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MANDAT news

In the April issue includes:
Act on Cross-Border Cooperation during Posting of Employees

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ACT ON CROSS-BORDER COOPERATION DURING POSTING OF EMPLOYEES

On 18 June 2016, **the Act on Cross-border Cooperation during Posting of Employees for Work during Service Provision** (hereinafter the "Act") will take effect along with other legislation regarding control over employment and compliance with employment conditions - the Labour code and the Act on Illegal Work and Illegal Employment.

The purpose of the Act is to ensure a more effective fight against illegal work, illegal employment and circumvention of employment regulations. It is also intended to fight against shell companies established abroad.

The subject of the new Act is **cross-border cooperation** between the relevant Slovak authority, which is **the National Labour Inspection office, and relevant bodies in other EU member states** or states which are parties to the Agreement on the European Economic Area during control over compliance with rules for posting employees, provision of services and related duties of the Labour Inspection Office.

The Act regulates the powers of the National Labour Inspection Office during:

- **Cross-border cooperation with relevant bodies in other member states,**
- **Control over compliance with rules for posting employees,**
- **Identification of posting and enforcement of fines.**

Signs of posting are exactly defined in the Act. If posting is actually involved, all of these signs must exist. Fulfilment of the signs shall be evaluated on the Slovak side by the Labour Inspection Office.

Pursuant to the Act, it shall be determined whether an employer actually "functions" in a different member state or is a "shell company" established for the purpose of circumventing requirements to which the particular employer would be subject if it had its registered seat in Slovakia. It is important in particular to determine whether the employer actually does business in a different member state and, for example, what turnover it achieves in the particular member state.

The Act defines the administrative requirements for employers who post employees to Slovakia to work during cross-border provision of services.

It covers the administrative requirements, which the posting employer must fulfil, so that control bodies (labour inspection offices) can effectively check compliance with legal regulations, in the case of employees posted to work in Slovakia from another member state.

The posting employer must notify the National Labour Inspection Office of its identification details, basic information about the assignment, including the number of posted employees, their identification details, the start and finish dates of the assignment, the work performance location, the type of work, etc.



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The posting employer shall be required for the duration of the posting **at the work performance location** to keep on file (for potential examination by the Labour Inspection Office) the employment contract or another document confirming the employment relationship and to keep records of work periods and keep documents on file regarding paid wages.

A new requirement is a notification requirement from an employer in Slovakia, according to which **before an employee is sent to another member state** the employee must be provided with details regarding the work and employment conditions that will apply to the work for the duration of the posting abroad.

The Act defines the process to be followed for delivery of decisions regarding imposition of fines by the relevant body of another member state via the national Labour Inspection office on a domestic employer.

The National Labour Inspection office and local labour inspection offices are entitled for the purposes of this Act to process personal data even without the consent of the persons involved.

In this newsletter, we have provided just some of the information from the new Act on Cross-Border Cooperation during Posting of Employees. However, this Act results in a large number of administrative requirements for business operators who send to or accept employees from other member states of the EU and EEA. If you are interested in receiving more detailed information, please contact us.



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NOT TO BE MISSED

Important Dates

Overview of important dates in the period from April to June 2016 can be found on our website: <http://www.mandat.sk>



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ABOUT US

The companies **MANDAT CONSULTING, k.s.** and **MANDAT AUDIT, s.r.o.** were founded in 2004 as tax advisory and auditing companies. Since their establishment, they have been providing small, medium-sized and companies active in Slovakia with services in the field of tax consultancy, audit and accounting. Long-lasting cooperation with foreign advisory companies hand in hand with the competence of Slovakian tax advisors and auditors enables us rendering our service to the clients originated from abroad.

In present time, 41 well trained members of our staff are at the disposal to our clients.

Information provided in this material are only of a cursory nature. **MANDAT CONSULTING, k.s.** assumes no liability for any decision taken on the basis of this issue.

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