

 OGR LEGAL

Guide to the 2025 Labour Law Amendments



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Our experience with legal, regulatory and tax advice coupled with industry expertise in an integrated manner allows us to provide the complete strategy from the onset through to the full set up of the business and until the exits

ACKNOWLEDGEMENTS

Ariful Hasan	hasan@ogrlegal.com
Osman Goni	osman@ogrlegal.com

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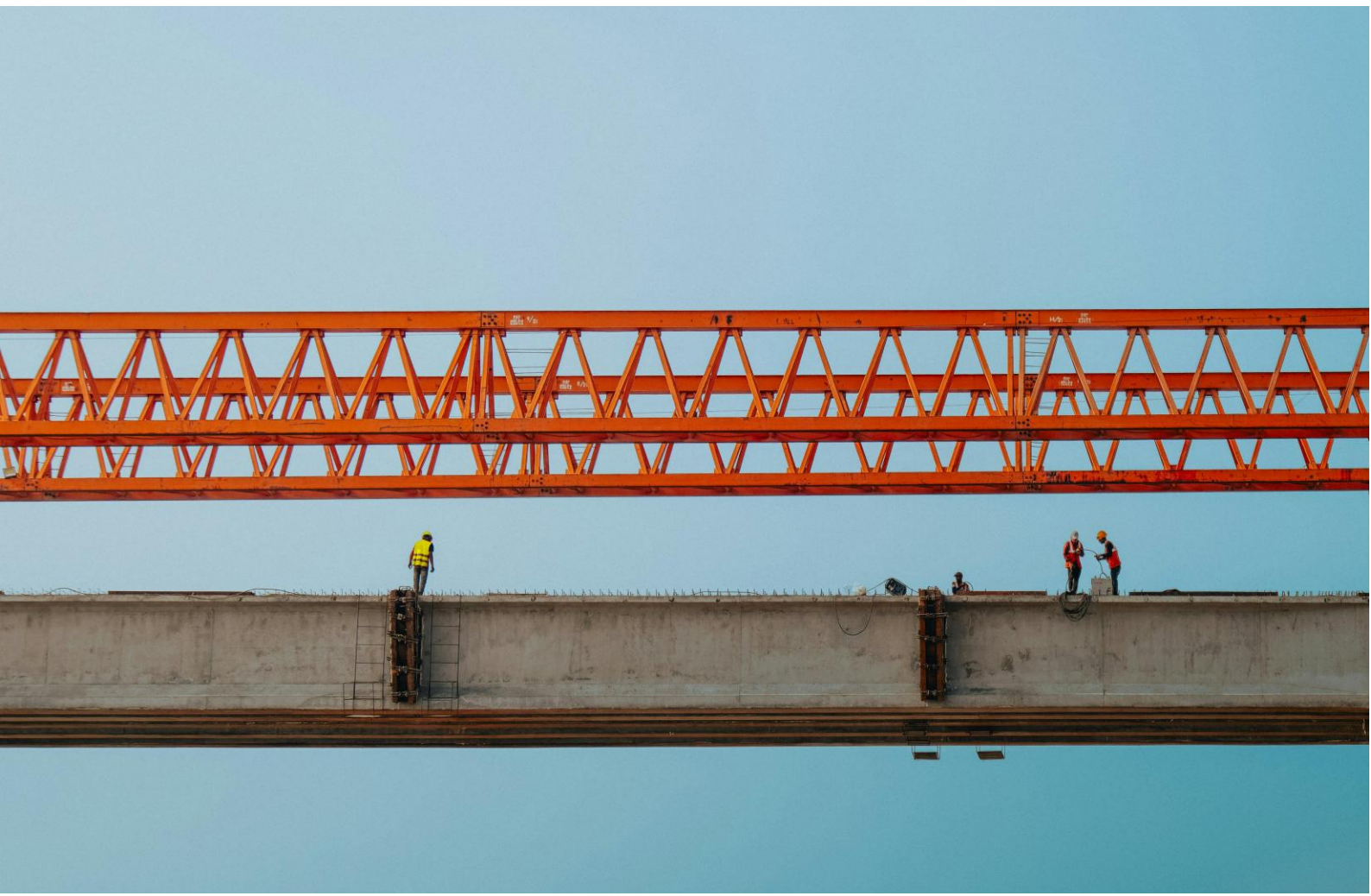
1. Introduction

The legal framework governing employment in Bangladesh has undergone a transformative shift with the promulgation of the Labour Law (Amendment) Ordinance, 2025. This is not merely a routine update; it represents a fundamental restructuring of the employer-employee relationship, expanding the scope of who qualifies as a "worker" and introducing significant new financial and social obligations for employers.

At OGR Legal, we understand that navigating these statutory changes is critical for business continuity and compliance. We have prepared this legal guide to decode the complexities of the new Ordinance and translate them into actionable insights. This guide is designed to help employers, HR leaders, and compliance teams understand not just what the law says, but how it impacts daily operations—from recalculating resignation benefits to establishing mandatory anti-harassment committees.

Please note that this guide is not exhaustive; rather, we have focused on the high-impact issues that demand immediate attention. For instance, we examine the new sexual harassment provisions—previously mandated by High Court directive (Writ Petition) but now codified and expanded under the Act—as well as the strict new anti-discrimination requirements protecting workers with disabilities.

We trust you will find this to be a practical and valuable resource in navigating the new compliance landscape.



2. New Core Definition

2.1 Worker

The definition of "Worker" has been broadened to include categories that were previously ambiguous or often excluded by practice. A worker is now defined as any person employed (directly or via contractor) to do skilled, unskilled, manual, technical, clerical, or business development (trade promotional) work. The amendment explicitly states that this definition applies regardless of whether the person is designated as an "employee" or "officer". The specific inclusion of "trade promotional" (business development) work suggests that field sales officers and business development executives, are now classified as workers.

Previously, employers often excluded staff from the "worker" category by giving them managerial titles. As per the Amendment a person is **ONLY** excluded from being a worker if they are appointed in writing for:

- Management;
- Role as Chief Executive or Manager; or
- Administrative or Supervisory work.

If an employee performs supervisory duties but does not have this specific authority defined in writing in their appointment letter or job description, they may legally be classified as a worker.

The Amendment formally brings the informal and semi-formal sectors under the legal framework.

2.2 Domestic Workers

Domestic workers are now formally recognized under the Labour Act for certain benefits. This applies to both part-time and full-time workers performing household work. The definition states that a "mess" or "dormitory" is considered a "home" for this purpose⁹. Employers managing staff quarters or corporate guesthouses must now treat cleaning and cooking staff as formal workers.

2.3 Digital Platform & Gig Workers

For the specific purpose of Trade Unions and Industrial Relations, the definition of a worker now includes individuals employed through digital labour platforms (e.g., ride-sharing, food delivery). Self-employed workers are also included under this specific section for collective bargaining purposes.

3. New Resignation Compensation Tiers

Under the amended rules, if a permanent worker resigns from their service, the employer is legally required to provide compensation based on the length of their continuous service. The new tiers are as follows:

Service Duration	Compensation Entitlement
Continuous 3 Years	7 days' wages for every completed year of service.
> 3 Years but < 10 Years	15 days' wages for every completed year of service.
10 Years or More	30 days' wages for every completed year of service OR Gratuity (whichever is higher).

Key Changes from Previous Practice

- The most critical shift is the inclusion of workers with less than 5 years of service. Previously, workers resigning within 1-3 years often received no specific "separation compensation" other than unpaid salary and earned leave encashment. Now, a worker resigning after just 3 years is legally owed 21 days' worth of wages (3 years × 7 days).
- For long-serving employees (10+ years), the benefit effectively remains the same.
- Employers must now accrue liability for resignation benefits starting from Year 1 of a permanent employee's tenure, rather than waiting for the 5-year period.



4. New Anti-Discrimination & Harassment Protocols

The 2025 Amendment introduces a rigorous legal framework that treats harassment and discrimination not just as HR grievances, but as strictly regulated legal liabilities. The law moves beyond general prohibitions to specific definitions, mandatory committees, and shifted burdens of proof.

4.1 Defining "Sexual Harassment" with Legal Precision

For the first time, the Labour Law explicitly defines sexual harassment, removing ambiguity about what constitutes a violation. The definition covers both physical and non-physical conduct:

- **Digital & Verbal:** Includes sending offensive messages, images, or cartoons via SMS, telephone, or social media, as well as sexually colored remarks or gestures.
- **Abuse of Power:** Explicitly covers attempts to establish a sexual relationship by utilizing institutional or professional power.
- **Quid Pro Quo:** Making employment decisions (hiring, promotion, firing) contingent on accepting or rejecting sexual advances.
- **Hostile Environment:** Any conduct based on gender or gender identity that creates an intimidating, hostile, or humiliating work environment.

4.2 The Complaint Committee

Employers are no longer just "encouraged" to handle complaints; they are legally mandated to form a specific body to resolve them. Every employer must form a "Discrimination, Violence, and Harassment Complaint Resolution Committee". The committee shall consist of 5 (five) members. The majority of members must be women, and the committee must be headed by a woman. Two members must be recruited from external organizations that specialize in gender and sexual abuse issues. The committee is legally bound to follow a "Zero Tolerance" policy.

4.3 Broader Anti-Discrimination Framework

The amendment expands protection beyond gender, introducing a modern anti-discrimination framework. Now, discrimination is strictly prohibited on grounds including race, color, sex, gender identity and expression, religion, political opinion, social origin, and disability. In a significant procedural change, the burden of proof is now on the employer in discrimination cases. It is the employer's responsibility to prove that:

- The less favorable treatment was not discriminatory.
- Any rule or condition imposed was objectively reasonable and justifiable.

The law now legally distinguishes between "Direct Discrimination" (less favorable treatment) and "Indirect Discrimination" (neutral rules that disadvantage a specific group).

4.4 Disability

Based on the 2025 Amendment, disability rights in the workplace have been significantly strengthened by classifying "disability" as a strictly protected characteristic under the new comprehensive anti-discrimination framework. Employers are now explicitly prohibited from discriminating against workers on the basis of disability in hiring, promotion, or employment conditions, and must adhere to the principle of "Equal Pay for Equal Work" for disabled workers. Furthermore, the law permits "affirmative action" measures to provide special assistance to workers with disabilities without it being considered discriminatory, while the new "Complaint Resolution Committee" provides a formal mechanism to redress any grievances related to disability-based discrimination.

4.5 Employer Obligations & Penalties

- **Proactive Prevention:** Employers must formulate a specific workplace policy against violence and harassment and integrate these risks into their Occupational Safety and Health (OSH) assessments.
- **Training:** Employers are required to provide training to all workers regarding their rights and the new protections.
- **Decency Standard:** The law codifies a standard of decency, stating no person shall behave towards a female employee in a manner that is obscene, discourteous, or contrary to her modesty, regardless of her rank.



5. New Occupational Health & Safety (OHS) Rules

The 2025 Amendment modernizes the concept of workplace safety, shifting from a purely "industrial" focus to a holistic view that includes mental health, the right to refuse dangerous work, and third-party building owner liability.

5.1 The "Right to Refuse"

For the first time, the law empowers workers to prioritize their safety over production targets without fear of retaliation. An employer cannot force a worker to perform tasks if the worker has informed their superior that the work poses a serious danger to their life or health. Workers can remove themselves from a situation they reasonably believe poses an imminent and serious danger. The employer is prohibited from taking disciplinary action against them for doing so. If work is stopped due to safety risks, the employer may assign the worker to alternative safe work, but their wages and conditions must remain protected.

5.2 Recognition of Mental Health & Modern Diseases

The Amendment completely replaces the Second Schedule, officially recognizing that workplace hazards are not just physical, but also psychological and ergonomic. The law now lists Occupational diseases caused by Mental Stress and Depression and stress caused by noise and light pollution as reportable conditions. To reflect modern office and factory realities, the list now includes:

- Computer Vision Syndrome.
- Musculoskeletal Disorders (MSDs).
- Occupational Allergy and Asthma.

If a worker contracts these conditions, the employer, worker, or doctor must notify the Inspector. Failure to notify now carries increased fines.

5.3 Third-Party Premises Owner Liability

This provision is critical for employers operating in shared buildings. The owner of the premises is now legally liable—just like the employer—for maintaining common infrastructure. This includes water supply, safe access/staircases, fire safety measures, and the maintenance of lifts and hoists.

5.4 The Employment Injury Scheme Fund

- **Centralized Protection:** The government is mandated to create an "Employment Injury Scheme Fund" to provide compensation for workplace accidents, moving away from the model where individual employers are solely liable for lump sums.
- **Liability Relief:** Once this fund is active for a specific sector, employers contributing to it will be relieved of direct liability for compensation under Section 150.

6. Trade Union Reforms & Dispute Resolution

The 2025 Amendment radically alters the industrial relations landscape. It lowers the barrier for forming trade unions—specifically in large factories—and introduces a new, specialized authority to resolve disputes outside of the overburdened court system.

6.1 Simplified Union Formation: The New Thresholds

The most significant structural change is the removal of the flat 20% membership requirement for forming a trade union in larger establishments. The Amendment introduces a tiered system based on the total workforce size, drastically lowering the signatures required for large factories.

Total Workers in Establishment	Minimum Members Required for Registration
20 - 300	20 members
301 - 500	40 members
501 - 1500	100 members
1501 - 3000	300 members
3001+	400 members

Previously, a factory with 5,000 workers needed 1,000 signatures (20%) to form a union. Now, they only need **400**. This significantly increases the likelihood of unionization in large-scale manufacturing sectors like RMG and pharmaceuticals.

6.2 New Protections & "Unfair Labour Practices"

The law introduces stronger safeguards to protect union activities and penalize employer interference. The law formally defines and prohibits "Blacklisting"—creating a list or database of dismissed workers to prevent them from finding employment elsewhere. Engaging in this is now an "Unfair Labour Practice" punishable by law.

To prevent harassment, the personal information of trade union members submitted to the Registrar cannot be disclosed to the employer or any third party. If an employer retaliates against a worker for union activities or filing a complaint, the Director General of Labour can now order financial compensation and immediate cessation of the practice.

6.3 Expanded Scope: Gig Workers & Sectoral Bargaining

- **Gig Economy Inclusion:** For the purpose of industrial relations, the definition of "worker" now explicitly includes individuals employed through digital labour platforms (e.g., ride-sharing, food delivery apps).
- **Federation Bargaining Power:** Trade Union Federations can now directly request Collective Bargaining with employers' associations at the sector or national level. They can negotiate terms of employment and working environments directly, bypassing the need for plant-level negotiations in some cases.

6.4 New Alternative Dispute Resolution (ADR) Authority

To reduce the backlog in Labour Courts, the Amendment establishes a statutory "Alternative Dispute Resolution Authority". The objective is to resolve individual and collective labour disputes through mediation and arbitration, bypassing traditional litigation. The Authority will maintain specialized panels of Conciliators and Arbitrators. This institutionalizes ADR, moving it from a mere procedural step to a robust legal alternative. We will have to see how this provision will be implemented by the government.

6.5 Collective Bargaining by Federations

The role of Federations and Confederations has been elevated.

- **Direct Bargaining:** Trade Union Federations or Confederations can now directly request Collective Bargaining with employers' associations at the sector or national level.
- **Participation:** If requested, they can participate in negotiations alongside the local union.
- **Scope:** The parties are free to negotiate on any issue, including working environment, terms of employment, and worker-employer relations.

Key Contact



Osman Goni

Osman is an Advocate of the Supreme Court with over a decade of experience in employment law and corporate law. He has a strong track record guiding foreign and domestic clients on complex investment structuring, labour dispute, regulatory compliance, and dispute resolution, particularly in the energy and infrastructure sectors.

✉ osman@ogrlegal.com | ☎ +880 1715 569498



Sazzad Hossain

Sazzad brings over 8 years of experience, focusing on dispute resolution, corporate advisory, and employment law. He assists local and international clients with contract drafting, regulatory compliance, and commercial litigation, with particular experience supporting clients in the manufacturing, infrastructure, and consumer goods sectors.

✉ sazzad@ogrlegal.com | ☎ +880 1941 455766



Faizul Islam

Faizul is a UK-qualified Barrister (Lincoln's Inn) and an Advocate in Bangladesh. His practice focuses on corporate advisory, employment law, and regulatory compliance. He regularly assists multinational clients with company incorporation, business licensing, and employment matters, representing them before various regulatory authorities and the courts.

✉ faizul@ogrlegal.com | ☎ +880 1751 230943



Habib Morshed

Morshed brings a unique blend of legal and operational expertise, drawing on his prior senior leadership experience in the fintech and RMG sectors. He specializes in employment issues, labour compliance, and corporate advisory, providing practical, commercially-focused solutions to manufacturers and technology clients on HR policies, labour audits, and regulatory challenges.

✉ morshed@ogrlegal.com | ☎ +880 1678 148367



OUR OFFICE ADDRESS:

Kawran Bazaar Office

9th Floor, Ali Bhaban, 92 Kazi Nazrul Islam Avenue,
Kawran Bazaar, Dhaka 1215, Bangladesh
Phone: +8801765449020
Email: mail@ogrlegal.com

Baridhara Office

2nd Floor, House- 517/6, Road- 10,
Baridhara DOHS, Dhaka, Bangladesh
Phone: +8801975603559
Email: baridhara@ogrlegal.com

Chattogram Office

Apt#C-4, 2nd floor, 102, Agrabad Access Road,
Agrabad, Chattogram, Bangladesh
Phone: +8801678148367
Email: chittagong@ogrlegal.com

www.ogrlegal.com