Opinion

ON THE PROPOSAL FOR A DIRECTIVE

TO STRENGTHEN THE APPLICATION OF THE PRINCIPLE OF EQUAL PAY FOR EQUAL WORK OR WORK OF EQUAL VALUE BETWEEN MEN AND WOMEN THROUGH PAY TRANSPARENCY AND ENFORCEMENT MECHANISMS

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SGI EUROPE GENERAL SECRETARIAT Rue des Deux Eglises, 26 bt 5, BE – 1000 Brussels
T: + 32 (0) 2 219 27 98 | F: + 32 (0) 2 218 12 13 | E: SGIeurope@SGIeurope.org | **www.SGIeurope.org**
Registered stakeholder
ID Nr 59513031434-92

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Opinion

Executive Summary

- Ursula von der Leyen, President of the European Commission, has committed to introduce binding pay transparency measures in her political guidelines. This Opinion is the first response of SGI Europe to the new Proposal for a directive to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

- SGI Europe **acknowledges the importance of the principle of equal pay** and the role that pay transparency plays in its implementation. However, in order to tackle the gender pay gap, one must look further than wage setting. SGI Europe supports **a dual approach** that takes a broad and holistic perspective through specific actions alongside gender mainstreaming. The interconnection between working conditions and living conditions: work-life balance, opportunities for full and part-time work, parental leave and the sharing of unpaid domestic work, intersection of various axes of discrimination and the impact of occupational segregation need to be taken into account when addressing the gender pay gap.

- The extensive and far-reaching obligations for employers that are introduced, are **likely to create a considerable administrative and financial burden**. The **detailed and complex nature** of the proposal **and legal uncertainties** that raise numerous questions make it extremely difficult for employers to anticipate the impact the proposal may have on their activities and to know how and when they have fulfilled their obligations.

- Furthermore, SGI Europe is concerned that these unclarities and the detailed requirements will affect national labour market models and the capacity and **autonomy of social partners** to maintain, negotiate, conclude, and enforce collective agreements in accordance with their tradition. Collective agreements with gender neutral wage setting criteria are easily accessible in many Member States and monitored by the social partners negotiating, revising and updating them. As agreements are formulated by well aware representatives of both workers and employers, it can and should be **presumed that they are non-discriminating and do respect equal pay.** Acknowledging the transparency already delivered by collective agreements, SGI Europe maintains that the Directive should provide for **clear facilitations for employers bound to such agreements.**

- SGI Europe considers that the proposal, as it stands now, **does not sufficiently respect the principles of proportionality and subsidiarity**. The final text of the directive should include sufficient flexibility and should respect the different traditions of the Member States and the autonomy of social partners, not only at national, but also at sectoral and local level.

- Conclusively, SGI Europe **agrees that the equal pay agenda should be promoted** so that men and women are paid equally for the same work. There must be an ongoing focus on whether the employee's gender influences the level of pay, as a distortion in pay on the grounds of gender does not benefit either employees or enterprises, but for all the **reasons mentioned above the proposal must be scaled down.**

- SGI Europe is committed to being a **constructive partner** when dealing with this important proposal. Therefore, in the **appendix** to this opinion, one will also find initial **specific questions and remarks concerning several of the proposal's key articles and suggestions for change.**

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General remarks

- SGI Europe acknowledges the importance of the principle of equal pay and the role that pay transparency plays in its implementation.

- This opinion presents the first SGI Europe's reaction to the draft proposal for a directive on pay transparency. SGI Europe's main concern, with regard to the proposal, as it stands now, is that it contains many unclarities and uncertainties, raises different questions with regard to its content, meaning and interpretation and requires further clarification. However, SGI Europe is committed to being a constructive partner when dealing with this important proposal. Therefore, in the appendix to this opinion, one will also find specific questions and remarks concerning several of the key Articles.

- It is important to work with a broad and holistic perspective when tackling gender equality issues, including equal pay, through specific actions and gender mainstreaming simultaneously, by using the dual approach. SGI Europe wants to emphasise that in order to tackle the gender pay gap one must look further than just wage setting. It is important to acknowledge the interconnection between working conditions and living conditions: work-life balance, opportunities for full and part-time work, parental leave and the sharing of unpaid work in the household and intersection of various axes of discrimination. These aspects have a major influence on both women's and men's situation in the labour market and must be taken into consideration when analysing, as well as addressing, the gender pay gap.

- One also has to look at the impact of occupational segregation (whereby many women are employed in relatively low paid roles) rather than assuming that women are being paid systematically less than men for equal work. There is a horizontal as well as a vertical segregation and sectoral as well as occupational segregation of the labour market that should be addressed. In order to reduce the gender pay gap the social partners and other relevant actors must therefore take actions to overcome labour market segregation.

- SGI Europe agrees with the Commission that pay should be gender-equal and transparent but also wants to emphasise the delicate balance between and the necessity to safeguard the division of competences between the EU and the National level as well as the national social partners on wage issues.

- Ensuring equal pay for men and women and equal opportunities, in general, requires constant and continuous commitment, which SGI Europe fully supports. However, SGI Europe believes that the Commission's proposal, as it stands now, lacks proportionality and subsidiarity, due to its extensive, detailed, complex, and unclear nature and raises many questions that must be answered to. The proposal also makes it extremely difficult for employers and enterprises to anticipate the impact it may have on their activities and to know how and when they have fulfilled their obligations according to the directive.

- Furthermore, SGI Europe is concerned that these unclarities and the detailed new requirements in the proposal will affect the national labour market models and the capacity and autonomy of social partners to maintain, negotiate, conclude, and enforce collective agreements.

- Collective agreements with gender neutral wage setting criteria are easily accessible in many Member States and monitored by the social partners negotiating, revising and updating them. As agreements are formulated by well aware representatives of both workers and employers, it can and should be presumed that they are non-discriminating and do respect equal pay. Acknowledging the transparency already delivered by collective agreements, the directive should provide for clear facilitations for employers bound to such agreements, esp. when it comes to their far-reaching obligations according to the different articles of the directive.

- Social partners are responsible for determining the criteria for wage setting systems via collective agreements, including ensuring that they are based on the principle of equal pay and that they are gender neutral. The final text of the directive should include sufficient flexibility and respect the different Member States' traditions and the autonomy and responsibility of the social partners, not only at national, but also at sectoral and local level.

- SGI Europe is concerned that the directive could entail that enterprises will have to bear considerable and unreasonable compliance costs on top of the administrative and economic burdens.

- SGI Europe recommends to include sufficient flexibility in the final text of the directive in a way that takes account of the different traditions and division of responsibility between the social partners on the one hand and regulatory functions such as the labour inspectorate on the other. There is no need to set up other competing enforcement bodies if the monitoring tasks are already carried out by another competent body. Giving more flexibility to avoid such potential overlaps would not only safeguard the principle of subsidiarity and the autonomy of social partners but also prevent evitable administrative costs borne by the taxpayer.

- SGI Europe agrees that the equal pay agenda should be promoted so that men and women are paid equally for equal work. There must be an ongoing focus on whether the employee's gender influences the level of pay and a distortion in pay on the grounds of gender does not benefit either employees or enterprises, but for all these reasons mentioned above the proposal must be scaled down.

- SGI Europe thinks that the specific situation of the public sector has not been taken sufficiently into account in this proposal. One of the characteristics of the public sector is their numerous gender-neutral collective agreements with high coverage.

Appendix – Specific remarks on Articles

Chapter I – General Provisions (Articles 1 to 4)

Article 3 – Definitions

- This Article contains both existing definitions and proposals for new definitions at the EU level. SGI Europe is concerned that the definition of pay (Art 3 lit a) and the newly introduced definitions of concepts related to pay/wage and categories of workers (see Art 3 lit (b) to (g) may change the corresponding accepted national definitions of these concepts. Concepts, which play an important role in labour and employment law, collective bargaining agreements, joint social partner wage statistics and national wage statistics. These definitions also enable the European Court of Justice (CJEU) to further interpret these concepts.

SGI Europe also has some specific concerns and remarks on the term "category of workers" as explained below.

Definition of Category of Workers

- SGI Europe notes that the proposal introduces a new definition unknown to EU law in Article 3 para 1(g). It reads as follows: 'category of workers' means workers performing the same work or work of equal value grouped by the workers' employer based on criteria as laid down in Article 4 of this Directive and specified by the employer concerned.

- SGI Europe considers the definition unclear and the referral to Article 4 to be insufficient to provide legal clarity for employers and workers alike. This is particularly worrying, as some of the obligations in Article 8 and 9[1] refer to the term 'category of worker'. A definition is intended to clarify the concepts of the Directive and should therefore be self-explanatory. Moreover, it is not clear which part of Article 4 is referred to. If the Commission intends to refer to Article 4 point 3, it should be clarified. Otherwise, there is a danger that a very broad interpretation will be opened, where it will be the CJEU that decides the definition.

- The way the criteria to assess equal work and work of equal value will be laid down in different Member States according to Article 4, will form the basis of the definition of 'category workers'. This will make it incredibly difficult, if not impossible, for employers to timely put in place a system to clearly define such categories of workers.

- Notably, under the detailed explanation of the specific provisions of the proposal, the Commission seems to recognise the difficulty to categorise workers performing work of equal value into categories and states that differences in pay by category are not comparable across employers and should consequently not be published.[2] Nevertheless, employers have to provide information on differences

[1] Article 8 para 1 lit g requires employers to provide information on the pay gap between female and male workers by categories of workers broken down by ordinary basic salary and complementary or variable components. This information also serves as a trigger to launch a joint pay assessment as set out in Article 9.

[2] 'The information referred to under letter (g) in paragraph 1 of this Article, on the pay gap between female and male workers by categories of workers doing the same work or work of equal value, is <u>employer-specific and more sensitive</u> than overall pay gap figures. The categorization of workers performing work of equal value is <u>based on a combination and weight of criteria</u>, which are relevant to the specific employer concerned. The differences in pay by category are therefore not comparable across employers, which is the reason why this information should not be made public.'

in pay by category to all workers and their representatives, the labour inspectorate and equality bodies. This information also serves as a trigger to launch a joint pay assessment as set out in Article 9.

- It follows that any mistake, misunderstanding or disagreements on the criteria that form the basis of categories of workers could lead to lengthy and burdensome negotiations related to the joint pay assessment or even trigger a reversal of the burden of proof (see comments on Article 16).

Article 4 - Equal work and work of equal value

- SGI Europe finds this Article too detailed, far-reaching and unclear in its wording. It demonstrates an attempt, by the European Commission, to codify the case law of the CJEU. This is especially the case regarding paragraph 4, the codification of different court cases and the use of terms such as single source and hypothetical comparator *(see our questions and remarks further below).*

- It is important for the proposal to reflect that paying different wages according to objective criteria should be clearly distinguished from discrimination, even for two workers doing the same job. The proposal, as it stands, shows very little recognition for key labour market principles such as the link between the level of qualifications and the wage level for workers with those qualifications.

- There is a potential problem with using statistical data to make individual cases for gender pay discrimination in wage systems with individual qualification supplements. In wage systems where parts of the wage are based on the individual qualifications of the workers, some workers will fall below the average, just as some workers will be above the average. This combined with the reversal of the burden of proof potentially limits employer's ability to give individual qualifications supplements.

- Determining what is 'equal work and work of equal value' and therefore comparable is an extremely difficult matter and should be done in a sensitive and flexible way to take into account the different situation in different industries and sectors and respect collective wage setting mechanisms.

- Therefore, in line with the principle of subsidiarity and the respect for the different traditions of the Members States, it should be left to the social partners to determine the tools to compare the value of work.

Paragraph 4 (Article 4)

SGI Europe suggests to delete this paragraph. It is inappropriate to attempt to codify case law and create new concepts in EU law in this way. It is too detailed, far-reaching and legally and practically unclear. It is not desirable to obtain answers to the ambiguities in the paragraph, via rulings of the CJEU. One example is the unclear interpretation of the term "single source", based on one single court case. Below you will find our further questions and remarks regarding this term.

Single Source

- According to the Commission's reading of Lawrence[3] workers may be in a 'comparable situation even when they do not work for the same employer but where the pay conditions can be attributed to a single source setting up those conditions (e.g., when regulated by statutory provisions or collective labour agreements applicable to several companies).'

[3] C-320/00 *A. G. Lawrence and Others v Regent Office Care Ltd* [2002] ECR I - 7345

- SGI Europe considers that the Commissions reading of *Lawrence* goes too far in concluding that workers employed in different enterprises may be in a comparable situation if the pay conditions are set up e.g., by the same collective agreement.

- In *Lawrence* the Court of Justice ruled that the differences identified in the pay conditions of workers could not be attributed to a single source, as there was no body which is responsible for the inequality and which could restore equal treatment.[4] It goes without saying that employers should restore equal treatment where there has been a violation of the principle of equal pay. However, in order to do that they need to be in the position to restore the equal treatment, thus being the ones responsible for the difference in pay conditions between workers performing equal work of equal value.

- SGI Europe asks if 'source' does include all collective agreements (regional or national, sectoral or cross-sectoral) and whether workers covered by the same collective agreement need to be employed by the same employer to be comparable. In the case of e.g., sectoral collective agreements are applicable at national level, regional economic differences could amount to differences in pay that have nothing to do with gender.

- The way the term "single source" is used in this proposal is confusing, as it may lead to broaden the scope of comparison in an unreasonable way, especially when read in conjunction with preamble 17 and the explanatory remarks.

- It is SGI Europe's reading that workers may be in a comparable situation, if the difference in pay has its origin in a common source. It should be clarified that this proposal does not allow to conduct a comparison with workers from another enterprise simply because they are covered by the same collective agreement or statutory provision.

- Broadening the scope of the 'comparable situation' to all situations, where the pay conditions are determined by collective agreements or statuary provisions would make it incredibly difficult for employers to detect and prevent differences in pay, creating legal uncertainty.

- SGI Europe asks therefore for a clarification of the extent of the comparability of workers covered by the same collective agreement and statutory provision in Article 4(4) and preamble 17, as well as clarification of the term 'single source' and its relation to the existing CJEU case-law.

Chapter II – Pay Transparency (Articles 5 To 11)

Article 5 – Pay transparency prior to employment

- The Article proposes new minimum standards at EU level on transparency on wage setting prior to hiring. Today, there is a need for the supply of skills and talent within different sectors. SGI Europe is concerned how this provision may make recruitment more difficult in practice. For example, in some countries, collective agreements are based on individual and differentiated pay, where one of the objectives is to be able to recruit and retain personnel. These wage formation models do not contain any regulation of salary levels or salary ranges for vocations/professions or positions. The detailed and normative requirements for information on pay in this Article (but also in Articles 7-9), seem therefore

[4] *Lawrence* para 18

difficult to manage in practice. They may risk disrupting wage setting and thus making recruitment more difficult. Furthermore, Article 5 is foreign to how certain recruitment/hiring procedures take place in practice. Recruitment can take place without an interview or specific formalised recruitment procedure. Furthermore, a ban on asking about the job applicant's salary history is a very detailed provision and not appropriate to be regulated at EU-level.

Article 6 – Transparency of pay setting and career progression policy

- The reference to career progression criteria is likely to entail a significant administrative burden. If kept, it would be important to include in this Article the possibility for employers to refer to existing collective agreements or statutory provisions to fulfil the obligations of Article 6.

Article 7 – Right to information

- SGI Europe acknowledges that it may be important for employees to get information to know whether there is a pay gap or medium pay gap between men and women in their enterprise.

- However, providing information on workers individual pay level and the average pay levels, broken down by sex, for categories of workers doing the same work or work of equal value, is overly burdensome for employers and risks being misleading given the difficulty to establish clear categories of workers.

- Article 7, in combination with Articles 16 and 19, could lead to an increase in unnecessary litigation.

Article 8 and 9: Reporting obligations and joint pay assessment

- SGI Europe is concerned that the content of these Articles is detailed to such a degree that it will impact national legislation and collective agreements in a too interventional and intrusive manner. The provisions seem disproportionate and risk having a significant administrative and financial impact taken as a whole. Both articles are also unclear in all their parts and how the various points relate to one another, and therefore could lead to an increase in unnecessary litigation.

Article 8 – Reporting on pay gap between female and male workers

- The obligation to provide information and additional clarifications and details regarding any of the data provided, including explanations concerning any gender pay differences is too far-reaching.

- Paragraph 1 creates an additional unnecessary and disproportionate administrative burden for the employers.

- Especially paragraph 1(g) 'the pay gap between female and male workers by categories of workers broken down by ordinary basic salary and complementary or variable component' may cause major difficulties, as the term 'category of worker' is, as already mentioned, insufficiently clear.

- Paragraph 2 requires that the 'the accuracy of the information shall be confirmed by the employer's management'. This does not contribute to the overall aim of the directive and should therefore be deleted.

- Requests by workers, their representatives, equality bodies or labour inspectorates for additional clarifications and details on any data provided within reasonable time should be based on objective criteria, to avoid disproportionate bureaucratic costs by multiple requests. Employers should, at least, be given enough time to provide further information and the possibility to correct and adjust minor mistakes (margin of error), without automatically triggering a shift of the burden of proof (according to article 16).

- The financial and structural limitations of smaller enterprises should also be taken into account.

Article 9 – Joint pay assessment

- Article 9 in its present form raises many questions, is very detailed and complex. Since it is up to the social partners to conduct the joint pay assessment, it should be also up to them to determine themselves the criteria under which the joint pay assessment shall be conducted. For this reason, the final sentence in paragraph 4 should state that "Such action *can* (instead of *shall")* include the establishment of a gender neutral job evaluation and classification…."

- As already stated in the general remarks, a more flexible approach is also essential to avoid an overlap between existing competencies of social partners, labour inspectorate and equality bodies. There is no need to set up other competing enforcement bodies if the monitoring tasks are already carried out by social partners or another competent body in a given member state.

- SGI Europe urges the Commission to take account of the different traditions of the Member States and refers to the comments on article 30 in that matter.

Article 11 – Social dialogue

- SGI Europe believes that Article 11, in its present shape, should be reformulated. Referring to that Member State simply shall "discuss" with social partners, does not sufficiently reflect the role of social partners, especially in countries where they have an autonomous right to negotiate wages and conditions of employment.

Chapter III – Legal remedies and enforcement (Articles 12 to 23)

Article 15 – Other remedies

- SGI Europe considers Article 15 which allows the courts or other competent authorities, at the claimant's request and at the expense of the defendant, to order the defendant to take structural or organisational measures to be inappropriate. It is the decision of the enterprise how to structure an organise its operation. It is difficult to imagine that courts or other competent authorities will be able to point out meaningful and achievable changes within an enterprise. It should be up to the enterprises to set out the details of the measures to be adopted in order to comply with the rights and obligations related to the principle of equal pay.

- The measures must be reasonable and achievable, taking account of the specific situation of the enterprise, especially considering that enterprises could be subjected to penalty payments.

- Ensuring equal pay for men and women and equal opportunities, in general, requires constant and continuous commitment and adjustment of internal structures, which SGI Europe fully supports. However, enterprises should be given the possibilities to adjust in a way that does not jeopardise their activities and financial stability.

Article 16 – Shift of burden of proof

- Article 16 provides for a shift of the burden of proof, where an employer has failed to comply with any of the rights or obligations related to pay transparency as set out in Articles 5 through 9 of this Directive. SGI Europe emphasises that an automatic shift of the burden of proof, in all cases, is unreasonable.

- The main reasons behind shifting the burden of proof are the intent to provide adequate protection of the weaker party and because access to information needed to support a claim of pay discrimination is typically in the sphere of the respondent. According to SGI Europe, the directive should not go beyond these reasons and the shared burden of proof, as laid down by the burden of proof directive and reflected in directive 2006/54/EC Article 19(1) as it would put a disproportionate burden on the employer. The claimant should be able to establish a *prima facie* case of discrimination based on the information available and the facts of the case before the burden of proof is shifted to the employer.

- The obligations listed in the Articles 5 to 9 are very detailed and descriptive. Therefore, even small and honest mistakes could lead to a shift of the burden of proof. One may think about errors related to the employer's obligation to provide information or to remind employees annually of their right to receive information. Furthermore, the legal uncertainty regarding the definition of 'categories of workers' makes it incredibly difficult for employers to fully comply with all obligations (see section on Art 3 and 4).

- In any case, it is unreasonable that the type of breach of obligations is not taken into account. The claimant should not be able to rely on the shift of the burden of proof in cases where the necessary information is available, simply because of minor mistakes of the employer.

- Therefore, at the very least, employers who in principle have complied with the pay transparency obligations must be allowed to correct an exceptional mistake before being exposed to such consequences. It is also very far-reaching that any remaining doubts must benefit the claimant as this puts the burden of uncertainty on the employer only, thus making the shift a complete reversal of the burden of proof.

- In conclusion for SGI Europe, an automatic shift of the burden of proof in all cases where an employer failed to comply with any of the rights or obligations related to pay transparency as set out in Articles 5 through 9 of this directive, without taking into account the severity of the breach, goes beyond the purpose of the shift of the burden of proof and what is necessary to establish pay transparency and strengthen enforcement mechanisms.

- Therefore, SGI Europe proposes, to delete paragraphs 2 and 3, or to insert a requirement of a substantial breach of pay transparency obligations to shift the burden of proof and the possibility to correct errors in cases of non-substantial breaches. Otherwise, the directive would go beyond the rationale of the shift of the burden of proof and the CJEU case-law, placing a disproportionate burden on the employer.

Article 18 – Limitation periods

- Article 18 establishes a shift from the gender recast directive 2006/54/EC Article 17 paragraph 3 and introduces new detailed rules on limitation periods. SGI Europe notes that the detailed provisions of Article 18 do not leave any room for the Member States to determine when the limitation period begins to run, the duration thereof and the circumstances under which it is interrupted or suspended.

- In addition, SGI Europe understands paragraph 2 in such a way that the limitation period cannot begin to run until the infringement has ceased, including the breach of obligations under the directive. In practice, this will mean that claims are not obsolete, as long as they have been entered within 3 years of the end of, for example, the discrimination. This seems very far-reaching and can in principle break through the absolute limitation period of certain Member States. More flexibility should be given to the Member States in deciding how to determine the limitation period in a proportional manner.

- SGI Europe therefore proposes to scale down the text in the Article 18. This could be done by looking back to Article 17 of the gender recast directive and, within the pay transparency proposal, move the first paragraph of Article 18[5] to Article 12. Alternatively, the text of Article 18 should be limited to the first paragraph and the paragraphs 2 to 4 should be deleted.

Article 19 – Legal and judicial costs

- SGI Europe takes the stand that it is unreasonable to deviate from basic procedural law principles, by proposing in this Article to take away the defendant's right to recover any legal and experts fees, except in some very specific situations. The provision introduces a significant imbalance and seriously risks leading to unnecessary litigation. This is likely to be the case in combination with Article 16, where any formal or procedural error constitutes a presumption of wage discrimination and the claimant benefits from all remaining doubts.

- In addition, considering the obligations the proposal introduces, and that it is likely to increase court cases, many smaller sized enterprises with less financial means at their disposal could be damaged by lengthy and costly litigation. National courts should have more margin of manoeuvre to take the specific situation of enterprises into account and awarding legal costs, beyond cases that are brought in bad faith, are frivolous or where non-recovery is manifestly unreasonable.

Article 30 – Implementation

- SGI Europe welcomes that according to Article 30, social partners may be entrusted with the implementation of this directive. However, it is important to point out that the proposal is so detailed that the freedom of social partners to respect their traditional model of social dialogue is significantly restricted.

- SGI Europe proposes therefore to add a similar provision to the preamble than the one that can be found in the directive on transparent and predictable working conditions:

  > *'The autonomy of the social partners and their capacity as representatives of workers and employers should be respected. It should therefore be possible for the social partners to consider that in specific sectors or situations different provisions are more appropriate, for the pursuit of the purpose of this Directive, than certain minimum*

[5] "Member States shall lay down rules applicable to limitation periods for bringing claims regarding equal pay between men and women for equal work or work of equal value. Those rules shall determine when the limitation period begins to run, the duration thereof and the circumstances under which it is interrupted or suspended."

standards set out in this Directive. Member States should therefore be able to allow the social partners to maintain, negotiate, conclude and enforce collective agreements which differ from certain provisions contained in this Directive, provided that the overall level of protection of workers is not lowered.'[6]

- At the very least social partners should be given the flexibility to negotiate the conditions and details of the joint pay assessment, as it falls in the sphere of their competence.

Article 31- Transposition

- According to SGI Europe, two years transposition period is too short for ensuring the leeway for employers to meet the objectives of the directive for the following reasons:

- The obligations in this proposal are very detailed and place a heavy burden on employers, who need adequate time to adjust their administration to the new measures.

- A more extended transition period is necessary in the light of the legal uncertainty and potential difficult legal interpretation of certain parts of the proposal. For example, the interpretation of the unclear definition of the term 'category of workers' (see comments on Article 3 above), which depends on the tools or methodologies to assess and compare the value of work under Article 4. In conjunction with the detailed obligations set out in Articles 5 to 9 of the proposal, this legal uncertainty makes it incredibly difficult for enterprises to timely carry out the required assessments in the proposal and comply with the obligations.

- Therefore, SGI Europe proposes a progressive and stepped approach to give adequate time to companies of differing sizes to adjust before measures come into force, as well as a transposition period of at least 3 years.

[6] Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union, Preamble 38