of the notice period.

**Article 86**
The worker may find himself unable to meet his obligations in the context of Article 82 - paragraph 3, particularly in the following cases.

1. Chronic illness, insanity, permanent disability; an
2. Imprisonment.

In cases cited in the first paragraph above, the employer cannot be released from his obligation to give the prior notice.

**Article 87**
If a change occurs in the legal status of the employer, particularly by succession or inheritance, sale, merger or transfer of fund to form a company, all labour contracts in effect on the day of the change remain binding between the new employer and the workers of the former enterprise.
The contract cannot be terminated except under the conditions laid down in the present Section.
The closing of an enterprise, except for acts of God, does not release the employer from his obligations as stated in this section III. Bankruptcy and judicial liquidation are not considered as acts of God.

**Article 88**
In businesses of a seasonal nature, as per list determined by a Prakas of the Minister in charge of Labour, the layoff of workers at the end of a work period cannot be considered as dismissal and does not result in any compensation. However, the lay-off shall be announced at least eight days in advance by a written notice conspicuously posted at the main entry of each work site, and if applicable, on each boat on which there is a work site.

### C. Indemnity for Dismissal

**Article 89**
If the labour contract is terminated by the employer alone, except in the case of a serious offense by the worker, the employer is required to give the dismissed worker, in addition to the prior notice stipulated in the present Section, the indemnity for dismissal as explained below:
Seven days of wage and fringe benefits if the worker’s length of continuous service at the enterprise is between six and twelve months If the worker has more than twelve months of service, an indemnity for dismissal will be equal to fifteen days of wage and fringe benefits for each year of service. The maximum of indemnity cannot exceed six months of wage and fringe benefits. If the worker’s length of service is longer than one year, time fractions of service of six months or more shall be counted as an entire year. The worker is also entitled to this indemnity if he is laid off for reasons of health.

**Article 90**
Indemnity for dismissal must be granted to the worker and, if applicable, he can also claim damages even though the contract was not terminated by the employer, but the latter, through his incitements, pushed the worker into ending the contract himself. If the employer treats the worker unfairly or repeatedly violates the terms of the contract, he also has to pay indemnities and damages to the worker.

### D. Damages

**Article 91**
The termination of a labour contract without valid reasons, by either party to the contract, entitles the other party to damages.
These damages are not the same as the compensation in lieu of prior notice or the dismissal indemnity.
The worker, however, can request to be given a lump sum equal to the dismissal indemnity. In this case, he is relieved of the obligation to provide proof of damage incurred.

**Article 92**
When a worker has unjustly breached a labour contract and takes a new job, the new employer is jointly liable for damages caused to the former employer if it is proven that he has encouraged the worker to leave the former job.

**Article 93**
Any worker who was engaged to furnish his services may, upon expiration of the contract, demand from his employer a certificate of employment containing primarily the starting date of employment, the date of departure, and the kind of job held, or, if applicable, the jobs held successively as well as the periods during which the jobs were held.

The refusal to supply this certificate will subject the employer to pay damages to the worker.
The certificates supplied to workers are exempt from all stamp and registration tax, even if they contain items other than those mentioned in the preceding paragraph, as long as these items do not include any bond, receipt or any agreement liable to ad valorem duties.
The phrase "free from all engagement" and all other terms indicating the normal expiration of a labour contract, the professional qualifications and the services rendered are included in this exemption. Any harmful statement that could prejudice the employment of a worker are formally prohibited.

**Article 94**
Without prejudice to the provisions of Article 91, the damages owed in the case of a breach of the labour contract without valid reasons, as well as those owed by the employer as per provision of Article 89 above, are determined by the competent court and based on local custom, the type and importance of the services rendered, the worker's seniority and age, the pay deductions or payments for a retirement pension, and, in general, on all circumstances that can justify the existence and the extent of the harm incurred.

### E. Mass Layoff

**Article 95**
Any layoff resulting from a reduction in an establishment's activity or an internal re-organization that is foreseen by the employer is subject to the following procedures:

- The employer establishes the order of the layoffs in light of professional qualifications, seniority within the establishment, and family burdens of the workers
- The employer must inform the workers' representatives in writing in order to solicit their suggestions, primarily, on the measures for a prior announcement of the reduction in staff and the measures taken to minimize the effects of the reduction on the affected workers.
- The first workers to be laid off will be those with the least professional ability, then the workers with the least seniority. The seniority has to be increased by one year for a married worker and by an additional year for each dependent child. The dismissed workers have, for two years, priority to be re-hired for the same position in the enterprise. Workers who have priority for re-hire are required to inform their employer of any change in address occurring after the layoff. If there is a vacancy, the employer must inform the concerned worker by sending a recorded delivery or registered letter to his last address. The worker must appear at the establishment within one week after receiving the letter.

The Labour Inspector is kept informed of the procedure covered in this article. At the request of the workers' representatives, the Labour Inspector can call the

concerned parties together one or more times to examine the impact of the proposed layoffs and measures to be taken to minimize their effects. In exceptional cases, the Minister in charge of Labour can issue a Prakas to suspend the layoff for a period not exceeding thirty days in order to help the concerned parties find a solution. This suspension may be repeated only one time by a Prakas of the Ministry.