



ICLG

The International Comparative Legal Guide to:

Employment & Labour Law 2016

6th Edition

A practical cross-border insight into employment and labour law

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EDITORIAL

Welcome to the sixth edition of *The International Comparative Legal Guide to: Employment & Labour Law*.

This guide provides corporate counsel and international practitioners with a comprehensive worldwide legal analysis of labour and employment laws and regulations.

It is divided into two main sections:

Two general chapters. These chapters examine issues when structuring international employment arrangements for multi-national companies and global employment standards and corporate social responsibility.

Country question and answer chapters. These provide a broad overview of common issues in labour and employment laws and regulations in 43 jurisdictions.

All chapters are written by leading labour and employment lawyers and industry specialists, and we are extremely grateful for their excellent contributions.

Special thanks are reserved for the contributing editors, Elizabeth Slattery and Jo Broadbent of Hogan Lovells International LLP, for their invaluable assistance.

Global Legal Group hopes that you find this guide practical and interesting.

The *International Comparative Legal Guide* series is also available online at www.iclg.co.uk.

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1 Terms and Conditions of Employment

1.1 What are the main sources of employment law?

While the employment relationship is primarily one governed by contract law and the parties are free to choose the law that applies to their working relationship, there are certain mandatory laws that will apply to employees working in Ireland which set out certain minimum protections. These mandatory laws are set out in primary legislation, much of which derives originally from European Union directives and regulations.

Irish common law (judge-made law) also provides employees with significant protections, particularly in requiring employers to apply fair procedures when dealing with employees, including on dismissal.

1.2 What types of worker are protected by employment law? How are different types of worker distinguished?

Irish law distinguishes between an individual who is an employee (that is, working under a contract of service) and an individual who is either self-employed or an independent contractor (that is, working under a contract for services). The majority of statutory employment rights apply to employees only. However, certain employment law rights can apply to others, such as protection on making a protected disclosure (i.e. whistleblowing) which applies to 'workers' (a broader concept which includes contractors) and protections for agency workers.

1.3 Do contracts of employment have to be in writing? If not, do employees have to be provided with specific information in writing?

While a written contract of employment is not required, under the Terms of Employment (Information) Acts 1994 to 2012, an employer must provide its employee with a written statement setting out certain particulars of the terms of employment within two months of the commencement of that employment. Such particulars include, among others:

- full name of employer and employee;
- address of employer and place of work;
- title of job or nature of work;
- hours of work;

- date employment started; and
- details of rest periods and breaks as required by law.

Details of paid leave and rate of pay or method of calculation of pay must also be communicated to the employee, and an employer may refer an employee to other documents in this regard. However, for ease of reference they are usually included in the contract of employment.

1.4 Are any terms implied into contracts of employment?

Terms can be implied into an employment contract by legislation, any agreed collective agreements, principles of employment law (such as the implied duty of trust and confidence) or by virtue of longstanding custom and practice in either the employer in which the employee works, or the particular industry.

1.5 Are any minimum employment terms and conditions set down by law that employers have to observe?

Yes. Irish employment law regulates numerous areas of employment law, including:

- unfair dismissal;
- minimum notice;
- minimum wage rates;
- redundancy compensation;
- health and safety;
- protection for whistleblowing;
- equality and discrimination;
- maternity protection;
- adoptive and parental leave; and
- working time.

1.6 To what extent are terms and conditions of employment agreed through collective bargaining? Does bargaining usually take place at company or industry level?

There is provision for collective bargaining at both company and industry level under Irish law. Collective bargaining is more common a company level, where a trade union is recognised, than at industry level. It is more common in heavily unionised employments, such as the public sector, than the private sector.

2 Employee Representation and Industrial Relations

2.1 What are the rules relating to trade union recognition?

Employees in Ireland have a constitutional right to join a trade union but employers in Ireland are not required to recognise or negotiate with trade unions. However, there has been recent reform of the law on collective bargaining, which provides for an improved framework for workers who seek to improve their terms and conditions, where collective bargaining is not recognised by their employer. However, importantly, the voluntarist nature of the Irish industrial relations system remains and does not oblige employers to engage in collective bargaining *per se* or require formal recognition of trade unions.

2.2 What rights do trade unions have?

There is no legal obligation on an employer to negotiate with a union on behalf of an employee member, unless previously agreed. If recognised, however, trade unions may have rights to be consulted with on certain business changes, such as collective redundancies and transfers of undertakings. Trade unions also have certain statutory protections when acting in the interests of their members.

2.3 Are there any rules governing a trade union's right to take industrial action?

The rules relating to the right to take lawful industrial action are complex and trade unions must carefully follow these to avoid an employer having a right to seek an order preventing industrial action. These include an obligation to arrange a secret ballot and to provide the employer with notice of the industrial action. So long as the statutory rules are complied with, striking employees are granted certain immunities from liability which they might otherwise incur for action in contemplation of or in furtherance of a trade dispute.

2.4 Are employers required to set up works councils? If so, what are the main rights and responsibilities of such bodies? How are works council representatives chosen/appointed?

The Transnational Information and Consultation of Employees Act 1996 applies with regard to European Works Councils, and the Employees (Provision of Information and Consultation) Act 2006 applies with regard to domestic works councils. Works councils are not mandatory and can be established at the initiative of the employer or following an employee request that meets certain criteria (such as, the employer having at least 50 employees and that the request comes from a minimum threshold number of employees). If set up, the role of the works council will be determined by agreement or, otherwise, there are statutory default rules. Works councils are not common in Ireland.

2.5 In what circumstances will a works council have co-determination rights, so that an employer is unable to proceed until it has obtained works council agreement to proposals?

There are no statutory co-determination rights for works councils in Ireland.

2.6 How do the rights of trade unions and works councils interact?

There are no statutory provisions which determine the relationship between trade unions and works councils in Ireland. However, in practice, works councils are very rare in Ireland, and if a works council and recognised trade union co-existed in a workplace, it is likely that in the event of a dispute the trade union would take precedence due to its ability to institute industrial action. Furthermore, in collective consultation processes such as on a collective redundancy or transfer of undertaking, the employer would generally consult with the trade union.

2.7 Are employees entitled to representation at board level?

The Worker Participation (State Enterprises) Acts 1977 to 2001 provide for employee representation and participation at board and sub-board level in certain State enterprises. However, this is a very limited right and, in general, unless it is agreed, employees are not entitled to management representation.

3 Discrimination

3.1 Are employees protected against discrimination? If so, on what grounds is discrimination prohibited?

The Employment Equality Acts 1998 to 2015 prohibit direct and indirect discrimination on nine grounds, namely:

- gender;
- civil status;
- family status;
- sexual orientation;
- religious belief;
- age;
- disability;
- race; and
- membership of the Traveller community.

3.2 What types of discrimination are unlawful and in what circumstances?

Direct discrimination occurs if an employee is treated less favourably because of a protected characteristic. Specific protections apply in respect of discrimination in relation to:

- access to employment;
- conditions of employment;
- training or experience for or in relation to employment;
- promotion or re-grading;
- classification of posts; and
- equal remuneration for like work.

Indirect discrimination occurs where an “apparently neutral provision” puts people who share a protected characteristic at a particular disadvantage. However, indirect discrimination can be objectively justified if the employer can show that it was an appropriate and necessary means of achieving a legitimate aim.

The Employment Equality Acts also provide employees with protection against harassment and sexual harassment, as well as making it unlawful to victimise an employee who asserts their rights under the Employment Equality Acts.

Employees who suffer from a disability have the right to require the employer to put in place reasonable accommodations.

Discrimination is also not permitted when advertising for prospective employees.

3.3 Are there any defences to a discrimination claim?

There are number of technical defences available, depending on the type of discrimination alleged. In particular, in cases of indirect discrimination or when setting a compulsory retirement age, it may be possible to objectively and reasonably justify such discrimination by a legitimate aim, so long as the means of achieving that aim are appropriate and necessary.

In harassment and sexual harassment cases, while the employer may be vicariously liable for the acts of its employees, it is a defence for the employer to show that it took such reasonable practicable steps as it could to prevent the harassment.

In a disability claim, it is a defence to show that the “accommodation” required would not be reasonable.

3.4 How do employees enforce their discrimination rights? Can employers settle claims before or after they are initiated?

If the matter cannot be resolved with the employer, the employee can take a complaint to the Workplace Relations Commission.

Yes, claims can be settled before or after they are initiated.

3.5 What remedies are available to employees in successful discrimination claims?

Depending on the nature of the discrimination, an adjudicator may award one or more of the following:

- an order for equal treatment;
- an order for equal pay and up to three years’ arrears of pay from the date of the claim;
- an order for compensation of up to two years’ pay or €40,000, whichever is greater, for acts of discrimination, discriminatory dismissal and/or for acts of victimisation;
- an order for re-instatement or re-engagement;
- an order for compensation of up to €13,000 for a complainant who is not an employee of the respondent; and/or
- an order to a specified person to take a specified course of action.

3.6 Do “atypical” workers (such as those working part-time, on a fixed-term contract or as a temporary agency worker) have any additional protection?

Fixed-term employees are entitled to be treated no less favourably than a comparable permanent employee unless such treatment can be justified on objective grounds. There are also some exceptions in relation to pension entitlements. The Protection of Employees (Fixed-Term) Work Act 2003 gives fixed-term workers other rights including, in particular, rights for fixed-term employees to obtain a “contract of indefinite duration” in particular circumstances.

The Protection of Employees (Temporary Agency Work) Act 2012 affords temporary agency workers the right to equal treatment with regular workers as regards basic working and employment conditions as if they had been directly employed by the hirer under a contract of employment.

The treatment of part-time employees is governed under the terms of the Protection of Employees (Part-Time Work) Act 2001. A part-time employee has the right not to be treated in a less favourable manner than a comparable full-time employee in respect of his or her conditions of employment (with certain narrow exceptions), unless objectively justified.

4 Maternity and Family Leave Rights

4.1 How long does maternity leave last?

Female employees are entitled to take maternity leave of up to 42 weeks (26 weeks “ordinary maternity leave” and 16 weeks “additional maternity leave”) provided the employer is given at least four weeks’ notice of the commencement of that leave. The maternity leave must include at least two weeks’ absence before the birth and at least four weeks’ absence after the birth.

Female employees are also entitled to attend antenatal appointments during their working hours.

4.2 What rights, including rights to pay and benefits, does a woman have during maternity leave?

An employer is not obliged to pay the employee during maternity leave, but the state provides a maternity benefit of up to €230 per week during the first 26 weeks’ leave. The employee is also entitled to take up to 16 weeks’ additional maternity leave at her own expense.

Save for rights to remuneration, women’s employment rights are preserved during periods of maternity leave, i.e. the period of leave is reckonable service for employment rights purposes. If general pay or other conditions have improved while on maternity leave then she is entitled to these benefits on return to work. Dismissals arising from taking maternity leave are deemed automatically unfair and any attempted dismissals during a period of maternity leave are void.

4.3 What rights does a woman have upon her return to work from maternity leave?

An employee is entitled to return to work to the same job with the same contract of employment. If this is not reasonably practicable, then the employer must provide suitable alternative work on terms not substantially less favourable than those of the previous one.

4.4 Do fathers have the right to take paternity leave?

A new paternity benefit of two weeks was announced in Budget 2016, which is expected to be introduced in respect of births from September 2016. Subject to the employee’s social insurance contributions, it will be paid at €230 per week.

In conjunction with the paternity benefit, the statutory entitlement to take the paternity leave will be introduced in parallel.

Some employers already provide a period of paid leave from work for male employees following the birth or adoption of their child.

4.5 Are there any other parental leave rights that employers have to observe?

Adoptive leave and parental leave (including *force majeure* leave) are available. Carer's leave is also available.

4.6 Are employees entitled to work flexibly if they have responsibility for caring for dependants?

The Parental Leave Acts 1998 and 2006 give parents the right to 18 weeks' unpaid leave for each child. The leave must be taken before the child is eight years old (subject to extension for an adopted child or a child with a disability or long-term illness) and can be taken as a continuous period, in portions or, with the agreement of the employer, by working reduced hours.

Employees who have been employed for a minimum period of 12 months can in limited circumstances take between 13 and 104 weeks' unpaid carer's leave to care for an incapacitated dependant. State carer's benefit or carer's allowance may be payable.

An employee can take *force majeure* leave on full pay for urgent family reasons owing to an injury or illness requiring the employee's immediate presence. The employee can take three days in any 12-month period, with a maximum of five days in any 36-month period.

5 Business Sales

5.1 On a business sale (either a share sale or asset transfer) do employees automatically transfer to the buyer?

On a share sale, where there is no change in employer, the employees' employment simply continues with the same employer with no change in terms and conditions. Under the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 ("TUPE"), on a business transfer (primarily asset sales or changes in service providers), employees may automatically transfer to the purchasing entity along with the business and assets.

5.2 What employee rights transfer on a business sale? How does a business sale affect collective agreements?

On a share sale, employees continue on the same terms and conditions with no change.

On an asset sale to which TUPE applies, all rights and obligations arising from contracts of employment (with an exception for certain pension rights), as well as any rights under collective agreements, are automatically transferred to the transferee.

5.3 Are there any information and consultation rights on a business sale? How long does the process typically take and what are the sanctions for failing to inform and consult?

There is no legal requirement to consult with employees ahead of a share sale unless there is an agreement to do so (for example, in a collective agreement or in a works council agreement).

The European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 govern transactions involving the sale of businesses or assets. Under these Regulations the transferor

and transferee must inform, and in certain circumstances consult with, the representatives of affected employees. This process must commence, in most cases, at least 30 days prior to the date of transfer.

An employee or their trade union (or certain others) can make a complaint in respect of a contravention of the TUPE Regulations. Compensation not exceeding four weeks' remuneration may be awarded for a breach of the information and consultation obligations, and compensation not exceeding two years' remuneration may be awarded for a breach of any other provision of the TUPE Regulations, as well as reinstatement or re-engagement, if appropriate.

5.4 Can employees be dismissed in connection with a business sale?

Not unless for "economic, technical or organisational reasons".

5.5 Are employers free to change terms and conditions of employment in connection with a business sale?

Harmonisation of employment terms can only be implemented post-transfer with the employees' agreement.

6 Termination of Employment

6.1 Do employees have to be given notice of termination of their employment? How is the notice period determined?

Under the Minimum Notice and Terms of Employment Acts 1973 to 2005, minimum statutory notice periods apply to all employees who have completed 13 weeks of continuous service with the employer. The duration of statutory notice required will depend on the length of service of the employee (between one and eight weeks). The employment contract can, and frequently does, set out longer periods.

6.2 Can employers require employees to serve a period of "garden leave" during their notice period when the employee remains employed but does not have to attend for work?

Yes, but only if provided for in the employment contract.

6.3 What protection do employees have against dismissal? In what circumstances is an employee treated as being dismissed? Is consent from a third party required before an employer can dismiss?

The Unfair Dismissal Acts 1977 to 2007 provide an employee with a means of questioning the fairness of a dismissal. The rights under these Acts generally only apply once the employee has one year's service (exceptions apply).

The Employment Equality Acts 1998 to 2012 protect employees from discriminatory dismissal.

Wrongful dismissal is a dismissal in breach of contract where an employee can bring a common law claim in the civil courts. Such a breach may include a breach of an employee's fair procedure rights. Employees may seek an injunction restraining a dismissal if the dismissal would be a wrongful dismissal.

Employees can also seek to restrain a dismissal if the dismissal is by reason of the employee having made a 'protected disclosure' (i.e. if a whistleblower).

The consent of a third party is not required in order to dismiss an employee.

6.4 Are there any categories of employees who enjoy special protection against dismissal?

Usually, an employee must have one year's continuous service with an employer in order to rely on the Unfair Dismissals Acts 1977 to 2007. However, in certain circumstances this is not necessary. This includes situations where dismissals are connected with certain specific matters, such as: pregnancy; religion; politics; race; age; having made a protected disclosure; or trade union membership/activity. Dismissal on any of these grounds is deemed automatically unfair.

Furthermore, any attempted dismissal while an employee is on a period of protective leave (e.g. maternity leave, adoptive leave, etc.) is void.

6.5 When will an employer be entitled to dismiss for: 1) reasons related to the individual employee; or 2) business related reasons? Are employees entitled to compensation on dismissal and if so how is compensation calculated?

It is permissible for an employer to dismiss an employee in accordance with his or her notice entitlement. However, under the Unfair Dismissals Acts 1977 to 2007, a dismissal shall be deemed not to be unfair if it results wholly or mainly from one or more of the following:

- the capability, competence or qualifications of the employee for performing work of the kind which he or she was employed by the employer to do;
- the conduct of the employee;
- the redundancy of the employee;
- that the employer was prohibited by statute from continuing to employ the individual in the job; and
- that there were some other substantial grounds justifying the dismissal.

Where the termination of employment arises by reason of redundancy, the employer is required under the Redundancy Payments Acts 1967 to 2014 to make a statutory redundancy lump sum payment to the employee where the employee has accrued 104 weeks' continuous service. Employers may also make an *ex gratia* payment in addition to the statutory lump sum; however, there is no legal obligation on employers to do so.

6.6 Are there any specific procedures that an employer has to follow in relation to individual dismissals?

Under the Unfair Dismissals Acts 1977 to 2015, employers must act "reasonably" and afford employees full and fair procedures in relation to any dismissal. Employers should have regard to the Code of Practice on Grievance and Disciplinary Procedures (SI 146 of 2000). In order for an employer to dismiss an employee (even in circumstances of gross misconduct), the employer is required:

- to have a clear and documented procedure in place, which is fair and reasonable; and
- to follow that procedure.

The general principles of "full and fair" procedures and "natural justice" include, but are not limited to:

- an entitlement to be accompanied to meetings;

- access to documentary evidence;
- compliance with the principle of proportionality;
- confidentiality; and
- allowing employees an opportunity to respond to allegations against them.

6.7 What claims can an employee bring if he or she is dismissed? What are the remedies for a successful claim?

The primary remedy available to employees is under the Unfair Dismissals Acts 1977 to 2007. If the dismissal is found to have been unfair, the employee may be reinstated or re-engaged or, more commonly, may receive compensation for the loss of earnings caused by the dismissal. Generally, the maximum compensation is two years' pay unless the dismissal followed the making of a protected disclosure within the meaning of the Protected Disclosures Act 2014 where the maximum compensation is five years' pay. If the dismissal is a discriminatory dismissal, then the employee can bring a claim under the Employment Equality Acts, under which damages of up to two years' remuneration can also be awarded.

If a wrongful dismissal, or if the dismissal is by reason of having made a protected disclosure, the employee can seek to restrain the dismissal.

6.8 Can employers settle claims before or after they are initiated?

Yes, claims can be settled at any time.

6.9 Does an employer have any additional obligations if it is dismissing a number of employees at the same time?

There are special statutory rules for collective redundancies. Collective redundancies arise where, during any period of 30 consecutive days, the number of employees being made redundant are:

- five employees where 21–49 are employed;
- 10 employees where 50–99 are employed;
- 10 per cent of the employees where 100–299 are employed; or
- 30 employees where 300 or more are employed.

The employer is obliged to enter into consultations "with a view to agreement" with employee representatives. These consultations must occur at least 30 days before the notice of redundancy is given and should consider whether there are any alternatives to the redundancies. The employer is required to provide specific information in writing to the employee representatives and the Minister for Jobs, Enterprise and Innovation.

6.10 How do employees enforce their rights in relation to mass dismissals and what are the consequences if an employer fails to comply with its obligations?

An employee (whether directly or through their representatives) may bring a claim for failure to inform and consult on behalf of the affected employees. If successful, compensation of up to four weeks' remuneration may be awarded to each affected employee.

Breach of collective redundancy consultation is also an offence.

7 Protecting Business Interests Following Termination

7.1 What types of restrictive covenants are recognised?

Express covenants which protect an employer's legitimate proprietary interests (such as customer connections or goodwill, trade secrets or confidential information) are recognised.

7.2 When are restrictive covenants enforceable and for what period?

Post-termination restrictive covenants are presumed unenforceable as a restraint of trade and are contrary to public policy, unless:

- they go no further than is reasonably necessary in scope, duration and geographical extent to protect an employer's legitimate proprietary interests; or
- they do not otherwise offend public policy.

If the covenant specifies a period that is longer than necessary to protect the employer's legitimate business interests, then a court may strike down the clause in its entirety as unenforceable. This is very much case specific depending on the facts but the generally recognised maximum is 12 months (and only then for the most senior employees).

7.3 Do employees have to be provided with financial compensation in return for covenants?

No, although the agreement under which these are set out must contain consideration to make these contractually binding.

7.4 How are restrictive covenants enforced?

Where an employer is aware of an actual or potential breach of restrictive covenants and where appropriate undertakings cannot be obtained from the employee, proceedings can be brought to seek an order seeking enforcement of restrictive covenants in the High Court. These proceedings are taken as an interlocutory injunction and will be heard within a number of weeks of an action commencing.

Damages may also be awarded for breach of these covenants.

8 Data Protection and Employee Privacy

8.1 How do employee data protection rights affect the employment relationship? Can an employer transfer employee data freely to other countries?

The Data Protection Acts 1988 and 2003 regulate how employers collect, store and use personal data held by them about their employees (past, prospective and current). More onerous obligations are imposed in respect of sensitive personal data. Infringement of the Acts can lead to:

- investigation by the Data Protection Commissioner;
- court levied fines of up to €100,000; and/or
- compensation claims from affected employees.

Employers should not provide employee data to third parties otherwise than in accordance with the principles and processing conditions set out in the Acts. It may be necessary to obtain express consent from the employee to such disclosure in the absence of a legitimate business purpose for the disclosure and depending on the nature of the information and the location of the third party. Where the data is being transferred to a third party within the EEA, a written contract should be entered into whereby the recipient agrees to process the data in accordance with the instructions of the transferor and comply with the security obligations set out in the Acts. Where the third party is based outside the EEA, the Acts prohibit the transfer of data unless that country ensures an adequate level of protection for personal data or one of a series of limited exceptions apply.

8.2 Do employees have a right to obtain copies of any personal information that is held by their employer?

Under the Data Protection Acts 1988 and 2003, employees, as data subjects, may make a subject access request which entitles them, subject to certain limited exceptions, to:

- be informed as to what personal data is held about them and to whom it is disclosed;
- obtain a copy of their personal data; and
- have personal data amended or deleted if incorrect.

8.3 Are employers entitled to carry out pre-employment checks on prospective employees (such as criminal record checks)?

Employers must comply with fair collection and processing obligations under the Data Protection Acts. Potential employees should be notified of the nature and extent of background checks. Either their consent should be obtained or the processing must be necessary in the employer's legitimate interests when balanced against the rights of the potential employee. It is an offence to require an employee to lodge data access requests for the purpose of obtaining a background check.

8.4 Are employers entitled to monitor an employee's emails, telephone calls or use of an employee's computer system?

Employers may only do so where the right to do so is set out and communicated under a policy of which employees are made aware. All such monitoring is subject to compliance with the Data Protection Acts and must therefore be proportionate and in pursuit of the employer's legitimate interest. Certain types of monitoring may also be subject to the Postal and Telecommunications Services Act 1983 and the EC (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011. In order to comply with the Data Protection Acts, employees should be notified of any monitoring that may be carried out, as well as its purpose.

8.5 Can an employer control an employee's use of social media in or outside the workplace?

Yes, provided an employer has a relevant and reasonable social media policy which is notified in advance to employees.

9 Court Practice and Procedure

9.1 Which courts or tribunals have jurisdiction to hear employment-related complaints and what is their composition?

Save for claims for wrongful dismissal (which go before the civil courts), an adjudication officer of the Workplace Relations Commission hears most employment law complaints at first instance.

9.2 What procedure applies to employment-related complaints? Is conciliation mandatory before a complaint can proceed? Does an employee have to pay a fee to submit a claim?

A claim form is submitted to the Workplace Relations Commission. No fee is applicable. Voluntary mediation may be available (if the Workplace Relations Commission deem the case appropriate for mediation).

9.3 How long do employment-related complaints typically take to be decided?

Up to recently employment cases took approximately 18 months until a first hearing, with decisions only issuing a few months

thereafter. However, since the establishment of the Workplace Relations Commission in October 2015, recent cases have come on for hearing within approximately two months, with decisions issuing one month to six weeks later.

9.4 Is it possible to appeal against a first instance decision and if so how long do such appeals usually take?

There is an appeal to the Labour Court. Depending on the circumstances of a case, appeals can be heard and decided within six to 12 months.

A further appeal on a point of law only then lies to the High Court. These cases can take one to two years to be heard and decided.

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