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# **Tilleke & Gibbins**

## Termination Traffic Lights





### Asia Termination Traffic Lights 2015

|  | Australia  |  |   |          | Hong Kong            | India | Indonesia | Japan | Malaysia    | New<br>Zealand | PRC                               | Philippines   | ilippines Singapore | South Korea | Taiwan      | Thailand | Vietnam |   |  |
|--|--|--|---|----------|----------------------|-------|-----------|-------|-------------|----------------|-----------------------------------|---|---------------------|-------------|-------------|----------|---------|---|--|
|  | Federal Law  | New South<br>Wales   | Queensland  | Victoria | Western<br>Australia | *     |           |       |             |                |                                   | *)  |                     |             | <b>*</b> •* | *        |         | * |  |
| Overall risk level<br>on termination<br>of employee                  |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Overall risk level<br>on termination<br>of employee                  |
| Court attitude:<br>employer/<br>employee friendly?                   |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Court attitude:<br>employer/<br>employee friendly?                   |
| Degree of protection<br>from termination                             |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Degree of protection<br>from termination                             |
| Difficulty of<br>following due process                               |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Difficulty of<br>following due process                               |
| Ease of transfer of<br>employee on a transfer<br>of undertaking      |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Ease of transfer of<br>employee on a transfer<br>of undertaking      |
| Level of<br>ex gratia payment  |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Level of<br>ex gratia payment  |
| Reinstatement  |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Reinstatement  |
| Risk of union<br>involvement or collective<br>bargaining requirement |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Risk of union<br>involvement or collective<br>bargaining requirement |
| Risk of government<br>involvement                                    |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | Risk of government<br>involvement                                    |
|  |  |  |   | '        |                      |       | '         |       | · · · · · · |                |                                   |   |                     |             |             |          |         |   |  |
| CRITERIA   |  |  |   |          |                      |       |           |       |             |                |                                   |   |                     |             |             |          |         |   | CRITERIA   |
| Overall risk level<br>on termination<br>of employee                  | High risk juris<br>below.                          | Medium risk jurisdiction in which to terminate employees considering the 8 factors below.          |   |          |                      |       |           |       |             |                | risdiction in whicl<br>v.         | Overall risk level<br>on termination<br>of employee             |                     |             |             |          |         |   |  |
| Court attitude:<br>employer/<br>employee friendly?                   | Courts tend to                                     | Courts tend to be reasonably employee friendly.  |   |          |                      |       |           |       |             |                | lowest level cour                 | Court attitude:<br>employer/<br>employee friendly?              |                     |             |             |          |         |   |  |
| Degree of protection<br>from termination                             | Broad catego<br>legislation and<br>committed, a    | Certain categories of employees protected by unlawful or unfair dismissal legislation but not all. |   |          |                      |       |           |       |             |                | ategories of emplo<br>islation.   | Degree of protection<br>from termination                        |                     |             |             |          |         |   |  |
| Difficulty of<br>following due process                               | High level. Thi<br>termination to<br>process may t | Medium level.  |   |          |                      |       |           |       |             |                |                                   | Difficulty of<br>following due process                          |                     |             |             |          |         |   |  |
| Ease of transfer of<br>employee on a transfer<br>of undertaking      | Not easy.  | Relatively easy.   |   |          |                      |       |           |       |             |                |                                   | Ease of transfer of<br>employee on a transfer<br>of undertaking |                     |             |             |          |         |   |  |
| Level of<br>ex gratia payment  | Often several separation.                          | 1 to 2 times monthly base salary usually required to achieve a mutual separation.                  |   |          |                      |       |           |       |             |                | y a requirement to                | Level of<br>ex gratia payment                                   |                     |             |             |          |         |   |  |
| Reinstatement  | Mandatory re                                       | Reinstatement ordered on occasion but not always.  |   |          |                      |       |           |       |             |                | to be ordered.                    | Reinstatement   |                     |             |             |          |         |   |  |
| Risk of union<br>involvement or collective<br>bargaining requirement | Often union ir consultation r                      | On certain oc  | On certain occasions depending on the level and number of employees terminated. |          |                      |       |           |       |             |                |                                   | Low risk.   |                     |             |             |          |         |   |  |
| Risk of government<br>involvement                                    | High risk.   | Medium risk.   |   |          |                      |       |           |       | Low risk.   |                | Risk of government<br>involvement |   |                     |             |             |          |         |   |  |

|   |                                |   |  | Hong Kong India Indonesia Japan Malaysia Zealand PRC Philippin |  |   |   |  |  |  | Philippines | Singapore | South Korea |   |               |  |  |   |   |  |
|---|--------------------------------|---|--|--|--|---|---|--|--|--|-------------|-----------|-------------|---|---------------|--|--|---|---|--|
|   | Federal Law                    | New South<br>Wales  | Queensland   | Victoria   | Western<br>Australia   | *   |   |  |  |  |             | *)        |             |   | <b>*</b> •*   | *  |  | * |   |  |
| Overall risk level<br>on termination<br>of employee<br>Court attitude:<br>employer/ |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Overall risk level<br>on termination<br>of employee<br>Court attitude:<br>employer/ |  |
| employee friendly?<br>Degree of protection<br>from termination                      |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | employee friendly?<br>Degree of protection<br>from termination                      |  |
| Difficulty of<br>following due process  |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Difficulty of<br>following due process  |  |
| Ease of transfer of<br>employee on a transfer<br>of undertaking                     |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Ease of transfer of<br>employee on a transfer<br>of undertaking                     |  |
| Level of<br>ex gratia payment   |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Level of<br>ex gratia payment   |  |
| Reinstatement   |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Reinstatement   |  |
| Risk of union<br>involvement or collective<br>bargaining requirement                |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Risk of union<br>involvement or collective<br>bargaining requirement                |  |
| Risk of government<br>involvement   |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | Risk of government<br>involvement   |  |
|   |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   |   |  |
| CRITERIA  |                                |   |  |  |  |   |   |  |  |  |             |           |             |   |               |  |  |   | CRITERIA  |  |
| Overall risk level<br>on termination<br>of employee                                 | High risk juriso<br>below.     | High risk jurisdiction in which to terminate employees considering the 8 factors below. |  |  |  |   | Medium risk jurisdiction in which to terminate employees considering the 8 factors below. |  |  |  |             |           |             |   |               | Lower risk jurisdiction in which to terminate employees considering the 8 factors below. |  |   |   |  |
| Court attitude:<br>employer/<br>employee friendly?                                  | Courts tend to                 | o be very employ  | vee friendly.  | Courts tend t  | Courts tend to be reasonably employee friendly.  |   |   |  |  |  |             |           |             | Only the very lowest level courts tend to be employee friendly.                             |               |  |  |   |   |  |
| Degree of protection<br>from termination  | legislation and                | consequences  | protected by unfa<br>of breach can resu<br>for reinstatement o     | Certain categ  | Certain categories of employees protected by unlawful or unfair dismissal legislation but not all. |   |   |  |  |  |             |           |             | Few (if any categories of employees) protected by unfair or unlawful dismissal legislation. |               |  |  |   |   |  |
| Difficulty of<br>following due process  | termination to                 | o the employee a  | ultation obligations<br>and give him/her op<br>ns. A court process | Medium level.  |  |   |   |  |  |  |             |           |             | Difficulty of<br>following due process  |               |  |  |   |   |  |
| Ease of transfer of<br>employee on a transfer<br>of undertaking                     | Not easy.                      |   |  | Relatively easy.   |  |   |   |  |  |  |             |           |             | Ease of transfer of<br>employee on a transfer<br>of undertaking                             |               |  |  |   |   |  |
| Level of<br>ex gratia payment   | Often several separation.      | multiples of mo   | nthly base salary re   | 1 to 2 times m   | 1 to 2 times monthly base salary usually required to achieve a mutual separation.                  |   |   |  |  |  |             |           |             | Not generally a requirement to achieve a mutual separation.                                 |               |  |  |   |   |  |
| Reinstatement   | Mandatoryrei                   | instatement ord   | lered by the Courts  |  | Reinstatement ordered on occasion but not always.  |   |   |  |  |  |             |           |             | to be ordered.  | Reinstatement |  |  |   |   |  |
| Risk of union<br>involvement or collective<br>bargaining requirement                | Often union in consultation re |   | rminations or som  | venegotiation/   | On certain oo  | On certain occasions depending on the level and number of employees terminated. |   |  |  |  |             |           |             |   | Low risk.     |  |  |   |   |  |
| Risk of government<br>involvement   | High risk.                     |   |  |  |  | Medium risk.  |   |  |  |  |             |           |             | Low risk.   |               |  |  |   | Risk of government<br>involvement   |  |

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