

# INDUSTRIAL RELATIONS CODE

## PART I. SUBSTANTIVE PROVISIONS

### A. The Right to Organise

Both sides recognise the right of employers and employees to organise freely and to belong to organisations of their own choice without any interference or victimization from either side.

### B. Collective Bargaining, Collective Agreements and Joint Consultation

It is accepted that free collective bargaining constitutes the basic way for the determination of conditions of employment and remuneration. Therefore, both sides undertake:-

1. To promote collective bargaining and joint consultation.
2. To negotiate in a spirit of good faith and mutual understanding, bearing in mind the prevailing industrial relations principles and practices, the public interest, the usual criteria on which the determination of wages and conditions of employment is based, as well as such criteria as might be agreed upon by Government and the two sides in industry with regard to a prices and incomes policy.
3. To observe faithfully the provisions of collective agreements resulting from collective bargaining.
4. To follow the procedure specified in Part II.A of this Code for the negotiation or renewal of collective agreements.
5. Not to resort to strike or lock-out in disputes about rights (grievances) as the term is defined in Part II.B.
6. Given that unofficial strikes during a valid collective agreement are condemned the federation/union concerned will take all measures that they consider necessary to end that strike.
7. Given that any action by an employer which violates a valid collective agreement is condemned the employers' association concerned will take all measures that they consider necessary for the observance of the agreement.

### C. Issues Proper for Collective Bargaining and Joint Consultation, and Management Prerogatives

1. In accordance with the generally accepted principles and practices of industrial relations, the existence is recognised of issues considered as bargainable, others considered as consultative and others considered as prerogatives of management. These issues are not defined in the present Code; however, it is desirable that they should be specified, if possible, in collective agreements.

2. Even if no reference has been made in a collective agreement to an issue as being proper for joint consultation so long as the union or the employees contend that a decision on the said issue may

adversely affect them or may have a repercussion on their relations with their employer, the employer should engage in joint consultation with the union or the employees. Provided, however, that in cases of issues considered as prerogatives of management the employer is entitled to act without consulting either the union or his employees.

3. (a) As regards issues proper for joint consultation the final decision rests with the employer. It is recognised, however, that the employer is bound to pay due regard to the union's or the employees' views on issues proper for joint consultation and to give reasons for any negative answer.

(b) Without prejudice to the employer's right to take a final decision on issues proper for joint consultation, both sides may, in case of disagreement, ask for the advice and assistance of the Ministry of Labour and Social Insurance.

(c) Provided that neither the union nor the employer may, eventually, resort to strike or lock-out, if agreement cannot be reached on issues appropriate for joint consultation.

#### **D. Announcements**

1. Before any announcement is made in the press, during the process of collective bargaining or the discussion of a dispute, this will be agreed upon, if possible, by both sides.

2. The Ministry of Labour and Social Insurance may make a public announcement regarding a dispute in which it mediates, if such dispute attracts the interest of the public. The Ministry's announcement will be objective and of an informative nature and, where possible, it will be prepared in consultation with the two sides. Nevertheless the Minister of Labour and Social Insurance may make a public statement without consulting either side, if the dispute affects public interest.

3. Provided that the provisions of the foregoing paragraphs do not prevent the two sides from making public statements with a view to popularising their claims or their official position thereon so long as such statements do not refer to the proceedings at specific negotiation meetings.

#### **E. Conventions and Recommendations of the International Labour Organisation**

Strict adherence is hereby affirmed to the provisions of all International Labour Conventions which the Government of Cyprus has ratified. With regard to the Recommendations accepted by Cyprus' both sides declare that they will make every effort to conform to their provisions as far as possible.

### **PART II. PROCEDURAL PROVISIONS**

#### **A. Procedure for the settlement of disputes about interests**

"Dispute about interests" means a dispute arising out of negotiations for the conclusion of a new collective agreement or for the renewal of an existing collective agreement or, in general, out of the negotiation of a new claim.

## **1. Direct Negotiations**

### **(a) Submission of claims for the conclusion of a new agreement**

The recognised union or unions representing the employees of the undertaking concerned may submit to the employer claims in writing, with a view to concluding a collective agreement, covering the class of employees whom they represent, comprising the submitted claims as well as other conditions of employment which may already exist within the undertaking. The employer is obliged to commence direct negotiations with the union/unions concerned on the submitted claims not later than 3 weeks from receiving the claims or, in the case of organisations operating on an island-wide basis (such as employers' associations and public corporations), not later than one month, provided the union has in the meantime expounded its claims in writing, after giving the unions reasonable notice of his intention to commence such negotiations.

### **(b) Submission of claims for the renewal of an agreement**

- (i) In the case of an existing collective agreement the party seeking its modification should give the other party at least two months notice, prior to the expiration of such agreement, of its intention to do so, accompanied by a list of claims and/or modifications, except where, in the case of small-size undertakings, it is otherwise stipulated in the collective agreement.
- (ii) Generally, in the event of renewal of existing agreements and, provided both parties agree, it is not necessary to submit claims two months in advance provided notification is given in writing of the intention to do so and provided the claims are submitted at any time before the expiration of the agreement. In such cases the existing collective agreement will continue in force for a period equal to the length of the delay in the submission of the claims, unless such delay does not exceed 15 days.
- (iii) Provided that where the party seeking the modification of an existing agreement has failed to give notice of his such intention to the other side before commencement of the two-month period prior to the expiration of the agreement, as is provided by para 1(b), the collective agreement shall remain in force for another year.

## **2. Mediation**

- (a) In the case of negotiations for the conclusion of a collective agreement for the first time and where it is established that all possibilities of direct negotiations have been exhausted, both sides, either jointly or separately, may, after the lapse of a reasonable period from the commencement of the negotiations, which should not be shorter than 6 weeks from the date of receipt of the claims by the employer but not longer than three months, except where direct negotiations have been carried on in good faith during that period, submit the dispute to the Senior Industrial Relations Officer or the District Labour Officer, as the case may be, (from now on referred to as "the Ministry") for mediation.
- (b) As regards negotiations for the renewal of a collective agreement, a dispute shall not be submitted to the Ministry for mediation earlier than 21 days from the date of expiration of the

existing collective agreement. However, no dispute over the renewal of an existing collective agreement shall be submitted to the Ministry later than two months from the date of the expiration of the agreement unless negotiations started without delay and have been carried on in good faith beyond that period.

- (c) Submission of a dispute to mediation by one side, by virtue of sub-paragraphs (a) and (b) above, implies an obligation of the other side to accept the mediation.
- (d) The Ministry offers to mediate in a dispute, even where such mediation has not been requested, if it considers it expedient to do so. In such a case acceptance of the offer for mediation by one side implies a similar obligation of the other side.
- (e) The Ministry will make every effort to deal promptly with the disputes and to see that they are settled the soonest possible.
- (f) If the Ministry cannot effect a mutually accepted solution to a dispute it shall, at the request of either side, declare the dispute as having reached deadlock and either side will be free to take any lawful measures in furtherance or support of their claims or interests. However, before such measures are taken, 10 days notice should be given to the other side and communicated to the Ministry. Provided that the Ministry may not declare a dispute about interests as having reached deadlock before the lapse of at least six weeks from the date of submitting the dispute to the Ministry, unless, in the opinion of the Ministry, no useful purpose is served by further mediation.

### **3. Arbitration**

- (a) Without prejudice to the provisions of para 2(f) of Part IIA, where both sides so agree, they may refer all or any of the issues of a dispute to arbitration, at any point in time either before or after the submission of the dispute to the Ministry.
- (b) Where both sides agree to submit a dispute to arbitration they undertake to accept the arbitrator's award as binding.

### **4. Public Inquiry**

- (a) Any dispute may be referred to a Board of Inquiry with the agreement of both sides.
- (b) Neither side shall take industrial action during the course of the inquiry.
- (c) Where either side has taken industrial action before reference of the dispute to a Board of Inquiry (this refers to cases where the procedures laid down by the present Code have been adhered to) every effort will be made to suspend such action Nevertheless such industrial action will not be a reason for not conducting the inquiry.

## **B. Procedure for the settlement of grievances**

"Grievance", means a dispute arising from the interpretation and/or implementation of an existing collective agreement or of existing conditions of employment or arising from a personal complaint including a complaint over a dismissal.

Subject to the provisions of Part I, Chapter B. 5, 6 and 7 of the present Code, the procedure for the settlement of grievances will be as follows:-

### **1. Direct Negotiations**

#### **(a) Grievances arising from the Interpretation or Implementation of a Collective Agreement**

- (i) The grievance should be presented to the employer by the union in writing. Provided that if machinery for the settlement of grievances exists in the undertaking concerned, the procedure envisaged by such machinery should be followed.
- (ii) Representatives of the Trade Union and employers' association concerned and/ or of the Cyprus Employers' Federation may participate in the discussion of a grievance.

#### **(b) Personal Complaints**

- (i) The complaint should be presented in the first instance by the employee to his immediate supervisor/foreman.
- (ii) If the complaint is not settled at level (i) above or if the complaint is of such nature that direct discussion between the employee concerned and his immediate supervisor/foreman is not considered appropriate the employee has the right to demand that his complaint may be examined at one or more higher levels, depending on the nature of the complaint and the structure and size of the undertaking. Provided that if machinery for the settlement of grievances exists in the undertaking concerned the procedure envisaged by such machinery should be followed. Provided further that at every step of examining the complaint there is a real possibility of settling it.
- (iii) A settlement of a personal complaint achieved at stages (i) or (ii) above may be challenged by the employers' or workers' organisations which are signatories to the relevant collective agreement as being contrary to the provisions of the said agreement, in which case the procedure specified in para 1 (a) above is followed.
- (iv) At all steps of the examination of a complaint the employee concerned is entitled to be accompanied, if he so wishes, by a local trade union representative or a trade union official. Similarly, the employer is entitled to be assisted or represented by an official of the relevant employer's association and/ or of the Cyprus Employers' Federation.

#### **(c) Time Limits for Discussing Grievances**

The procedure for examining a grievance should be completed within a month at most.

#### **(d) Violations of Collective Agreements**

If an employer or employee, against a recommendation by the Ministry of Labour, flagrantly violates the provisions of an existing collective agreement, the procedure provided for by this paragraph will not apply and the aggrieved party may resort to any lawful action, including a strike or lock out, in defence of its interests.

### **2. Mediation**

- (a) A grievance not settled at the stage of direct negotiations should be submitted either to the Ministry for mediation or to binding arbitration.
- (b) If the dispute is submitted to the Ministry for mediation the Ministry undertakes to deal with it within a reasonable time and in any case not later than 15 days from the date of submission. If no settlement of the dispute is achieved by the Ministry within 15 days of the date it began dealing with it the dispute should be submitted to binding arbitration.

### **3. Arbitration**

- (a) If a dispute is submitted to arbitration, the Ministry sees that a mutually accepted arbitrator is appointed within a week of receiving a request to this effect by either side and assists him to carry out his task speedily by providing such facilities as may be requested by him e.g. a conference room, clerical staff and necessary information.
- (b) The Ministry sees that the arbitrator's award is issued within 15 days of the last arbitration session; however, in cases concerning dismissals, the award should be issued within three days of the last session.
- (c) Arbitration costs should be shared equally by the two sides; however, the arbitrator may, in consultation with the Ministry, issue special directions on this matter. This also applies to grievances.
- (d) Model arbitration rules for the guidance of arbitrators and of all interested parties will be prepared by the Ministry in consultation with the parties to this Code.

### **C. Dismissals**

Without prejudice to the right of any employee to have recourse to the Industrial Disputes Court, both sides agree on the following procedure:-

#### **1. Dismissals for reasons of redundancy**

- (a) The employer should notify the union of his intention to effect dismissals at least two months before the date of the proposed dismissals. In the event of mass dismissals, it is desirable that the notification is given as soon as is practically possible, taking into account the number of employees to be dismissed, the chances of their re-employment, the need to retrain them etc. After the said notification consultations should be carried out with the unions and/or the employees in accordance with the provisions of I.L.O. Recommendation No. 119.

- (b) Grievances over dismissals should be dealt with as expeditiously as possible and the time limits prescribed in paragraphs 1 (c) and 2(b) of Part 11.8 will be halved.

## **2. Making Provision for Dismissals in Collective Agreements**

It is desirable that collective agreements should contain provisions on the issue of dismissals.

### **PART III. COPIES OF CLAIMS AND COLLECTIVE AGREEMENTS**

The unions undertake to furnish the Ministry with the following:-

- (a) A copy of all claims submitted to employers, to the District Labour Officer if the dispute is of a local nature, with a further copy to the Senior Industrial Relations Officer. In the case of an island-wide dispute only one copy should be sent to the Senior Industrial Relations Officer.
- (b) Copies of all collective agreements concluded without the assistance of the Ministry as follows:-  
Two copies to the Senior Industrial Relations Officer and one to the District Labour Officer concerned.

### **PART IV. DURATION OF THE PRESENT CODE**

- (a) The present Code comes into force immediately upon signature. The party wishing its modification or termination should give a six-month notice to the other parties and to the Ministry:-  
Provided that no party can ask for its modification or termination before the lapse of at least two years from the date of signature.
- (b) From the date of the signature of this Code the provisions of the "Basic Agreement of 1962" cease to be apply.

***Signed at the Ministry of Labour and Social Insurance, in Nicosia, on the 25th April 1977.***