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KEY EMPLOYMENT TRENDS IN ASIA PACIFIC

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Global uncertainty and changes in the law are painting a challenging picture for companies operating across the Asia Pacific region. Here, we highlight recent trends and recommendations for companies to take.

Key Trend One: Heightened geo-political tensions and uncertainty adds pressure on employers

Tensions in international relations as well as elections in several Asia Pacific jurisdictions have forced global employers to adapt their operations to changing policies and legal requirements.



Changes to immigration policies mean that some APAC jurisdictions are focussing on protection of the local workforce through more stringent local job advertisement and recruitment requirements. In contrast, we are also seeing several jurisdictions relaxing immigration policies to attract overseas talent and boost local economies.



Increasing compliance scrutiny around unlawful immigration, workplace fairness, background checks, work permits, including potential information sharing across different agencies.



Companies should understand different jurisdictional immigration requirements and have in place robust policies for immigration and travel for all employees, including standard operation procedures (SOPs) and processes for raising the alarm in the event of workplace raids or other unexpected events.



More employee-friendly policies introduced in the wake of recent governmental elections.



Stay up to date with the raft of employment law changes being introduced across Asia Pacific. With more employee-friendly legislation being passed, we also expect to see an uptick in union activity in the region. Sign up to our Global Employer Horizon Scanner [here](#).



The re-election of our Labour Government and significant amendments over the last few years to federal employment, anti-discrimination laws, whistleblowing, and work health & safety laws means that employers need to focus on compliance. Sanctions for breaches have significantly increased in key areas, as has the range of persons who may be held responsible for breaches.



Michael Michalandos | Partner, Australia



Korea's already stringent labor environment is poised for unprecedented expansion with the Yellow Envelope Act, set to take effect in March 2026, fundamentally redefining 'employer', exposing multinational corporations to collective bargaining obligations even with those not directly employed by the company, and expanding industrial action rights to encompass management decisions - marking what is likely to be the most significant labor law shift in decades.



Beomsu Kim* | Partner, South Korea



The introduction of the Workplace Fairness Act 2025 is a watershed moment: guidance is now enacted into law. This means that the Ministry of Manpower (MOM) has the right to take action against errant companies, and individual directors/officers may incur liability.



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Key Trend Two: Risk mitigation around employee use of tech and adoption of AI



Incidents involving deepfakes and cyber breaches are becoming more prevalent, particularly when it comes to investigations around fraud. With widespread availability of technical and sophisticated tools, propensity of potential manipulation of documentation and/or evidence increases. Additionally, the abuse of such technologies can also result in employee harassment cases.



Conduct regular employee training on potential cyber breaches and deepfakes so employees can identify potential threats. Employers should have in place a clear acceptable use policy covering employee use of devices and communication channels. Failure to specify specific consequences of breach in policies or failure to implement such policies in accordance with local law requirements may prevent employers from taking specific legal actions in the event of policy breaches.



While enforcement around ethical AI practices remains somewhat uneven throughout the region, jurisdiction-specific regulation may require companies to disclose the use of automated decision-making systems which include use of AI. The human decision-making element in relation to the input and output of AI is also highly relevant as it ultimately determines the structure of the AI system as well as how results are interpreted.



Companies should look out for jurisdiction-specific legislation around the use of AI with or without direct human input. Businesses that use AI analysis for decisions around employee promotion, movement and/or termination should consider documented processes for involving human decision-making, particularly for jurisdictions that have strict termination policies and/or anti-discrimination and bias laws. Companies should ensure that AI programs being used for recruitment take into account jurisdiction-specific need for hiring local nationals (where applicable). Additionally, algorithms within such programs should be based on compliance with anti-discriminatory rules. Finally, companies should also ensure that all AI programs use, process and transfer information in accordance with data privacy laws.



Asia Pacific AI laws around recruitment are not as nuanced or robust as in other parts of the world, but this is an area that continues to grow in sophistication. Companies should consider factors such as anti-discrimination, privacy, minimum local hire requirements, and the need for human involvement in decision-making processes.

Jonathan Isaacs | APAC Chair, Hong Kong



Phishing issues are becoming more complex with the use of deepfakes and AI. The widespread availability of sophisticated technology tools is being seen in both conduct incidents, such as workplace harassment, and in investigations such as via the manipulation of documentation. The role of forensics is key.

Tess Lumsdaine | Partner, Hong Kong



Key Trend Three: Employers focusing on closing compliance gaps



As **employee whistleblowing claims and labor authority inspections** are on the rise, employers continue to focus on addressing critical compliance gaps and assessing the need to make changes to operational practices in response to legislative amendments.



Conduct regular HR audits to ensure regulatory compliance obligations are being met and to mitigate legal and financial risks. Fines may not be significant in all cases but there may be individual criminal liability for directors and officers as well as negative publicity for the organization.



A focus on promoting a “Speak Up” culture and high-profile cases have contributed to an **increase in employee complaints of bullying and harassment**. Employers can sometimes be overwhelmed with the high volume of complaints, making it difficult to allocate sufficient resources and time to investigate each complaint.



Employers should develop clear and consistent procedures for handling complaints and ensure managers and their HR teams are trained on how to respond appropriately. Additionally, time should be taken to carefully assess the complaint at the outset to determine the appropriate resolution pathway.



Potential **misappropriation of company property and business information** by departing employees poses significant risk for companies.



Have in place standard procedures to manage risks to the business when employees depart. These include, for example, having a clear protocol on return of company property and ability to review the employee’s e-mail and IT use before their departure. It is also important for employers to move quickly to gather evidence when a suspected breach has occurred.



The recent amendments to Japan’s Whistleblower Protection Act: (i) strengthen whistleblowing systems; (ii) expand the scope of individuals eligible for protection; (iii) address factors that discourage whistleblowing; and (iv) enhance measures to prevent and remedy retaliation. Notably, if a whistleblower is dismissed or disciplined within one year of making a report, it will be presumed that the action was taken in retaliation unless otherwise proved.



Tomohisa Muranushi | Partner, Japan



In an environment of dynamic employment legislation and as labor audits intensify, compliance isn’t just good practice—it’s imperative. Employers must navigate this shifting landscape carefully to minimize reputational and financial impact.



Trishelea Sandosam* | Partner, Malaysia



With the issuance of Department Order No. 252, Series of 2025, the Department of Labor and Employment has implemented an industry-specific approach to occupational safety and health (OSH) regulations. Certain industries have unique OSH requirements, and employers should review and update their OSH policies accordingly. The DOLE has been proactive in inspecting business establishments, and compliance with OSH requirements will be a key focus of their inspections.



Kenneth Chua* | Partner, Philippines



With the increasing importance of ESG as a way companies do businesses, it becomes more and more important for companies to review their own operations and conduct a self-audit to ensure they are not only fully compliant with all aspects of laws but also human rights standards which go beyond legal compliance, especially in issues concerning DEI, compliance and fair treatment of their employees.



Nam-Ake Lekfuangfu | Partner, Thailand

Key Employment Law Trends and Developments

Changing geo-political landscape



- Employers are continuing to make changes to “right size” their businesses. This is particularly challenging in jurisdictions where unilateral termination of employment is difficult, e.g., **Japan, Indonesia, South Korea, mainland China** and the **Philippines**.
- Immigration law/policy changes have been introduced to protect local workforces:
 - Indonesia:** Constitutional Court Decision No.168/PUU-XXI/2023 prioritizes the employment of Indonesian workers.
 - Singapore:** The Fair Consideration Framework sets out job advertising requirements and requires employers to consider the workforce in Singapore fairly for job opportunities.
 - Malaysia:** Under the 1:3 Internship Policy, companies with approval for certain expatriate employment passes are required to offer up to three internship or work-based learning placements for local talent for each employment pass approved. Official implementation commences on 1 January 2026.
 - Philippines:** The New Regulations on Employment of Foreign Nationals set out new requirements for a labor market test and the implementation of a skills development program/understudy training program to transfer skills to Filipino workers.
 - In 2025, there has been an increase in the minimum wage in **Hong Kong, Indonesia, South Korea, Malaysia, Taiwan, some cities in mainland China**, and **Thailand**.

ID&E related enhancements



- Singapore:** The second part of the Workplace Fairness Act is expected to be introduced soon, with the whole legislation to come into force in 2026/27.
- Several APAC jurisdictions require employers to take proactive steps to prevent sexual harassment in the workplace, e.g., **Australia, Hong Kong, Japan, mainland China** and **Taiwan**.
- Japan:** Under Tokyo's Anti Customer Harassment Ordinance, effective since April 2025, employers must take measures to protect employee health and safety.
- Taiwan:** The Guidelines for Preventing Illegal Harm While Performing Duties 4th Edition, effective since February 2025, set out examples of potentially harmful workplace behaviors.
- Increase in family-friendly rights. For example:
 - Australia:** Increase in paid parental leave from 22 weeks to 24 weeks, effective 1 July 2025. Superannuation is also payable on government parental leave from 1 July 2025. The cost is met by the government.
 - South Korea:** Enhancements to childcare, paternity, maternity and infertility treatment leave, effective since 23 February 2025.
 - Japan:** Expansion of childcare benefits under the childcare and family care leave regulations, effective 1 April 2025.
 - Thailand:** Upcoming legal changes expected this year:
 - Extended maternity leave to 120 days with 60 paid days.
 - Infant care leave for 15 days with 50% pay.
 - Parental leave for 15 days with pay to be utilized within 90 days.

Expansion of benefits



- Japan:** Employers with more than 50 employees are required to enroll part-time employees in social insurance effective 1 October 2024.
- Vietnam:** The New Law on Social Insurance, effective since 1 July 2025, broadened the scope of compulsory social insurance to include foreign employees.
- Philippines:** Pursuant to a PhilHealth circular in September 2024, solo parents and their children/dependents are automatically covered under the National Health Insurance Program.
- Malaysia:** The wage ceiling for Social Security Organization (SOCSO) related contributions increased effective 1 October 2024. In addition, effective 1 July 2024, all foreign employees in Malaysia must contribute to the SOCSO Invalidity Scheme. The Employees' Provident Fund contribution rate for foreign employees is set at 2% for employers and employees, effective from 1 October 2025. Amendments to the Labour Ordinances of Sabah and Sarawak have largely come into force since 1 May 2025.
- Mainland China:** Starting 1 January 2025, the statutory retirement age will gradually increase over 15 years. The statutory public holidays have also increased from 11 days to 13 days.
- Hong Kong:** The arrangement allowing employers to use accrued benefits derived from their mandatory MPF contributions to offset employees' statutory/long service contributions was abolished effective 1 May 2025.
- Thailand:** Employers with more than 10 employees must register their employees with the Employee Welfare Fund (unless the employer has already set up a provident fund for its employees or a separate support program for its employees in the event of employment cessation or death). Fund contributions commence on 1 October 2026.

Movements to grant protections to non-employees



- Singapore:** The Platform Workers Act provides new protections for platform workers covering work injury compensation, CPF contributions and representation rights, effective 1 January 2025.
- Australia:** “Same job, same pay” for labor hire workers, effective 1 November 2024. Further, “employee-like” workers who are engaged through digital employment platforms are also being extended certain rights, including minimum standards.
- Philippines:** Pending bills on freelance workers' rights aim to enhance protections for freelancers.
- Japan:** The Freelance Act sets out certain protections for freelancers, including clarification of terms and conditions and timely payment of service fees, effective 1 November 2024.
- Mainland China:** Draft regulations were issued for public comment to provide greater protections for workers hired after they start receiving government pension benefits.
- Malaysia:** A new law that provides a comprehensive legal framework for protecting gig workers is set to be introduced.

Managing workplace relations



- The Korean National Assembly passed the Trade Union and Labor Relations Adjustment Act, marking a significant shift in **South Korea's** labor relations framework. The Act will become effective on 10 March 2026.
- Vietnam's** New Trade Union Law came into effect on 1 July 2025. **Malaysia's** trade union laws were amended in September 2024, easing trade union formation and supporting workers' right to freedom of association.

How We Can Help

For today's employers, managing a global workforce means complying with local labor and employment laws across multiple jurisdictions, keeping up with rapidly changing regulations, addressing the growing demands of labor unions and works councils, and moving talent swiftly across borders. It also requires developing strategies to retain high-potential employees, especially during reorganizations and spinoffs.

With our unrivaled global footprint, we help you manage all your labor and employment needs—wherever you operate.



Global coverage with local understanding

We coordinate seamlessly across borders to deliver employment solutions in every relevant jurisdiction. Our team provides both domestic and international employment counseling, helping you proactively manage legal risks and prevent issues before they arise—all through a single point of contact.



Operating over a region with evolving employment regulations and enforcement trends

We keep you updated on changes in employment laws and enforcement trends across the region. You'll receive timely alerts on regulatory updates, and our team is available to discuss any concerns or questions.



Require advice across a wide range of employment issues to compete successfully for finding a retaining valuable talent

We advise on a wide range of HR matters, including employee benefits, compensation, health and safety, labor relations, compliance, and global mobility. We also support employment aspects of restructurings, M&A, and post-acquisition integration to help you implement projects efficiently and reduce risk.



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We can develop a tailored Human Resource Law hotline so that we can deliver short advices by phone or email whenever and wherever you need them.



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Tier 1 Firm for Employment in ten jurisdictions by **Legal 500 Asia Pacific 2025**: China (Foreign firms), Hong Kong, Indonesia, Japan, Malaysia, Philippines, Singapore (Local firms), Taiwan, Thailand and Vietnam

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