

AEIP position paper on the EC proposal for single digital declaration portal to reduce administrative burden for posting workers

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The <u>European Association of Paritarian Institutions (AEIP)</u> views positively the European Commission's proposal to establish a single digital declaration portal for posted workers (eDeclaration). This initiative represents a step forward in enhancing administrative cooperation between Member States by expanding the capabilities of the Internal Market Information System (IMI) as well as reducing administrative costs for companies posting workers. By fostering procedures through a multilingual and user-friendly platform, the proposal addresses long-standing barriers to information accessibility posed by 27 distinct national systems, each with varying structures, layouts, and languages.

In supporting this initiative, AEIP highlights the important role of sectoral paritarian funds in helping companies and workers involved in posting to comply with existing regulations and ensure fair mobility. European legislation governing workers' posting to provide services abroad requires notifying the authorities in the destination country and adhering to applicable provisions on remuneration and working conditions, as set out in Directive 96/71/EC and amended by Directive (EU) 2018/957, particularly when these provisions are more favourable to the worker. These requirements often include registration with national sectoral paritarian funds for construction workers, established through collective agreements by social partners. Examples include BUAK (Austria), CIBTP (France), Casse Edili/Edilcasse under coordination of CNCE (Italy), Constructiv (Belgium), and SOKA-BAU (Germany).

This harmonisation presents an opportunity to reduce administrative burdens for companies, particularly in the construction sector, where labour mobility is notably high. By streamlining procedures, this initiative could not only save time and resources but also strengthen compliance with EU rules, fostering fair mobility and ensuring that workers' rights are effectively protected across borders. AEIP strongly supports this approach as a mean to both ease administrative complexities and enhance fair posting conditions.

To fully realise its potential and maximise its benefits, AEIP would recommend the following measures, building on the European Commission's proposal:

1. Not replacing but building on existing national systems

AEIP acknowledges the challenges posed by the 27 distinct national systems; however, it is important to note that a fully standardised system applicable uniformly across all member states could limit its effectiveness in enforcing rules and ensuring fair posting. According to Article 1.2, AEIP supports the optional nature of the interface, recognising that many countries already operate well-functioning systems. These systems, often developed through collective agreements by social partners, effectively address national and sectoral needs. For example, social ID cards in the construction sector, such as the BAUID in Austria, the Carte BTP in France, and the Construbadge in Belgium, have proven highly effective. The BAUID and Carte BTP provide swift access to key information about workers' employers and contracts, including PDA1 forms and posting declarations, securely stored within the card's chip. Similarly, the Construbadge complements Belgium's LIMOSA registration system for posted workers.

Given the demonstrated effectiveness of these systems, AEIP advises the European Commission that, when a Member State opts to utilise the public interface, it should incorporate and build upon pre-existing systems rather than replacing them, as outlined in Article 1.3 of the proposal. For Member States choosing not to adopt the E-declaration system, AEIP urges the European Commission to ensure their national systems are fully interoperable within the IMI to both safeguard the fair posting of workers and competitiveness across the Internal Market.

2. The interface should reduce the administrative burden safeguarding fair posting and competitiveness AEIP supports the interface's functionalities outlined in Article 2 of the proposal, particularly point 1, as they can significantly reduce the administrative burden for service providers while ensuring a more efficient and transparent process. The proposed measures, such as secure account creation, streamlined submission and management of posted worker declarations, and improved information sharing through IMI, are essential to addressing inefficiencies in the current system.

In relation to Article 2.1(d), which states that "the public interface shall provide functionality for: transmitting a copy of the posting declaration to the posted worker," AEIP strongly recommends making the sharing of a copy of the declaration mandatory. This would ensure that posted workers are genuinely informed participants in the procedure, enabling them to exercise their rights effectively. Without this requirement, the provision risks being merely a "possibility," as described in the paragraph "Reducing administrative burden for service providers" within the section "Reasons for and objectives of the proposal."

Data inconsistencies between A1 certificates and posting declarations, as identified in the European Commission's study "Posting of workers, collection of data from the prior notification tools - Reference year 2019" (Paragraph 3.8), indicate a risk of widespread noncompliance. To mitigate this risk and strengthen enforcement, AEIP recommends that the interface integrate existing initiatives related to the issuance and verification of A1 certificates, such as ESSPASS and DC4EU. This would ensure better alignment between PDA1 and posting declarations and enhancing compliance.

AEIP supports digitalisation as a tool to enhance compliance and enforcement, particularly in cross-border situations, by streamlining reporting processes and improving real-time monitoring. By enabling timely and accurate document submission, Article 2 of the proposal could strengthen enforcement and compliance with posting rules as well as reduce social dumping and frauds. This would be in line with Article 9(1) of the 2014/67 Enforcement Directive stating that the aim of requirements and control measures such as a posting declaration is "to ensure effective monitoring of compliance with the obligations" with a view to collect "information necessary in order to allow factual controls at the workplace".

¹ European Commission, Posting of workers, collection of data from the prior notification tools - Reference year 2019 – for further information see here.

AEIP also stresses the need for stronger cross-border cooperation. Targeted inspections to tackle non-compliance, along with better coordination between national authorities, are essential to ensuring fair competition and effective enforcement. AEIP calls on policymakers to prioritise these measures to create a more transparent and enforceable posting framework.

Last but not the least, to enhance compliance with posting rules, reduce administrative burdens, and safeguard fair competition, AEIP highlights the Italian DURC (Documento Unico di Regolarità Contributiva) as a model for establishing a similar EU-level system. In line with Article 5(a) of Decision No A2 (2009)², which underscores the role of competent institutions in verifying social security compliance, a DURC-like mechanism at the EU level could provide a standardised, digital verification tool for posted workers and service providers. Such a system would ensure that companies meet their social security obligations before engaging in cross-border activities, thereby reducing the risk of fraud and non-compliance. By integrating with existing tools like ESSPASS and DC4EU, this approach would reinforce enforcement, facilitate verification procedures and enhance transparency in the posting process.

3. Expanding the required information to ensure fair posting of workers

AEIP supports the information provided in the standard form outlined in Article 5 and the standard for posting declarations. To further ensure fair working conditions and fair posting of workers, the European Commission could consider expanding the required set of information to include the following areas:

- Working conditions and remuneration: details on applied collective agreements, wages (including allowances and overtime), working hours, rest periods, and leave entitlements.
- **Social security and insurance**: confirmation of A1 certificate coverage and information on additional insurance (e.g., health and accident).
- **Health and safety compliance**: assurance of health and safety training aligned with host country requirements and contact details for the responsible officer.
- **Duration and nature of posting**: clear start/end dates, including potential extensions, and precise work location(s).
- Accommodation: information on provided housing and compliance with local standards.
- **Travel and subsistence Costs**: confirmation of responsibility for travel expenses, subsistence allowances, and related costs.

AEIP advises EU policymakers to maintain ongoing collaboration with national sectoral social partners who have a deep understanding of the specific needs of both companies and workers involved in posting. Their

² Decision No A2 of 12 June 2009 concerning the interpretation of Article 12 of Regulation (EC) No 883/2004 of the European Parliament and of the Council on the legislation applicable to posted workers and self-employed workers temporarily working outside the competent State; article 5(a) – for further information see here.

expertise in sectoral and national contexts will ensure that the information provided through the interface is relevant and effective for all stakeholders.

4. Expanding access to data for national sectoral paritarian funds to strengthen compliance and cooperation

AEIP recommends extending the possibility outlined in Article 5.8 for Member States to permit the competent national authority to provide not only national social partners but also, where applicable, national sectoral paritarian funds with access to relevant information from the IMI system, including explicit reference to posting declarations.

In several countries, paritarian funds of the construction sector intermediate elements of remuneration applicable to posted workers according to legislation and/or collective agreements of the host country, most notably holiday pay. This takes place normally upon registration and monthly payments by the company to the fund. Yet, according to bilateral agreements covering Austria, Belgium, Denmark, France, Germany, and Italy, it is possible for companies to apply for an exemption from payment in the host country, upon verification of compliance with due payments in the sending country.

In the light of the above, and considering that in many countries paritarian funds do access current declaration of posting for the clear interest at stake, this extension can support:

- Enhanced compliance monitoring and prevention of social dumping: access to the e postingdeclarations enables paritarian funds to effectively verify the enrolment of sending undertakings in the schemes, and to ensure this way payment of intermediated elements of remuneration to the workers as per host country provisions, thus mitigating risks of social dumping and downward competition driven by cross-border mobility.
- 2. **Streamlined cross-border cooperation:** allowing paritarian funds access to posting declarations in construction minimise declarations from the company side and checks, simplifying procedures for businesses applying for an exemption from payment in the host country.
- 3. Avoiding duplicate payments: in turn, cross-border cooperation between sectoral funds helps prevent construction companies from paying twice for similar benefits in both the sending and host countries. Access to real-time data improve the efficiency of such agreements by ensuring companies eligible for the exemption from payment in the host country are reached out.

5. Aligning the development of a public interface with ELA activities

AEIP recommends that the development of a public interface connected to the IMI for the declaration of posting of workers be closely aligned with the European Labour Authority's (ELA) efforts. This includes the establishment of a new EU helpdesk to offer tailored guidance to employers on posting rules and collaboration with Member States to enhance "single national websites on posting." These websites should align with Directive 2014/67 requirements and benefit from ELA's work on a non-binding template to standardise and improve their quality and user-friendliness. Such coordinated progress will support a

unified notification system in the EU Single Market, reducing administrative burdens while ensuring clear and accessible information.



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