Government House, Bishkek August 21, 2004, No. 164

LAW OF THE KYRGYZ REPUBLIC

of August 21, 2004, No. 164 "On Collective Agreements"

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128</u>)

Adopted by the Legislative Assembly of the Jogorku Kenesh of the Kyrgyz Republic on June 30, 2004

Article 1. Objectives and Scope of This Law

This Law establishes the legal framework for negotiations, drafting, conclusion, and implementation of collective agreements to facilitate contractual regulation of social and labor relations and harmonization of the socio-economic interests of employees and employers, as well as the relationship between employers and trade unions or other representative bodies of employees.

Article 2. Basic Principles for Concluding Collective Agreements

The fundamental principles for concluding collective agreements include:

- Compliance with the legislation of the Kyrgyz Republic;
- Legitimacy of representatives of the parties;
- Equality of the parties;
- Freedom in choosing and discussing issues covered by collective agreements;
- Voluntary acceptance and realistic implementation of obligations;
- Mandatory fulfillment of obligations under the collective agreement;
- Responsibility of the parties, their representatives, officials, or other persons for failure to fulfill accepted obligations.

Article 3. Key Definitions

Collective Agreement - A local regulatory act governing labor and socio-economic relations concluded between an employer and its employees, as well as the relationship between the employer and trade unions or other representative bodies of employees.

Representative Bodies of Employees - Trade union bodies and their associations authorized to represent employees according to their charters, as well as other individuals or organizations authorized by employees under the legislation of the Kyrgyz Republic.

Employees who are not trade union members may authorize a trade union body to represent their interests in collective negotiations, conclusion, amendment, and supplementation of collective agreements, as well as in monitoring their implementation.

Representatives of Employers - Organization heads or other authorized persons according to the organization's charter or other legal acts, authorized employer association bodies, or other representatives designated by employers.

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128</u>)

Article 4. Prohibition of Obstruction in Conclusion, Review, and Implementation of Collective Agreements

Any interference by government agencies, public organizations, or other entities that limits the lawful rights of employees and their representatives

during the negotiation, review, or implementation of collective agreements is prohibited.

## Article 5. Right to Negotiate

Either party may initiate collective negotiations for drafting, concluding, amending, or supplementing a collective agreement.

A party that receives a written notification about the commencement of negotiations must begin negotiations within seven days.

Trade unions, other authorized employees, and representative bodies of employees (in the absence of trade unions) have the right to conduct negotiations and sign collective agreements on behalf of employees.

Employers' representatives specified in Article 3 of this Law conduct negotiations and sign collective agreements on behalf of employers.

Employers, executive authorities, and local self-government bodies must engage in negotiations on labor and socio-economic issues proposed by trade unions, other authorized employees, and representative bodies of employees (if trade unions are absent).

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128</u>)

#### Article 6. Procedure for Conducting Negotiations

A parity-based commission (body) is formed by the parties to conduct collective negotiations and draft the collective agreement.

The composition of the commission (body), terms, venue, and agenda of negotiations are determined by mutual agreement.

Negotiation participants have full freedom in choosing and discussing the contents of the collective agreement.

Executive authorities, local self-government bodies, employers, and their associations must provide trade unions and other representative bodies of employees with the necessary information for collective negotiations.

Participants may not disclose information classified as a state or commercial secret.

If agreement on certain provisions of a collective agreement is not reached within two months from the start of negotiations, the parties must sign the collective agreement on agreed-upon terms while drafting a separate protocol of disagreements.

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128)</u>

## Article 7. Dispute Resolution

If disagreements arise during negotiations, the parties form a conciliation (mediation) commission with equal representation. The commission reviews the disagreement protocol within seven days and issues a decision (recommendations).

If the parties fail to reach an agreement on the decision (recommendations), trade unions and other representative bodies of employees may use legal means such as meetings and rallies to support their demands. (As amended by the Law of the Kyrgyz Republic dated December 28, 2022, No. 128)

Article 8. Guarantees and Compensation for Negotiation Participants Participants in negotiations, including experts and specialists invited by the commission, are released from their main work duties while negotiations are ongoing and retain their average earnings for up to three months.

All expenses related to negotiations are covered as agreed by the parties. Expert and specialist fees are paid by the inviting party.

Representatives of the parties involved in negotiations cannot be subject to disciplinary action, reassigned, transferred, or dismissed during negotiations without the consent of the body that authorized them, except in cases of labor law violations.

Article 9. Right to Decide on the Need for a Collective Agreement

The right to decide on the need for a collective agreement belongs to the employer and the trade union or another authorized representative body of employees.

No party has the right to refuse collective negotiations for concluding a collective agreement.

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128)</u>

Article 10. Parties to a Collective Agreement

The parties to a collective agreement are:

- A workers' trade union represented by the trade union committee or another representative body of workers in the absence of trade unions;
- The employer, represented by the head of the organization or authorized persons.

If multiple trade unions or other representative bodies exist within an organization, the parties to the collective agreement may include:

- An authorized trade union acting on behalf of and in the interests of at least 20 percent of the organization's workers;
- Another representative body of workers, elected at a general meeting or conference of workers, acting on behalf of and in the interests of at least 20 percent of the organization's workers, in the absence of trade unions;
- A joint body established by agreement between several trade unions and other representative bodies of the organization's workers, collectively representing at least 20 percent of the organization's workers.

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128)</u>

Article 11. Development, Conclusion, and Amendments to Collective Agreements

No earlier than four months before the expiration of the previous collective agreement, or within the timeframes specified in these documents, either party has the right to send the other party a written notification initiating negotiations for a new collective agreement.

The draft collective agreement must be subject to mandatory discussion by employees in the organization's divisions and revised based on the comments, suggestions, and additions received. The finalized draft is approved by the general meeting (conference) of the labor collective and the employer and is signed by the head of the authorized workers' body and the employer. The text of the collective agreement must be communicated to employees within ten days after signing.

If the general meeting (conference) of the labor collective and the employer do not approve the draft collective agreement (either in full or in part), the employer (or its representatives) and the trade union committee or another representative body of workers shall resume collective negotiations to reach a mutually acceptable solution. The duration of such negotiations must not exceed ten days.

The revised draft of the collective agreement is then resubmitted for discussion by the general meeting (conference) of the labor collective and the employer, who adopt the most acceptable version of the collective agreement.

Article 12. Duration and Effect of Collective Agreements

The content of collective agreements is determined by the parties in accordance with the legislation of the Kyrgyz Republic on collective agreements. The following regulatory provisions must be mandatorily included in collective agreements:

- Improvement of labor organization and increased production efficiency;
- Standardization, forms, and systems of wage payment, tariff rates, salaries, additional payments, and bonuses;
- Indexation of wages, payment of benefits and compensations;

- Procedure for compensation payments to employees in case of wage delays, with the amount not being lower than established by the legislation of the Kyrgyz Republic on ensuring wage payments;
- Procedure and amount of compensation payments to employees for damages caused due to violations of the terms of the collective agreement, agreements, and the labor legislation of the Kyrgyz Republic;
- Procedure for the payment of early preferential pensions by the employer in accordance with the Law of the Kyrgyz Republic "On State Pension Social Insurance";
- Duration of working hours and provision of labor leave;
- Creation of healthy and safe working conditions, improvement of health protection, guarantees of employees' medical insurance, and environmental protection;
- Regulation of internal work procedures and labor discipline;
- Ensuring employment, training, and retraining, as well as job placement for laid-off employees;
- Guarantees and benefits for employees combining work with education;
- Improvement of employees' housing and living conditions, protection of employees' interests during the privatization of the organization and departmental housing;
- Health improvement, sanatorium-resort treatment, and employee recreation;
- Prevention of mass layoffs, labor disputes, and strikes;
- Liability of employees and the employer for damages caused to the organization;
- Liability of the parties for non-fulfillment of the collective agreement;
- Other issues determined by the parties.

Regulatory provisions must be included in the collective agreement if existing legislative acts contain a direct requirement for mandatory inclusion.

Considering the economic capabilities of the organization, the collective agreement may include additional social and labor benefits and guarantees compared to the norms and provisions established by legislation on collective agreements and agreements (such as additional leave, pension supplements, early retirement, free or partially subsidized employee meals, payment for work on weekends and holidays, and other benefits and compensations).

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128)</u>

# Article 13. Validity of the Collective Agreement

A collective agreement is concluded for a period of one to three years and enters into force on the date of its signing by the parties or on the date specified in the collective agreement.

The parties have the right to extend the validity of the collective agreement for no more than three years.

The collective agreement applies to all employees of the organization (structural unit), unless otherwise specified in the agreement.

The collective agreement remains in force in the event of changes in the composition, structure, or name of the organization's governing body, as well as in the event of termination of the employment contract (contract) with the head of the organization.

In the case of reorganization (merger, accession, division, separation, transformation), the collective agreement remains in force during the reorganization period, after which it must be reviewed at the initiative of either party.

If the organization's ownership changes, the collective agreement remains in force for three months. During this period, the parties have the right to start negotiations on concluding a new collective agreement or maintaining, amending, or supplementing the existing one.

In the event of the organization's liquidation, in accordance with the legislation of the Kyrgyz Republic on the registration of legal entities, the collective agreement remains in force throughout the liquidation process.

If the organization's form of ownership changes, the collective agreement

remains in force for three months from the date of the ownership change.

(As amended by the Law of the Kyrgyz Republic dated December 28, 2022, No. 128)

Article 14. Amendments and Additions to the Collective Agreement

Amendments and additions to the collective agreement during its validity period may be made only by mutual agreement of the parties in the manner specified in the collective agreement. If such a procedure is not defined, amendments and additions shall be made in accordance with the procedure established by this Law for the conclusion of the agreement.

Article 15. Control Over the Implementation of the Collective Agreement

Control over the implementation of the collective agreement is carried out directly by the parties or their authorized representatives.

When exercising control, the parties are required to provide all necessary information available to them.

The parties that signed the collective agreement must report on its implementation annually or within the timeframes specified in the collective agreement at the general meeting (conference) of the workforce.

Article 16. Liability of the Parties to the Collective Agreement

The parties shall bear responsibility in accordance with the collective agreement for violating its provisions, including failure to fulfill obligations undertaken.

(As amended by the Law of the Kyrgyz Republic dated <u>December 28, 2022, No. 128)</u>

Article 17. Entry into Force of This Law

This Law enters into force on the date of its official publication.

President of the Kyrgyz Republic A. Akaev