

MP 905/2019: CHANGES IN PRIOR INSPECTION, STOP WORK ORDERS,  
AND HALT WORK ORDERS FOR COMPANIES

18 NOVEMBER 2019

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Companies no longer need to be inspected by the competent labor authority in order to begin their operations and/or undertake structural changes. Executive Order No. 905/19 (MP 905), which instituted the Green and Yellow Employment Contract, repealed article 160 the Consolidated Labor Laws (CLT), which contained rules relating to the inspection of companies before they may start operations.

Effective since November 12, the date of publication of MP 905, the change reduces bureaucracy and optimizes the process of business operation, especially new establishments.

Article 160 of the CLT mandated that no new establishments could begin operations without a prior inspection and approval of their premises by the regional occupational safety and health authority responsible for the matter. The provision also established that any substantial modification to the facilities, including equipment, should be reported to the Regional Labor Office for a new inspection to be conducted.

Accordingly, establishments no longer need to be inspected by the competent labor authority in order to begin their activities and/or undertake structural changes. This reduces bureaucracy and optimizes the process of business operation, especially new establishments.

Another provision that has been modified is article 161 of the CLT, which deals with the stop work orders and work halt orders for activities, establishments, sectors, machinery, or equipment.

Although unnecessarily, the MP included in article 161 of the CLT assigning the topic (stop work orders and halt work orders) to regulations by the Special Bureau of Social Security and Labor of the Ministry of Economy (SEPRT). Currently, the issue is addressed, within the scope of SEPRT, by Regulatory Standard No. 3 (which establishes the guidelines for finding serious and imminent risk and objective technical requirements for stop work and work halt orders) and by SEPRT Ordinance No. 1,069/19 (which regulates stop work and halt work orders).

Another amendment of the MP was the modification of paragraph 2 so as to eliminate the provision that allowed labor inspection agents or trade union entities to request stop work and halt work orders. A request is not to be confused with the possibility of actually issuing stop work and halt work orders; SEPRT Ordinance No. 1.069/19 expressly authorizes labor inspection agents to do so.

The MP also established a deadline (until then nonexistent in the CLT) of five business days, counted from the filing, for a review of appeals filed against stop work and halt work orders. SEPRT Ordinance No. 1.069/19 already established various deadlines to be complied with in proceedings relating to stop work and halt work orders, including a longer period for review of the appeal. There are no sanctions in the law or the ordinance for non-compliance with the deadlines, but non-compliance may be used as an argument for judicial measures to challenge the stop work and halt work orders.

The changes in article 161 of the CLT regarding stop work and halt work orders come into force only 90 days after the publication of MP 905.

We will cover the main changes of MP 905 in the next articles in this series. [Click here](#) to read our other analyses on the topic.

