SEARCH THIS WEBSITE

Home Latest News Projects EAPM newsletter About EAPM Member Countries EAPM Congress 2015 Calendar of Events Contact Us Jobs



The European Association for People Management (EAPM) was founded in 1962. The Association forms an umbrella body of national organisations which represent HR professionals. It is purely professional and specialist in nature. It is an experience exchange organisation without profit-related objectives. It is independent of all employers, trade union, state or political bodies. This website shares news, details of upcoming events and calendar dates, and information from our member organisations.

Welcome! Bob Morton, President

#### LATEST NEWS

# Posting of workers in Europe

Free movement of workers within the European Union. Limitations that apply as of January 1, 2017.

Temporary assignments of workers within the European Union has become less simple since the beginning of this year. Almost all EU member states have adopted rules and regulations, merely under the flag of social equality, that practically restrict assignments from EU nationals to other EU member states. Any violation may be heavily sanctioned. Beware of these new rules. For more information please click here

#### **UPCOMING EVENTS**

MAY

all-day HR Centar - Human

5 Resources Summit Fri

(http://www.eapm.org/event/humanresources-summit/?instance\_id=409)

(http://w ww.eap m.org/e vents/a ction~o neday/e xact\_da te~5-5-

2017/)

all-day NVP - National HR

Conference @ Breukelen, Netherlands

(http://w (http://www.eapm.org/event/nationalww.eap hr-conference-2/?instance\_id=411) m.org/e vents/a

MAY 8 Mon

2017/) MAY 15

ction~o

neday/e xact\_da te~8-5-

> all-day APG - International Coaching Week @ Lisbon and Porto, Portugal

Mon (http://w ww.eap

(http://www.eapm.org/event/internatio nal-coaching-week/?instance id=410)

m.org/e vents/a ction~o neday/e xact\_da te~15-5-2017/)

> JUN 15

all-day NVP - HRM promotes

(http://w ww.ean m.org/e vents/a

innovation ca... (http://www.eapm.org/event/hrmpromotes-innovation-capacity/? instance\_id=412)



1/3 http://www.eapm.org/



### Posting of workers in Europe, as of January 1, 2017

Free movement of people and services is one of the essential principles of the European Union (EU). Europe consists of 50 jurisdictions, of which currently 28 are EU and 3 are part of EFTA or EVA (together the European Economic Area).

Almost every European jurisdiction has issued rules and regulations related to the posting of workers, the temporary movement of employees / workers from country A to Country B. The idea behind this posting framework of rules and regulations is equality between local and foreign hired labor, whereby a safe and sound employment environment is observed, as well as working hours, time off and remuneration, as customary in the country involved. A measure of protection for workers, however in practice also for a country's own labor market.

All - but 1 - EU jurisdictions now have implemented national rules and regulations pertaining to the posting of workers. Based on EU directives (see note 1) and aiming for uniformity, a variety of rules was born.

In some jurisdictions, a posting of less than 8 calendar days is precluded from advance notification, if and when activities are restricted to e.g. business meetings or installation of technical equipment or machinery. However, exceptions apply, for instance Belgium and Cyprus require advance notification, irrespective of the posting's duration. Some countries, like Moldavia, Russia and Ukraine, require application and issuance of a work permit for postings, whether or not accompanied by an advance notification.

These are administrative formalities, which – depending on the framework of applicable formalities – can be experienced as obstacles; documentary obstacles which may cause delays in execution of services abroad.

## Appointment of a local (external) representative

In a number of EU member states - amongst which France, Italy, Poland, Slovakia and Spain - the appointment of a local representative in case of a posting is mandatory. Depending on national requirements, the representative is (1) responsible for and needs to be able to produce relevant documentation pertaining to the posted worker, and is (2) responsible for communication with government and unions.

A number of member states applies a derivative kind of appointed local representatives; also a posted worker present at a site can act as such.

#### Who are subject to this posting related framework of rules

Amongst others suppliers of equipment (rental, sales, events) and of machinery, who provide repair and maintenance services per contract.

# In general

With some exceptions, notifications are processed through a user account, on-line or otherwise, e.g. by fax. France still accepts fax notifications, however those would need to be reconfirmed on-line. Malta and Slovakia accept notifications by mail, however as such no acknowledgement of receipt is generated.

Notification forms usually are drafted solely in the language of the European country involved.



In general, a notification is to be done prior to commencement of services by the posted worker in the foreign country.

Notification can be done just a day prior to commencement, or same day (e.g. Austria and Romania). Sometimes, a minimum notification period applies, for instance 24 hours prior (Italy) or at least a week beforehand. In some countries, a notification may be done after commencement of activities (Norway).

Sometimes, notifications are not required, e.g. when services are performed pertaining to the erection or commissioning of foreign purchased machinery (Luxembourg). In light of that specific activity, a foreign country's minimum salary requirements may be set aside, subject to provision of services during a limited period of time (Malta).

Documents that contain information about the employment position, salary, working hours etceteras, should be drafted or translated in the language of the foreign country, the country to which the worker is posted. Depending on the foreign country, this may involve a translation of essentials, a full translation of the employment agreement, or even a fully translated version thereof certified by a sworn translator. Sometimes, documents even require legalization and or apostilling (Moldova).

Posted workers need to carry and, upon request be able to present, at least the following documents:

- Employment agreement (or similar, e.g. when it involves an independent contractor)
- Salary stub
- Proof of salary payment (in home country)
- Schedule of working hours (in country of posting)
- A1 form (proof of social insurance in home country)
- ID (e.g. passport)

An additional European Health Insurance Card (EHIC) may be required (a.o. Portugal).

Employees and independent contractors are treated differently<sup>1</sup>.

Usually, a notification is not followed by a confirmation of receipt; the printed notification e-mail, screenshot or fax may serve as proof of notification, and needs to be shown upon request by appropriate, foreign authorities. Some countries do provide the requester with a confirmation (a.o. Belgium, Germany and Slovenia) or enable on-line notification verification through a user's account (Hungary).

<sup>&</sup>lt;sup>1</sup> In principle, the applicable EU directive (2014/67/EC Enforcement Directive related to the 96/71/EC Posting of Workers Directive) is meant for employees. Germany, Austria and France have indicated not to apply the directive to independent contractors. The directive itself clearly warns for potential misuse by so-called independent contractors, avoiding mandatory social requirements. If the notification isn't done by the principal, then the independent contractor becomes responsible for any such formalities. In general, the independent contractor's principal remains responsible.



Documents pertaining to postings and notifications may be requested by appropriate government agencies during, and - sometimes even up to 2 years - after completion of a posting (a.o. Poland).

#### **Real differences**

Most European countries apply - not equal but - similar requirements related to postings. Particularities apply in amongst others Norway, Ukraine and Russia. Postings as such are unknown in Russia; a similar principle, called Outsourcing, is applied. For which a work permit is required, independent of the period of posting, even for just 1 day's work. Not obvious for temporary services on behalf of a foreign employer with a Russian customer (the latter not being the posted worker's employer). A similar procedure is applied in Ukraine. Subject to strict conditions, Montenegro allows for postings, not exceeding 30 days of work. Macedonia allows for a maximum 60 days' period; any time thereafter requires a work permit issued on the Macedonian 'employer' (customer). In the Czech Republic not the foreign, posting employer, but the Czech receiver of posted services is responsible for notification formalities.

#### **VAT** requirements

A number of countries apply another restriction on free movement of goods and services. In a way that those may be traded freely in essence, however whereby another registration requirement is imposed, i.e. a foreign VAT registration.

Such requirement generally comes to life at achievement of a certain turnover by a company from EU country Y in EU country Z.

Norway imposes such VAT registration requirement if and when a foreign EU company achieves an annual turnover in Norway of NOK 50.000 or more; Switzerland is more lenient and puts the threshold at CHF 100.000. Luxembourg zealously starts at € 0,01.

When a company doesn't have a permanent establishment in such country, normally a local (fiscal) representative is to be appointed. In order to stimulate compliance with a foreign country's VAT rules, a deposit may be required, by way of bank guarantee or bank transfer.

#### **Immigration registration**

In most EU countries, it is mandatory to register with the aliens police, if a person's employment and stay will, or are expected to, exceed 3 months.

#### **Sanctions**

An employer who posts employees to another European country almost always needs to comply with certain posting associated requirements, amongst which a notification requirement in the foreign country, a VAT registration and possibly an employee's registration with the foreign country's aliens police. Non-observance of such requirements may result in penal or administrative sanctions, amongst which financial sanctions (fines) varying from € 2.500 to € 500.000 for the employer, the employee as well as the foreign receiver of posted services.

Page 4 of 4 https://vviworld.net



#### **Conclusion**

The European market is as open and free as it can practically be. However, also within the European Union, internationally operating businesses are faced with hurdles, which can be taken, however with care. Such hurdles are not always business-friendly, but deemed necessary.

VAN VELZEN C.S. | GLOBAL MOBILITY OFFERS ITS CLIENTS MODULES (ADVICE, CHECKLISTS, REGISTRATIONS, NOTIFICATIONS, LOCAL REPRESENTATIVES) RELATED TO POSTINGS THROUGHOUT EUROPE. VAN VELZEN C.S. GLOBAL MOBILITY WORKS WITH, AND IN ADDITION TO, ITS CLIENTS' HR DEPARTMENTS.

#### Note

THE FOREGOING IS NOT TO BE CONSIDERED EXHAUSTIVE. THE CONTENTS OF THIS ARTICLE IS OF GENERAL AND INFORMATIVE NATURE EN IS NOT MEANT TO SERVE AS (LEGAL) ADVICE FOR MIGRATION OR BUSINESS PURPOSES. NO RIGHTS ARE TO BE DERIVED FROM THE CONTENTS OF THIS ARTICLE.

THIS ARTICLE WAS FINISHED ON APRIL 3, 2017

© Hans A. van Velzen, April 2017

VAN VELZEN C.S. | GLOBAL MOBILITY NETHERLANDS | BELGIUM HTTPS://VVIWORLD.NET

E-MAIL: LEGAL@VVIWORLD.NET