



Brussels, 14 November 2024
(OR. en)

**Interinstitutional File:
2024/0301(COD)**

**15620/24
ADD 1**

**COMPET 1105
MI 932
JUR 611
ETS 7
EDUC 429
DIGIT 231
EMPL 575
SOC 840
CODEC 2130**

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	14 November 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

No. Cion doc.:	SWD(2024) 258 final
Subject:	COMMISSION STAFF WORKING DOCUMENT Accompanying the document Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a public interface connected to the Internal Market Information System for the declaration of posting of workers and amending Regulation (EU) No 1024/2012

Delegations will find attached document SWD(2024) 258 final.

Encl.: SWD(2024) 258 final



Brussels, 13.11.2024
SWD(2024) 258 final

COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL**

**on a public interface connected to the Internal Market Information System for the
declaration of posting of workers and amending Regulation (EU) No 1024/2012**

{COM(2024) 531 final}

CONTENTS

A.	Introduction.....	2
B.	Administrative burden associated with complying with national declaration obligations	4
1.	Estimating administrative burden associated with posting of workers.....	5
2.	Estimating effort for online submission of posting declarations based on controlled scenarios.....	6
3.	Interpretation of the estimations of administrative burden	8
C.	Stakeholder and social partner consultations	8
1.	Consultations on requirements and implementation options for an e-declaration system... ..	8
2.	Social partner consultations	9
3.	Expert group on a common electronic form for the declaration of posting of workers.....	10
D.	A multilingual electronic interface.....	11
1.	Public interface	11
2.	Standard form.....	13
E.	Objectives to be achieved	14
1.	Reducing administrative burden for businesses.....	14
2.	Supporting administrative cooperation between Member State authorities and enforcing the protection of workers' rights	17
3.	Reducing administrative burden for Member State authorities	18
F.	Implementing the public interface	19

This staff working document (SWD) outlines the rationale and context for the proposed establishment of a multilingual electronic public interface connected to the Internal Market Information System¹ ('IMI') for the declaration of posting of workers. By streamlining the declaration process this interface aims to reduce administrative burden for businesses and to support administrative cooperation between national competent authorities, whilst also facilitating the effective monitoring by Member States of compliance with EU legislation aimed at ensuring the protection of posted workers.

A. INTRODUCTION

In its Communication on 'Long-term competitiveness of the EU: looking beyond 2030'², the Commission stressed the importance of a regulatory system that achieves objectives at minimal costs. In this context, it has committed to making a fresh push to rationalise and simplify reporting requirements, aiming to reduce the associated administrative burden by 25%, without undermining the related policy objectives. Streamlining reporting obligations and reducing administrative burdens is therefore a priority. Reducing administrative burden is crucial for sustaining the competitiveness of European businesses and for facilitating the cross-border provision of services in the single market. Streamlined administrative processes reduce bureaucracy and red tape, making it easier for companies to operate across borders. The SME Relief Package³ further elaborated on this action and flagged the creation of an electronic format for the declaration of posting of workers as an example for using digital technologies to reduce burden and improve resilience.

In response to the Commission's announcement to reduce the administrative burden by 25%, European businesses and employers called on the Commission and Member States to rationalise reporting requirements for the posting of workers as a priority matter. This should simplify compliance with declaration obligations, provide streamlined, digital solutions for the declaration of posting of workers and respond to the lack of or unclear information regarding the documentation, translations, registration requirements and the responsible authorities in different Member States. This was confirmed by a Commission consultation of the Industrial Forum Task Force 1 - Single Market, KPIs and industrial ecosystems - on the most burdensome and most urgent changes to reduce and/streamline reporting obligations that companies face in the Single Market, which was conducted to gain input for the Commission's initiative to rationalise and simplify reporting requirements.

Compliance with the national obligations for the declaration of posting of workers and the required administrative procedures can place considerable administrative burdens on companies seeking to provide services across borders. In this context, stakeholders have often identified the declaration

¹ Regulation (EU) No 1024/2012 of the European Parliament and of the Council of 25 October 2012 on administrative cooperation through the Internal Market Information System and repealing Commission Decision 2008/49/EC ('the IMI Regulation') (OJ L 316, 14.11.2012, p. 1, ELI: <http://data.europa.eu/eli/reg/2012/1024/oj>).

² COM(2023) 168 final.

³ COM(2023) 535 final.

for the posting of workers as a substantial reporting obligation and an administrative barrier to the cross-border provision of services within the single market. The resulting increase in transaction costs may hamper or restrict the cross-border provision of services, especially for small and medium-sized enterprises (SMEs).

Streamlining the administrative procedures for the posting of workers will also benefit public administrations. Simplified procedures can reduce the time and resources needed to process declarations and allow to better target monitoring and enforcement work. At the same time, streamlining procedures can reduce administrative costs, while providing better and more complete data. To this end, in its March 2024 Communication entitled ‘Labour and skills shortages in the EU: an action plan’⁴, the Commission announced that it will promote the widespread implementation of a common form, in electronic format, for posted worker declarations. This will be complemented by the development of a digital multilingual portal enabling companies to submit posting declarations to Member States that decide to make use of this tool, thereby reducing administrative burden.

Streamlining reporting obligations and reducing administrative burden is a priority not only for the Commission. In October 2023, the European Council called on all relevant institutions to take forward work to simplify regulation and reduce the unnecessary administrative burden⁵. Likewise, in its resolution of 17 February 2022 on tackling non-tariff and non-tax barriers in the single market⁶, the European Parliament urged the Commission to introduce a digital form for the declaration of the posting of workers, establishing a simple, user-friendly and interoperable digital form that suits the needs of European companies and in particular SMEs.

Reducing administrative burden for businesses and national competent authorities, however, should not conflict with EU law on posting workers, in particular with the provisions of Directive 2014/67/EU of the European Parliament and of the Council⁷ and the provisions safeguarding an appropriate level of protection of posted workers’ rights as established in Directive 96/71/EC of the European Parliament and of the Council⁸. In the case of declarations for the posting of workers, it is possible to reduce administrative burden while ensuring the protection of the concerned posted workers and fostering effective administrative cooperation between national competent authorities. The homogeneity, increased transparency and improved access of declaration obligations would facilitate compliance with the posting rules and hence increase worker protection. Additionally, Member States currently do not provide information to the posted worker

⁴ COM(2024) 131 final.

⁵ EUCO 14/23.

⁶ 2021/2043(INI).

⁷ Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System (‘the IMI Regulation’) (OJ L 159, 28.5.2014, p. 11, ELI: <http://data.europa.eu/eli/dir/2014/67/oj>).

⁸ Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (OJ L 18, 21.1.1997, p. 1, ELI: <http://data.europa.eu/eli/dir/1996/71/oj>).

about the declaration being made. Providing information to the posted worker on the posting declaration would increase workers' knowledge of the posting and help posted workers acquiring the necessary information about their rights.

B. ADMINISTRATIVE BURDEN ASSOCIATED WITH COMPLYING WITH NATIONAL DECLARATION OBLIGATIONS

To ensure compliance with the substantive rules on employment conditions for posted workers, Directive 2014/67/EU provides the possibility for Member States to impose certain administrative requirements and control measures on service providers posting workers to their territory, provided they are justified and proportionate in accordance with EU law. Where this is the case, Article 9(1)(a) of Directive 2014/67/EU allows Member States to require a service provider established in another Member State to make a simple declaration to the responsible national competent authorities containing the relevant information necessary to allow factual controls at the workplace.

All 27 Member States have established a prior declaration system for service providers posting workers to their territory. The implementation report for Directive 2014/67/EU⁹ provides an overview of the national declaration requirements.

The declaration obligations for the posting of workers concern a significant number of companies. Data from the prior declaration tools indicates a significant economic activity related to the posting of workers in the EU. In 2022, approximately 1.9 million workers were posted, with 2.3 million posting declarations and 4.7 million individual postings recorded. Excluding the international road freight transport sector, where reporting is now handled through a dedicated EU portal for road transport operators, the number of postings rose by 14% between 2021 and 2022.¹⁰ Available data shows a high degree of concentration of posted workers in sectors that demand labour-intensive services and highly specialised skills.

In the absence of coordination between Member States on the development and implementation of national declaration procedures, Member States' systems are not interconnected and differ in design and functionalities and in the information requested from service providers. This concerns for example:

- different registration and login requirements;
- limited availability of other languages;

⁹ COM(2019) 426 final.

¹⁰ De Wispelaere, F., De Smedt L., & Pacolet, J. (2023), Posting of workers: Collection of data from the prior declaration tools - Reference year 2022, Network Statistics FMSSFE, on behalf of the European Commission. Twenty-four Member States provided (partial) data on incoming posting undertakings and posted workers for the collection of this data, publicly available data was used for one other Member State.

- differences in the extent of information required (number of information points, subject matters and categories);
- limited or no ability to reuse declaration data.

This means that preparing and submitting posting of worker declarations requires substantial effort. Businesses indicate that they generally find the process of navigating differing notification requirements between various Member States burdensome, time-consuming, and costly. They face difficulties in finding the correct forms and systems, accessing the national declaration systems and the forms, in understanding the relevance and meaning of the requested data, in gathering the required information internally, and in translating the forms and information into different languages.

1. Estimating administrative burden associated with posting of workers

In interviews conducted for the Commission, businesses¹¹ indicated that outsourcing the management of posting procedures to external service providers incurs costs varying between EUR 90 and more than EUR 1,000 per posting. The costs vary greatly, depending on the range of services included in the package and the specific Member States concerned. Calculating the median of the outsourcing fees per posting reported in these interviews gives an amount of EUR 200 per posting.

This finding aligns with data from a recent survey targeting German companies.¹² The German Mechanical Engineering Industry Association estimated the yearly administrative costs for postings of workers in the EU for the German mechanical engineering industry at a minimum of EUR 31 million, based on 205,000 registered postings. According to the survey, which included responses from around 250 companies, the average cost associated with a posting would thus be estimated at approximately EUR 150.¹³

Consequently, companies consider the typical expenditure associated with posting to be between EUR 150 and EUR 200. This cost envelope encompasses efforts going beyond the submission of posting declarations, and includes various administrative costs related to the posting.

68% of the 4.7 million individual postings fall within the scope of the proposal (excluding those in the road transport sector). Multiplying this with the cost per posting reported by businesses would lead to a total administrative cost of posting of workers across the relevant economic sectors ranging between EUR 477 million and EUR 635 million.

¹¹ 30 semi-structured interviews were conducted with a representative sample of businesses of different size and type from 9 Member States that are involved in posting workers across the EU.

¹² The amounts recorded in this survey are predominantly based on German labour costs, which are above the EU average for hourly rates.

¹³ VDMA (2024), Posting of Workers in the EU – Obstacles in the Internal Market, https://www.vdma.org/documents/34570/51408454/posting+of+workers_May+2023.pdf/579337ef-9be6-e78f-2bae-0c4754240f01.

2. Estimating effort for online submission of posting declarations based on controlled scenarios

To complement this information with data specifically on the effort related to filling in national declaration forms in the EU, the Commission has analysed the administrative burden for declaring posted workers across the 27 Member States. The analysis was based on the testing of the national declaration tools of the receiving Member States under controlled conditions, using a predefined scenario to ensure consistency and comparability. The analysis focused on administrative effort related to the process of submitting declarations for the posting of workers and did not account for wider effort associated with complying with the posting workers acquis such as calculating appropriate wages, keeping documents at the place of work, or complying with any other national requirements. It also did not look at the effort borne by the competent national authorities for setting up and maintaining national declaration portals, since this information lies with the Member States.

The analysis showed that the average time for submitting a prior declaration in the controlled experiments varies significantly across Member States (for a breakdown per Member State see the table below). This is due to different factors, including varying information points required in the prior declaration, the different design, requirements, and functionalities of national declaration tools, the degree of reusability of data from previous prior declarations.

An overview of national information requirements for the declaration of posting of workers prepared as part of the analysis suggests that there are more than 300 different information points used between different Member States for such declarations. Simple systems to complete declarations are characterised by fewer information points and the possibility of data reuse for multiple declarations. Burdensome systems usually have declaration tools that are difficult to find or to access, language requirements that necessitate translation, or forms featuring a complex range of information requirements. It takes five times longer to complete a posting declaration in the Member State with the slowest declaration system compared to the Member State with the fastest declaration system.

Baseline results, breakdown of effort for posting of worker declarations per receiving Member State as recorded in the controlled experiments¹⁴

Receiving MS	Time required for filling in posting of worker declarations	
	Average time for one-off or ad hoc components (mm:ss)	Average Time for per declaration components (mm:ss)
AT	07:36	48:02
BE	11:46	19:43
BG	04:20	31:39
CY	15:51	30:33
CZ	12:45	29:48
DE	13:57	19:17
DK	12:34	23:38
EE	03:49	17:30
EL	21:38	01:14:50
ES	19:43	42:42
FI	05:17	28:33
FR	11:40	25:54
HR	03:58	44:33
HU	12:30	14:45
IE	04:50	27:34
IT	23:26	37:58
LT	05:23	20:21
LU	08:52	39:05
LV	08:09	32:34
MT	05:14	46:36
NL	05:26	23:00
PL	07:33	24:49
PT	10:05	32:17
RO	19:08	40:25
SE	17:15	18:30
SI	11:52	22:33
SK	06:03	15:24
EU average	12:48	26:56

For the sake of this analysis, the administrative cost for the submission of posting declarations in national declaration tools was calculated based on:

- Assumptions on the time taken to gather the information required in the national declaration form by the receiving Member States, based on experts' input, business interviews and desk-based research,

¹⁴ For these experiments, national declaration forms have been filled in using a pre-defined scenario. For each information point, assumptions have been made on the time needed to obtain the required information in a company and to fill in the form, to calculate the total time.

- the time needed to submit a declaration as recorded in the controlled experiments,
- the hourly rate of the administrative staff performing the administrative task (using the labour costs for administrative support in the home Member State),
- the frequency of the obligation.

This calculation leads to theoretical costs of the administrative burden across the EU of EUR 17.29 million in 2022, and theoretical average cost for filling in the declaration form of EUR 10.78.

3. Interpretation of the estimations of administrative burden

The large difference between administrative costs of EUR 10.78 per posting declaration measured in a controlled experiment, and about EUR 150-200 based on fees of external service providers as reported by businesses is due to three main reasons:

- Administrative tasks related to declaring the posting of workers and the services provided by external service providers go beyond the mere declaration process. It can include e.g. acquiring and managing the necessary information, translation of the required information and documentation, administrative overhead, costs for assessing compliance, submission of requests for issuing the Portable Documents A1 (PD A1), provision of local contact persons in the receiving Member State and keeping the employment related documents in the host Member State when necessary, and engaging external service providers, in addition to the activities strictly related to the posting declaration;
- While measuring effort in a controlled and pre-defined scenario produces comparable results, the measured times for filling in posting of workers declarations do not necessarily correspond to actual times in real-life settings, where conditions and individual factors vary;
- In the analysis based on controlled scenarios, average labour costs based on administrative support functions in the home countries have been used. However, these labour costs can greatly differ. While larger corporations generally rely on administrative staff to handle posting declarations, others might outsource the handling to legal advisors. In SMEs this task is often even left to the company management, who might have limited knowledge of the declaration procedures in different Member States.

C. STAKEHOLDER AND SOCIAL PARTNER CONSULTATIONS

1. Consultations on requirements and implementation options for an e-declaration system

Stakeholder consultations were held in the preparation of the initiative¹⁵. In these consultations stakeholders outlined a range of requirements, success factors and constraints:

¹⁵ For details on the consultation process and the stakeholders that contributed to the consultation please refer to the explanatory memorandum of the proposal.

- **Service providers** posting workers to other Member States and business associations stressed that it was important that the form to submit declarations to different Member States had the same or very similar location, structure, look and feel, and way to access. This was considered particularly relevant for service providers regularly posting to different countries such as machinery and equipment manufacturers (for configuration, maintenance, repair, etc.), construction firms and the live performance sector. They also stressed the importance of a multilingual portal and a user-friendly interface for filling in the form. For managing their declarations, a transparent overview (dashboard) of the declarations already submitted should be available, with the possibility to update or withdraw them if needed. Also, service providers should be able to reuse information they previously entered in other declarations. Overall, service providers expressed strong support for the initiative.
- **Trade unions** highlighted the need to ensure the protection of posted workers and the importance of effective systems for their declaration to receiving Member States, as well as the need for effective monitoring and enforcement.
- **National authorities and enforcement bodies** highlighted the importance of having a form with a common set of fields and structured in one common data model. They also stressed the importance of making available the information provided in the declaration to the participating Member States' competent authorities. In that respect the system needs to ensure interoperability and be compliant with data protection rules. Most Member States (10 out of 17 participating in the technical survey) stated their interest in a technical solution provided on EU level, with limited implementation effort at national level. Several Member States hoped that the initiative would help gather high quality and comparable data on postings to the participating Member States.

2. Social partner consultations

European social partners were consulted regularly while preparing the initiative. Meetings with social partners were held on 30 November 2021, 8 December 2021, 8 February 2022, 2 June 2022 and 11 May 2023. The project of establishing an e-declaration for posting of workers was also discussed with Member States and social partners at the European Labour Authority Forum for Posting of Workers on 13 March 2023 and 11 April 2024.

A social partner online hearing dedicated to the e-declaration for posting of workers was held on 29 April 2024.

Overall, there was support for the initiative. **Employers' representatives** highlighted that the fragmented obligations in the context of Directive 2014/67/EU and the introduction of administrative requirements at the national level had led to increased costs for businesses in the single market and complicated the cross-border provision of services in the EU. In this context, businesses welcomed the initiative and the idea of a single procedure and central portal for posting declarations, seeing this as a major simplification when posting workers to another Member State. Simplification and reduction of administrative burden does not mean lowering workers' protection; on the contrary, it would make it easier to comply with the notification obligation. This

would reduce the number of infringements and help authorities focus inspections on clear cases of fraud/violations.

Trade union representatives underlined that the success of this initiative will depend on ensuring adequate workers protection, considering that workers are at risk when applicable rules are circumvented and an appropriate level of protection of the posted worker's rights is not currently fully ensured. To achieve this, the new system should allow for enhanced interoperability with existing national systems to enable cross-referencing and data mining to identify high-risk postings. The initiative should increase the transparency of the posting and ensure that the worker is informed of the posting. Ideally, workers should automatically receive a copy of the posting declaration.

3. Expert group on a common electronic form for the declaration of posting of workers

To proceed with the initiative following the stakeholder consultations, an informal Commission expert group on a common electronic form for the declaration of posting of workers ('the expert group') was set up. The expert group's task is to advise the Commission on the joint development and implementation of a common electronic form for the declaration of posting of workers, giving to the Commission and interested Member States the opportunity to work together on this task. Members of the expert group are Member States' authorities competent in the area of posting of workers. The European Labour Authority ('ELA') is an observer to the group. The group works in full respect of Directive 96/71/EC and Directive 2014/67/EU.

The Commission received input from the expert group on the national declaration requirements and systems as well as on the relevant information necessary to allow factual controls at the workplace. Based on the advice of the Member State' experts, a common list of information requirements for the declaration of posting of workers was completed in December 2023.

In the meantime, an initial group of nine Member States declared their commitment to aligning the information required as part of their declaration process with the information requirements in the common list of information requirements¹⁶. The interest and commitment expressed by these Member States to adopt the common list of information requirements indicate its usefulness and benefits. Achieving a streamlined system of posting declarations is a cooperative effort, which aligns with Member States' own interests in streamlining administrative processes and protecting workers' rights. It is therefore expected that even more Member States will make use of the proposed multilingual electronic public interface connected to IMI ('public interface') following its successful implementation.

¹⁶ The declaration was presented at the Competitiveness Council of 24 May 2024 (<https://data.consilium.europa.eu/doc/document/ST-10061-2024-INIT/en/pdf>). The text of the declaration is available here: <https://www.bmwk.de/Redaktion/EN/Downloads/declaration-implementation-of-the-common-electronic-form-for-declarations-of-postings-of-workers.pdf>.

D. A MULTILINGUAL ELECTRONIC INTERFACE

The legislative proposal¹⁷ which this SWD accompanies sets up a public interface for the declaration of posting of workers. It will be connected to the IMI and use a standard form for the declaration of posting of workers. Member States may voluntarily use the public interface to enable service providers to submit the required declaration when posting workers to their territory. In such cases, a service provider would simply fill in the declaration through the public interface, and no longer through a dedicated national declaration process.

1. Public interface

The public interface would be set up at EU level. It would be up to each Member State to decide if they want to use the EU system instead of their national declaration system, or if they want to keep their own system in place. Service providers posting workers to the Member States that opted for the use of the public interface, and where the declaration's obligation is justified and proportionate, would declare their postings through this central EU interface.

The public interface would be for voluntary use by Member States. Member States who wish to participate in this voluntary initiative will have to adjust their relevant national provisions in order to ensure that service providers established in other Member States and posting workers in the framework of the provision of services to their Member State are required to use this interface to make a simple declaration of posted workers (posting declaration) to their responsible national competent authorities, to allow factual controls at the workplace.

The public interface could consist of the following main elements:

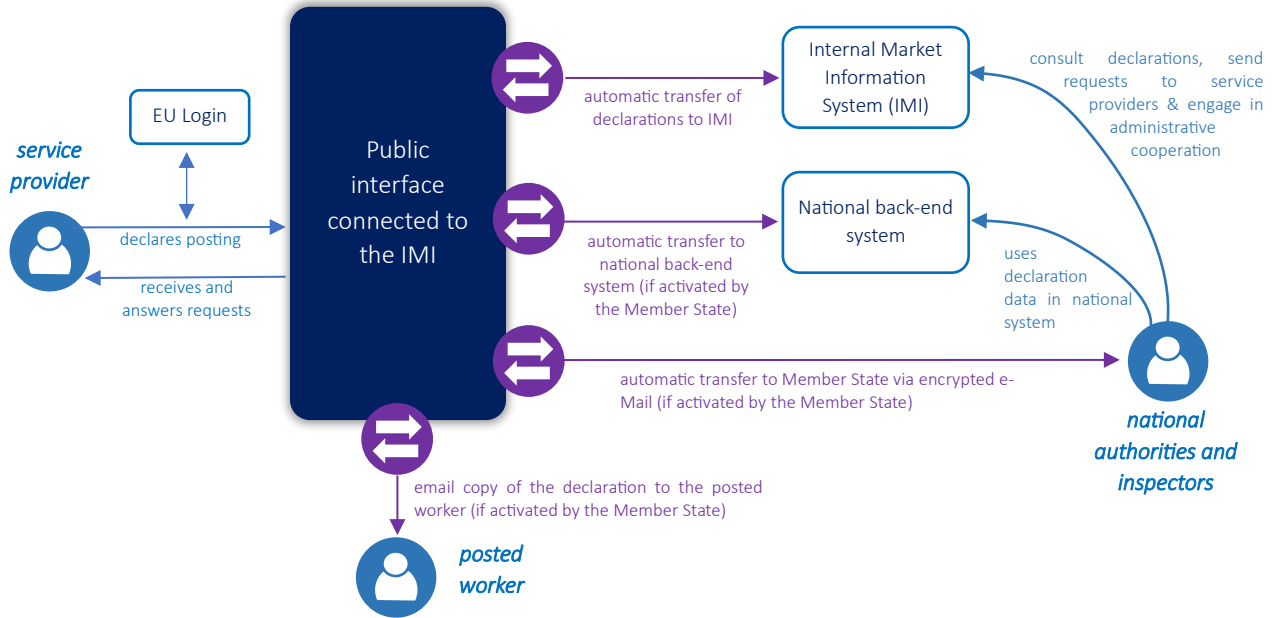
- A web portal with secure login and account management for service providers. Use of the portal will be free of charge and enable them to submit posting declarations to national competent authorities in the participating Member States and to manage the posting declarations they submitted. This portal would also be accessible via the Your Europe portal (Single Digital Gateway).
- An interface (technical connection) between the public interface and IMI posting modules, enabling instantaneous transfer of posting declarations into IMI and follow up with users of the public interface if there is a need to send reasoned requests to another Member State.
- An interface Member States can use to automatically transfer the submitted declarations from the public interface to their national back-end IT systems. This is optional for Member States that want to have access to the data contained in posting declarations in their existing national back-end systems.
- An optional function Member States can use to automatically receive all submitted declarations via encrypted e-mail. This optional functionality serves Member States that

¹⁷ Proposal for a Regulation of the European Parliament and of the Council on a public interface to the Internal Market Information System for the declaration of posting of workers.

currently depend on email for receipt of posting declarations and have no immediate plans to change their operational procedures.

- An optional function Member States can use whereby the public interface automatically sends a copy of the posting declaration to the email address of the worker.

Here is a high-level architectural overview of the proposed public interface:



IT architecture

The public interface would build on the technical solution implemented for the posting of worker declarations in the international road freight transport sector¹⁸. A comprehensive analysis of the reusability of existing digital solutions recommended adopting the public interface connected to IMI for posting drivers in road transport (the Road Transport Declaration Portal or ‘RTDP’) as the foundation for the public interface. The reasons for this are as follows:

- **Alignment on substance/context:** The portal’s current use in road transport information exchange makes it an ideal basis that has already proven itself in the same policy area, with the potential to create additional synergies.
- **Modularity, adaptability, and flexibility:** The system’s design allows for targeted adaptations and future scalability. The architecture is built to accommodate evolving requirements and shifts in operational demands.
- **Interoperability:** The framework ensures consistent and smooth data sharing across different Member States.

¹⁸ Further information can be found here: https://transport.ec.europa.eu/transport-modes/road/mobility-package-i/posting-rules_en.

- Availability and support: Relying on an established system promises a streamlined rollout process with lower risks and adequate support.
- Cost-Effectiveness: Reusing and adapting an existing solution provides a budget-friendly and quick solution.

The RTDP could be used as a basis for the implementation of the proposed public interface for the posting of workers. If necessary, the public interface could be enhanced by including additional functionalities.

2. Standard form

The public interface would use a standard form that service providers need to fill in when posting their workers to Member States which are participating in this initiative. This standard form would provide the relevant information that, depending on national circumstances, may be necessary to allow factual controls at the workplace, in accordance with Article 9(1)(a) of Directive 2014/67/EU. The common list of information requirements for the declaration of posting of workers which has been finalised in the expert group in December 2023 will serve as the basis for this standard form. Based on the advice of the Member States' expert group the standard form will contain information on the service provider, the posted worker, the posting activity, the contact person for the competent authorities and the service recipient.

The Commission should be granted implementing powers in respect of the more detailed establishment of, and subsequent changes to, the standard form. This will allow for the necessary flexibility in the technical adaptation and implementation of the form. The experience from the implementation of the standard form for the declaration of drivers in the road transport sector has shown that successful technical implementation requires a certain level of flexibility, within a well-defined framework. Conferring implementing powers on the Commission would also allow for a swifter amendment of the standard form, if required, without the need to amend the underlying basic act.

Member States that voluntarily use the public interface would ensure that service providers posting workers to their territory can comply with their obligation to declare the posting of workers using the interface, without filling in additional forms. They may also decide that elements of the standard form, that they do not consider relevant information in view of their national context and the way they organise the factual controls at the workplace, are not required from service providers posting workers to their territory.

Member States may submit to the Commission any proposal for amending the standard form. The Commission will examine any such proposal and may put forward a proposal for an implementing act to amend the standard form. This would be discussed and voted by Member States in the committee under the advisory procedure.

E. OBJECTIVES TO BE ACHIEVED

1. Reducing administrative burden for businesses

Streamlining the reporting obligations and the procedure for submitting posting declarations will significantly reduce the administrative burden for businesses and will make it easier for Member States to carry out effective and adequate inspections.

A multilingual public interface using a standard form will enable companies to make their posting declarations in one place and with the same set of requested information, in all the participating Member States they post workers to. They will be able to make the posting declaration in their own language, thus overcoming the language barrier they regularly face when declaring postings in the system of the host Member State.

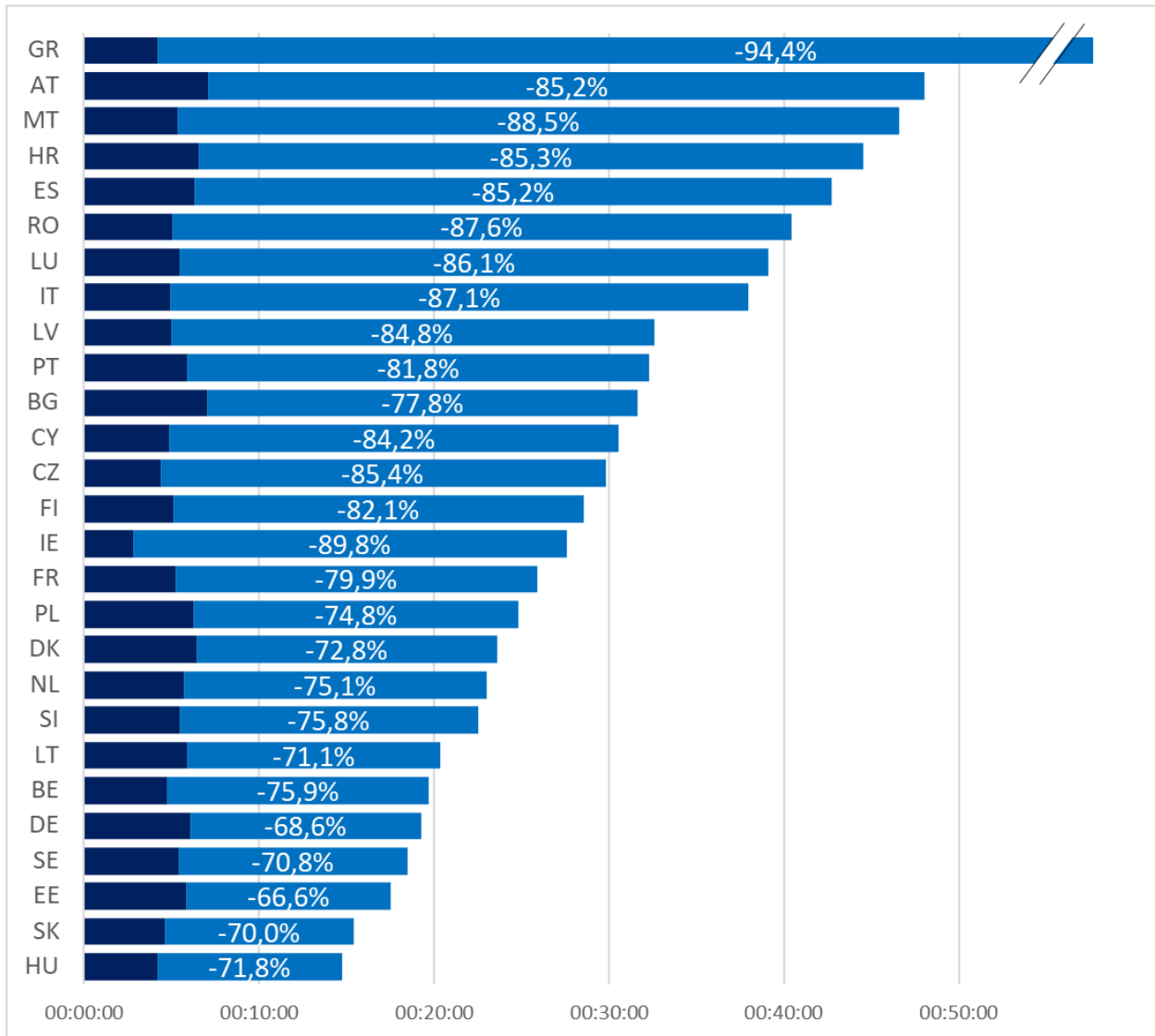
a) Estimating burden reduction based on controlled experiments

The Commission analysis of the existing level of administrative burden for declaring posted workers in the 27 Member States based on controlled experiments looked at the potential time and resources savings from introducing a common declaration for declaring posted workers. The analysis is based on Member States participation and refers to the average burden reduction both at EU level and for the participating Member States. The analysis suggests that the impact of a common system for declaring posted workers is influenced by the number of Member States joining the initiative and on the volume of posting declarations covered by the new system.

The burden reduction for service providers posting workers into a participating Member State is driven by some key advantages from the adoption of a centralised system: (i) a reduction in the average time required to identify the portal, register and read the guidance, (ii) an increase in data reuse across those Member States that opt in, and (iii) a reduction of the information requirements required in the standard form compared to the baseline scenario. These lead to a considerable reduction in the time needed to complete a prior declaration.

The following chart provides an overview of the potential savings for filling in posting of worker declarations per receiving Member State based on the controlled experiments. The dark blue part of the bar shows the time for filling in the declaration in case the Member State would opt in to use the public interface with the standard form. Under the assumption that each Member State would use the form fields that are currently included in their national form, the time needed to fill in the form on the public interface ranges from 2:48 minutes to 7:07 minutes. The total length of the bar represents the time used for filling in the declaration in the current situation, ranging from 14:45 minutes in Hungary to 01:14:50 in Greece. The light blue part of the bar indicates the potential time savings through the use of the public interface with the standard form, representing potential savings ranging from 66.6% in Estonia to 94.4% in Greece.

Potential savings in the time spent on posting of worker declarations per receiving Member State



As the graph shows, there would be a positive effect for service providers declaring workers in any receiving Member State due to the introduction of a public interface implementing a standard form with full data reusability across the EU.

The chart only considers times required per declaration, not “one-off” or ad-hoc tasks such as identifying the relevant portal, reading necessary guidance, and registering on the declaration portal. These would also become easier by using the public interface, which would use a very light registration process, and eliminates the need for an additional registration and guidance on how to use the national portal in each participating Member State. Based on the controlled experiments and using the road transport portal as a proxy, the “one-off” effort would decrease, with average savings across all Member States of 61%. An analysis including both, the “one-off” and the recurring effort indicates time savings of about 73%.

Under the assumption that an initial group of nine Member States, those who committed to aligning the information required as part of their declaration process to the information requirements in the standard form, will join this initiative, the average burden reduction for service providers posting workers to the territory of one of these nine Member States is estimated to 58%. Individual figures for the nine Member States differ because of the frequency of declarations received, and the complexity of the declaration procedure currently applied at the national level. According to the controlled experiments, the burden reduction associated to the use of the public interface based on the standard form instead of the current national prior declaration system would range from 48% to 90% in these nine Member States.

The burden reduction for service providers would further increase significantly if all 27 Member States would join this initiative. The analysis estimates an 81% reduction in the overall administrative cost in the EU related to the submission of posting declarations. The relative savings are higher compared to the scenario with only nine Member States, due to several reasons. First, the additional Member States would include some with the highest relative savings. Second, a higher number of declarations means less effort for completing one-off components (such as registration). Third, the benefits of reusing previously submitted data are higher due to the larger number of participating countries.

Introducing a public interface and a standard form with a common list of information requirements would therefore bring considerable positive effects in terms of burden reduction for the interested Member States. The Commission will continue to liaise with interested Member States so that more than the nine Member States that thus far declared their interest in adopting the common list of information requirements and making use of the public interface.

b) Estimating administrative savings based on businesses estimates of administrative costs for posting workers

Applying the time savings observed in the abovementioned analysis to the estimated administrative burden incurred by businesses yields an insight into potential savings. By extrapolating these findings - originating from a controlled setting - we can anticipate a projection of savings in real-world posting costs, despite some inherent variability.

The proposal for the public interface first and foremost addresses the burden from entering data on the posting of a worker in a declaration form. The possibility to reuse data from previous declarations and the alignment of the declaration form across Member States would lead to a reduction in administrative burden. Furthermore, any costs for translation as part of the declaration process would be eliminated since the public interface would be available in all official languages of the EU. A simpler and largely automatised system would also lead to decreased legal and compliance risks, and in many cases make outsourcing unnecessary.

The simplification of the declaration procedure and the reduction in the number of different information fields in the standard form in addition imply the collection of less information and the management and translation of fewer documents by companies, and accordingly reduce their administrative burden even further.

A study by the German Foundation for Family Business¹⁹ identifies three main drivers for the administrative effort associated with declaring the posting of workers: collecting and gathering data (17%), entering company and employee data (33%), and the compilation of documents including translations (51%).

To estimate the administrative savings of the introduction of a public interface implementing a standard form, it is assumed that the savings recorded in the controlled experiments would be in full realised for entering company and employee data. The administrative efforts for the collecting and gathering of data and for the compilation of documents including translations are expected to be halved, as they would be reduced, but not eliminated by the introduction of a public interface implementing a standard form.

On this basis, the introduction of a public interface implementing a standard form would already result in significant savings if used by the initial group of nine Member States who committed to aligning the information required as part of their declaration process with the information requirements in the common list of information requirements. These Member States account for approximately 1.65 million postings in the sectors covered by the proposal. With an average administrative cost per posting as estimated by businesses of EUR 150-200, this adds up to current administrative burden of about EUR 247 million to EUR 329 million per year. Based on the assumptions above, namely that savings would be realised in full for data entry, and in half for information management and compiling documents and translations, savings of 39% could be reached.²⁰ The savings in administrative burden for postings to this initial group of Member States could therefore reach a maximum amount of EUR 95 million to EUR 127 million.

The burden reduction for service providers would be highest if all 27 Member States were to join this initiative. Given the overall estimated administrative burden for the posting of workers of EUR 477 million and EUR 635 million (as reported in section B above, an estimated rate of savings to this current administrative burden of 54%²¹ would translate into overall savings between EUR 257 million and EUR 342 million.

2. Supporting administrative cooperation between Member State authorities and enforcing the protection of workers' rights

The submission of posting declarations via the public interface will facilitate a better and more uniform application of Directive 96/71/EC.

¹⁹ Stiftung Familienunternehmen (2023). Regulatory and financial burdens of EU legislation in four Member States. <https://www.familienunternehmen.de/en/publications/burdens-arising-from-the-posting-of-workers-directive>

²⁰ Full savings as recorded in the controlled experiments (58%) for entering company and employee data (33% of the overall effort), half of the savings (29%) for collecting and gathering data, and for the compilation of documents including translations (17% and 51% of the overall effort).

²¹ Full savings as recorded in the controlled experiments (81%) for entering company and employee data (33% of the overall effort), half of the savings (40.5%) for collecting and gathering data, and for the compilation of documents including translations (17% and 51% of the overall effort).

Moreover, submitting posting declarations via the public interface will improve administrative cooperation between Member State authorities.

Currently, national competent authorities seeking mutual assistance from other Member States when making a reasoned request for information must manually insert the information concerning the posting into IMI. This is because the declarations are received in Member State systems that are not connected to IMI. To facilitate administrative cooperation between Member State competent authorities and to simplify requests for mutual assistance, information submitted in posting declarations should be made available directly in IMI posting modules. This would enable the authorities to use the information received from declarations directly on the request for information, if necessary.

The transparency and easier submission of declaration obligations will be reinforced by the setup of the public interface. Employers will be better informed about the procedures they are expected to carry out before posting workers and will more likely make the posting declaration. This will increase compliance with the posting rules and inspection services will be in a better position to locate posted workers and target inspections.

The additional feature of sending the information about the submitted declaration also to the workers concerned will increase their knowledge of the posting situation, better prepare them for the posting and keep them informed of their rights during posting. This should also increase compliance with the posting rules and allow for fair mobility of services.

3. Reducing administrative burden for Member State authorities

Aligning the administrative procedure for the declaration of posted workers in other sectors with the procedure for posting drivers in the road transport sector would reduce administrative burden for public administrations. Today, competent authorities must administer and operate two different systems for their monitoring tasks, using an interface connected to IMI for the declaration of posting of drivers in the road transport sector and national declaration systems for posting in other sectors. Aligning the two systems could optimise database utilisation and internal administrative processes for national competent authorities, thus leading to a more effective mechanism to oversee and ensure compliance with posting regulations.

Participating Member States could benefit from cost- and time-savings. Making use of the IMI system enables Member States to discontinue their self-standing national declaration systems, thus saving them the costs of operating and maintaining these systems. Member States that do not yet use digital solutions for their declaration obligations can use the public interface and IMI without the need to invest time and resources into developing an electronic national declaration system. Member States who maintain their national databases would benefit from the possibility to connect them to the public interface and save costs on the maintenance of the front-end interface.

F. IMPLEMENTING THE PUBLIC INTERFACE

Implementation of the public interface will require moderate resource investment at EU level with the support of ELA. This would include inter alia:

- business analysis, including requirement and reusability analysis;
- adaptations and extensions to the posting of worker declaration portal for road transport workers;
- solutions for the interfaces to national backend systems;
- hosting of the public interface;
- IT support, maintenance and continuous improvement;
- system documentation;
- communication and outreach material;
- training offers;
- second line support.

Building on the expertise with the implementation of the portal for posting of worker declarations in the road transport sector, Commission services estimated the costs for initial implementation and operation over a period of five years. The possible reuse of existing IT solutions and components has been taken into account. Budget implications mainly stem from the following work:

- solution development, EUR 1.3 million;
- solution maintenance, EUR 0.7 million,
- support, EUR 0.7 million,
- training, EUR 0.2 million,
- infrastructure, EUR 0.1 million;

In total, this amounts to approximately EUR 3 million over five years. Running costs after full implementation are estimated at EUR 0.5 million per year.

ELA should furthermore support Member States' national competent authorities and service providers in the implementation and use of the public interface. Through the Posting 360²² Forum, ELA, the Commission, Member States, and social partners already carry out mutual learning activities with the view to ensuring the effective enforcement of EU and national rules on posting

²² The Posting 360 Programme is a multi-annual mutual learning and understanding programme to strengthen and deepen cooperation between the European Labour Authority, the European Commission, the Member States and the social partners with a view on ensuring the effective enforcement of EU and national rules on the posting of workers.

of workers. Additionally, the IMI-PROVE programme was established by ELA, which aims at strengthening cooperation and mutual assistance between Member States by fostering a stronger and more effective use of IMI for posting of workers as well as for the road transport modules. In this context, ELA together with the Commission, facilitates the use of the IMI posting modules within the framework of administrative cooperation between Member States.