

No. 14089

**BRAZIL
and
PARAGUAY**

**Protocol on labour relations and social security. Signed at
Asunción on 11 February 1974**

Authentic texts: Portuguese and Spanish.

Registered by Brazil on 26 June 1975.

**BRÉSIL
et
PARAGUAY**

**Protocole sur les relations de travail et la sécurité sociale.
Signé à Asunción le 11 février 1974**

Textes authentiques : portugais et espagnol.

Enregistré par le Brésil le 26 juin 1975.

[TRANSLATION — TRADUCTION]

PROTOCOL¹ ON LABOUR RELATIONS AND SOCIAL SECURITY

The Government of the Federative Republic of Brazil and the Government of the Republic of Paraguay,

Considering the need to implement the provisions of article XX of the Treaty concerning the hydroelectric utilization of the water resources of the Paraná River owned in condominium by the two countries, from and including the Salto Grande de Sete Quedas or Salto del Guairá to the mouth of the Iguassu River, signed at Brasília on 26 April 1973,² the instruments of ratification of which were exchanged at Asunción on 13 August 1973;

Considering that both Governments desire to establish a just and equitable legal régime applicable to labour relations and social security in respect of the workers engaged by ITAIPU;

Have decided to conclude this Protocol and have agreed on the following:

Article 1. This Protocol shall establish the legal rules applicable, with regard to labour law and social security, to the workers engaged by ITAIPU, regardless of their nationality.

Article 2. The following shall be governed by the law of the place where the individual work contract is concluded:

- (a) The legal capacity of the workers;
- (b) The formalities and proof of contract;
- (c) The trade union rights of the workers;
- (d) The competence of judges and tribunals to hear actions deriving from the implementation of this Protocol, the Personnel Regulations and the labour contracts concluded between ITAIPU and its workers;
- (e) The rights and obligations of the workers and ITAIPU with regard to social security and with regard to systems whose functioning depends on national administrative organs; and
- (f) Occupational identification.

Article 3. Whatever the place in which the contract is concluded, the following special uniform rules shall apply to each individual labour contract:

(a) The normal period of work shall be eight hours, with an interval for rest and a meal, regardless of the sex or age of the worker and in any conditions of work, except in the case of those holding positions of management or positions in which they are directly in the confidence of the ITAIPU administration;

(b) Except in the case of minors under 18 years of age and women, the normal period of work may be extended, for work which because of its nature must be carried out by more than one shift, by a maximum of two additional hours, through an individual or collective agreement;

¹ Came into force on 8 August 1974 by the exchange of the instruments of ratification, which took place at Brasília, in accordance with article 15.

² United Nations, *Treaty Series*, vol. 923, p. 57.

(c) The individual or collective agreement shall specify the remuneration for additional hours worked, which shall be at least 25 per cent higher than that for normal working hours. The additional remuneration may be dispensed with if the additional hours worked on one day are compensated for during the week by a corresponding reduction on another day so that the total number of working hours does not exceed 48 hours a week or 10 hours a day;

(d) The normal period of work may also be extended, without an individual or collective agreement, in cases of *force majeure* or of work which cannot be delayed or in cases in which it is clear that damage may result if the work is not done. In such cases the additional payment of 25 per cent over the wage for normal working hours shall be assured;

(e) Night work, which shall be regarded as work performed between the hours of 9 p.m. and 5:30 a.m., shall be remunerated at the rate of the wage for daytime working hours plus 25 per cent;

(f) Paid rest during the week, preferably on Sundays, and on the holidays 1 January, 1 May, 14 May, 7 September, Good Friday and Christmas shall be guaranteed;

(g) In the event of cancellation of a labour contract for an indeterminate period without justified cause, the party which wishes to cancel the contract shall notify the other party of its intention, giving 30 days notice. Failure on the part of ITAIPU to give notice shall entitle the worker to wages corresponding to the notice period, the inclusion of that period in his period of service being in all cases guaranteed. Failure on the part of the worker to give notice shall impose on him the obligation to pay ITAIPU an amount equivalent to one half of the wages which would be payable for the notice period;

(h) In the event of cancellation by ITAIPU of a labour contract for an indeterminate period without justified cause, the worker shall be entitled to compensation in respect of period of service, on the basis of one month, at his maximum wage, for each year of actual service or for one year and a fraction of a year equal to or exceeding six months;

(i) In the event of termination of a contract for work on a specific project, the worker shall be entitled to compensation in respect of period of service, corresponding to 70 per cent of the compensation provided for in subparagraph (h) above; and

(j) The provisions set forth in subparagraphs (h) and (i) above shall not apply in the circumstances contemplated in the last part of subparagraph (e) of article 2 of this Protocol.

Article 4. The competent authorities of the High Contracting Parties for labour health and safety shall conclude a supplementary agreement on the matter, which shall contain provisions for:

- (a) The fixing of additional payments of not less than 20 and not more than 40 per cent of the amount of the normal hourly wage for work done in unhealthy conditions and of 30 per cent for work done in permanent contact with flammable or explosive substances, the worker not being permitted to claim both such additional payments; and
- (b) The establishment of commissions for the prevention of industrial accidents.

Article 5. The principle of equal pay for work of the same nature, efficacy and duration shall be observed without distinction on the ground of nationality, sex, race, religion or civil status. The application of this principle shall not affect the difference in pay deriving from the existence of a pay scale in ITAIPU.

Article 6. Without prejudice to the provisions of articles 2, 3, 4 and 5 of this Protocol, individual labour contracts shall be governed by the rules which, taken as a

whole with respect to each subject, are most favourable to the worker, including the international labour conventions ratified by both High Contracting Parties.

Article 7. ITAIPU shall adopt, as soon as possible, in the form of “Personnel Regulations”, approved by the Governing Council upon the proposal of the Executive Directorate, the internal rules regulating relations between the binational entity and its workers.

Article 8. The “Personnel Regulations” shall establish joint conciliation commissions, composed of representatives of ITAIPU and the workers, which, on the initiative of either party and for the purpose of conciliation, shall hear labour disputes. The conciliation proceedings conducted before the said commissions shall have full legal effect, and the agreements reached shall be registered with the competent organs of the High Contracting Parties concerned with matters relating to labour.

Article 9. Verification of compliance with the regulations adopted in the “Personnel Regulations” and labour inspection in general shall fall within the competence of the administrative authority of the place where the work is done.

Article 10. By reason of its binational character, ITAIPU shall not become a member of any employers’ association.

Article 11. The social security institutions of each of the High Contracting Parties shall maintain, in their respective territories, medical services catering for the workers and their dependants, regardless of the place in which the labour contract has been concluded.

Sole paragraph. The competent social security authorities of the High Contracting Parties shall conclude an agreement regulating this article which shall provide for the procedure for reimbursement of the costs of services rendered by the institution of one High Contracting Party to persons insured through the institution of the other High Contracting Party and their dependants.

Article 12. ITAIPU shall take appropriate measures to ensure optimal compliance with the formalities required in the conclusion of individual labour contracts, for which purpose, *inter alia*, Brazilian workers shall be engaged in the territory of Brazil and Paraguayan workers in the territory of Paraguay.

Sole paragraph. Workers of other nationalities may be engaged, without distinction, in the territory of either High Contracting Party.

Article 13. An identity card issued by ITAIPU shall be required for the purposes of freedom of movement at the site where the work is being carried out in the areas delimited in accordance with article XVII, paragraph 3, and article XVIII, paragraph (h), of the Treaty.

Sole paragraph. The identity card referred to in this article shall not constitute proof of the existence of an individual labour contract between ITAIPU and the bearer.

Article 14. This Protocol shall be ratified and the instruments of ratification shall be exchanged as soon as possible in the city of Brasília.

Article 15. This Protocol shall enter into force on the date of the exchange of the instruments of ratification and shall remain in force until the High Contracting Parties adopt, by agreement, such decision on the matter as they deem appropriate.

DONE in the city of Asunción on 11 February 1974, in duplicate, in Portuguese and Spanish, both texts being equally authentic.

MARIO GIBSON BARBOZA

RAÚL SAPENA PASTOR
