

# HR LAW BRIEF: CEE

10/2026



**Dear Readers,**

We are back with another edition of our HR Law Brief: CEE. Again, it's a 3-minute read to bring you up to speed with the latest news from Central-Eastern Europe.

If you need any support in the CEE region, let us know.



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**POLAND: RIGHT TO DEDUCT VAT ON TEAM-BUILDING TRIPS FOR CONTRACTORS**

The Supreme Administrative Court has ruled that expenses incurred in organising team-building trips for individuals working on a contract-for-services basis or under a B2B model may also be eligible for VAT deduction. The organisation of a business trip aimed at team building, the exchange of experiences and the presentation of development strategies for the coming quarters is indirectly related to the company's business activities, including in relation to individuals working under contracts other than employment contracts. As the trip was organised entirely by an external service provider and the company was invoiced at 23% VAT, it was able to deduct input tax not only in respect of full-time employees. For employers, the favourable ruling confirms the validity of the commonly followed practice.

**BULGARIA: COURT RULING ON EMPLOYMENT COMPENSATION**

The Supreme Court of Cassation (SCC) of Bulgaria has adopted two interpretative rulings concerning dismissals and employee compensation claims. The SCC held that: (i) the limitation period for claims seeking compensation for unlawful dismissal starts running not from the date on which the judgment declaring the dismissal unlawful becomes final, but already from the date of termination of employment, and (ii) social security benefits or pension payments received by an injured employee should be deducted from compensation for non-pecuniary damage awarded in connection with a workplace accident or occupational disease. Considering these decisions, employers should review their risk management procedures and insurance arrangements, while also noting that limitation period defences may now be easier to raise, as the limitation period begins to run from the date of dismissal.

**CZECH REPUBLIC: DRAFT PLATFORM WORK ACT PUBLISHED**

The Czech Ministry of Labour and Social Affairs has published a draft law implementing the EU Platform Work Directive, with proposed entry into force on 1 December 2026. While primarily targeting digital labour platforms, the draft also introduces important labour law changes that will affect all employers. The proposal revises the definition of dependent work in line with recent case law and introduces a rebuttable presumption of employment for platform workers where the characteristics of dependent work are present. It also reclassifies disguised employment (the "Švarc system") as a form of undeclared work, with liability resting solely on employers and lower penalties than under the current regime. Employers should consider reviewing contractor arrangements and worker classification practices.

**LATVIA: DRAFT BILL IMPLEMENTING THE EU PAY TRANSPARENCY DIRECTIVE**

Latvia is at an advanced stage of implementing the EU Pay Transparency Directive, with a draft law already published. While broadly aligned with the Directive, the proposal tightens requirements in several areas. Employers would be required to include pay information directly in job advertisements, rather than at a later recruitment stage. The first pay gap report would be due by 7 June 2027, with subsequent reports submitted annually by 1 June. Employers would have two months to respond to requests from employees or trade unions regarding pay gap information. The draft also introduces a tiered system of administrative fines: for legal entities, penalties range from EUR 1,100 to EUR 14,000, while individuals may face fines of EUR 350 to EUR 700, with warnings also available as an alternative. Employers are advised to review pay structures and recruitment processes to ensure compliance, particularly in relation to mandatory pay disclosure in job advertisements.

**UKRAINE: CHANGES TO THE MINIMUM WAGE**

A proposal has been tabled in the Verkhovna Rada to significantly increase the minimum wage, pensions, and substance minimum. The authors of the bill justify the need for the changes by citing the need to strengthen social protection for the population and the need for additional financial support for the security and defence sector. The draft law provides for an increase in the minimum wage to 11,183 UAH (approx. EUR 216.60) from 1 July 2026, and to 12,160 UAH (approx. EUR 235.50) from 1 October 2026. Currently, as of 1 January 2026, the minimum wage stands at 8,647 UAH (approx. EUR 167.50). Employers should review their pay structures considering the minimum wage and assess the financial implications of the changes.

**LITHUANIA: PAY TRANSPARENCY AMENDMENTS TO LABOUR CODE ADOPTED**

The Lithuanian Seimas adopted new regulations transposing the European Union Pay Transparency Directive. The changes aim to reduce pay gaps, particularly between women and men. Employers will be required to disclose information about pay and to apply clear, objective criteria when determining it. In addition, employers with more than 100 employees will be subject to more detailed requirements. Employees will gain the right to access data on their own earnings and average pay within their job category. The new regulations are intended to create a fairer and more transparent labour market. Employers should already start preparing for the upcoming changes by adapting their remuneration systems and HR procedures to the new pay transparency requirements.