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Subject:	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 COM(2024) 531 final.

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2024/0301 (COD)

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**

{SWD(2024) 258 final}

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The freedom to provide services includes the right of service providers established in a Member State to provide services in another Member State, to which they may post their own workers temporarily to provide those services there. When posting its workers, the service provider needs to comply with a set of defined terms and conditions of employment, as established by Directive 96/71/EC¹, in the Member State to which the posting takes place. This is to ensure the minimum protection of the posted workers concerned. Member States are required to work in close cooperation and provide each other with mutual assistance to facilitate the monitoring of compliance with these terms and conditions of employment. Avoiding unnecessary administrative burden on the service providers, protecting posted workers and ensuring effective monitoring should go thereby hand in hand and contribute to the proper functioning of the internal market.

As set out in Article 9(1) of Directive 2014/67/EU², to ensure effective monitoring of compliance with the obligations in that Directive and in Directive 96/71/EC Member States may only impose administrative requirements and control measures that are necessary for that purpose, provided these are justified and proportionate in accordance with EU law. In this context, according to Article 9(1)(a) of Directive 2014/67/EU, Member States may impose an obligation for a service provider established in another Member State to make a simple declaration to the responsible national competent authorities containing the relevant information necessary in order to allow factual controls at the workplace.

In the update to the 2020 new industrial strategy³, the Commission announced that it will work with Member States to devise a common form, in an electronic format, for the declaration of the posting of workers. This work shall not compromise the existing EU legal framework for the posting of workers and the workers' protection it ensures. Participation shall be voluntary.

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 of electronic format for posted worker declarations, complemented by the development of a digital multilingual portal through which companies can submit posting declarations for Member States that decide to make use of this tool. This will help reduce the administrative burden.

The announcement followed concerns raised in the evaluation of the implementation of Directive 2014/67/EU. In the implementation report of Directive 2014/67/EU⁵ the Commission concluded that improvements may be necessary in some areas that different

¹ 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>).

² 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>).

³ COM(2021) 350 final.

⁴ COM(2024) 131 final.

⁵ COM(2019) 426 final.

stakeholders had brought to its attention. These include simplifying administrative control systems by, for example, introducing a single EU-wide declaration system.

The objective of this proposal is to reduce administrative burden for businesses and national competent authorities by facilitating on the one hand the submission of posting declarations where required, in a user-friendly way, at a distance and by electronic means, and on the other hand the administrative cooperation between Member States as well as the effective monitoring of compliance with the obligation set out in Directives 2014/67/EU and 96/71/EC.

The proposal will make it easier for Member States to carry out effective and adequate inspections on their territory, contributing to the protection of posted workers.

Since January 2023, Member States have been advising the Commission in the expert group on a common electronic form for the declaration of posting of workers, with particular regard to the relevant information necessary in order to allow factual controls at the workplace. With the advice of the Member States' experts a possible common list of information requirements for the declaration of posting of workers has been identified. An initial group of nine Member States declared in the meantime their commitment to adapting the information they request from service providers posting workers to their territories to the information requirements devised in the common list of information requirements⁶.

A public interface connected to the Internal Market Information System ('IMI')

The proposal sets up a multilingual electronic public interface (i.e. a secure web portal for using a common electronic format and allowing automatic transfer of data) connected to the Internal Market Information System ('IMI'), established by Regulation (EU) No 1024/2012 of the European Parliament and of the Council⁷ ('the public interface') for voluntary use by Member States receiving posted workers (the 'host Member State'). These host Member States may choose to require service providers established in other Member States to use this interface to make a simple declaration of workers posted (a 'posting declaration') to its responsible national competent authorities to allow factual controls at the workplace. IMI is a multilingual electronic tool that allows national, regional and local authorities to communicate quickly and easily with their counterparts in the EU. A repository in IMI will allow national competent authorities to check the details of posting declarations submitted by service providers. The use of IMI will make it possible to reuse existing IT solutions, thus helping to reduce the one-off costs of IT development.

Service providers will use the public interface to submit a posting declaration to the competent national authorities of the host Member State. To this end, the interface will feature a standard form. This standard form will provide the relevant information that may be necessary to allow factual controls at the workplace, in accordance with Article 9(1)(a) of Directive 2014/67/EU. It will contain information related to the service provider, the posted worker, the posting assignment, the contact person for competent authorities and the service recipient. The specific content of the standard form will be set out in an implementing act. The advice given by the Member States' expert group regarding the relevant information to be contained in such form will be taken into account.

⁶ 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>.)

⁷ 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>).

The Commission should be granted implementing powers to establish the standard form and make subsequent changes to it. Should Member States consider that relevant information should be added or not relevant information be removed from the standard form, in or for the use of the public interface, they may submit proposals to the Commission for amendment of the standard form and inclusion of information requirements that they deem necessary, as long as they are justified and proportionate, to carry out effective controls at the workplace.

Member States may decide that certain elements contained in the standard form, that they do not consider relevant 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 filling in the form on the public interface. In such case they should inform the Commission. In the case of elements arising from subsequent amendments to the standard form, those Member States would accordingly not need to adapt their national legislation to include such elements.

The setting up of the public interface with a multilingual standard form for the declaration of posting of workers and the making available of this interface to national competent authorities by the European Commission is without prejudice to the responsibility of the European Commission for overseeing the correct implementation and application of Union law by Member States, in accordance with Article 17(1) of the Treaty on European Union, and its powers under Article 258 Treaty on the Functioning of the European Union as well as the Member States' obligation to comply with Union law.

Reducing administrative burden for service providers

Stakeholders have consistently highlighted that the obligation and the requirements for making a posting declaration constitute a significant reporting requirement for businesses in the single market. This is regarded as one of the most significant administrative barriers for the cross-border provision of services in the internal market.

Streamlining the reporting obligations and the procedure for the submission of posting declarations will significantly reduce the administrative burden for businesses, including SMEs, and will facilitate that Member States carry out effective and adequate inspections.

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

The proposal provides a contribution to the Commission's commitment to reduce reporting requirements resulting from EU legislation. In its Communication on 'Long-term competitiveness of the EU: looking beyond 2030'⁸, the Commission stressed the importance of a regulatory system that ensures that objectives are reached at minimum costs. It has committed therefore to a fresh push to rationalise and simplify reporting requirements, with the ultimate aim to reduce the associated administrative burden by 25%, without undermining the related policy objectives. The SME Relief Package⁹ 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.

Protection of workers' rights

⁸ COM(2023) 168 final.

⁹ COM(2023) 535 final.

The submission of posting declarations via the public interface will also allow for a better and more uniform application of Directive 96/71/EC. Facilitating the declaration and protection of posted workers is another element in EU legislation ensuring fair mobility.

Since service providers will no longer need to comply with different national requirements included in the national interfaces and posting declaration forms in the participating Member States, the public interface using a standard form will contribute to reducing the cases of non-compliance with the posting rules. This will also lead to increased transparency in posting.

In this context, the initiative makes it easier for Member States to carry out effective, adequate and targeted inspections, contributing to the protection of posted workers' rights and to fair mobility as a whole.

Moreover, the possibility to send a copy of the declaration to the posted worker will make posted workers informed actors in the procedure, thus helping them to exercise their rights. This possibility does not exist today in national declaration systems.

Reducing administrative burden for Member States' authorities and facilitating administrative cooperation

Directive 2014/67/EU introduced rules on administrative cooperation between national authorities in charge of monitoring compliance with rules on the posting of workers. This administrative cooperation is implemented through IMI. IMI therefore plays a key role in supporting the strengthened administrative cooperation underpinning the Directive.

The Posting of Workers Request module is the main module in IMI for administrative cooperation under Directive 2014/67/EU and Directive 96/71/EC. It supports mutual assistance by allowing an authority in one Member State to request information or assistance from an authority in another Member State.

Today, national competent authorities seeking mutual assistance from other Member States must overcome a significant administrative burden to launch an information request in IMI. At present, information about a specific posting triggering a request for mutual assistance in IMI needs to be manually inputted into IMI by the competent authorities in the Member States, before the request for assistance can be launched. This is because the declarations are received in Member State systems that are not connected to IMI. To facilitate administrative cooperation between Member States' competent authorities and to simplify requests for mutual assistance, information submitted in posting declarations should be made available directly in IMI. This is currently the case for the road transport sector, where Directive (EU) 2020/1057 of the European Parliament and of the Council¹⁰ tasked the Commission with developing a multilingual public interface, to which operators have access and which they can use to submit and update posting information and submit other relevant documents to IMI, as necessary. Member States should then exchange data and information, engage in administrative cooperation and provide mutual assistance via IMI.

Aligning the administrative procedure for the declaration of posted workers in other sectors, for cases where such a declaration obligation would be justified and proportionate, 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 IMI for the declaration of posting of drivers

¹⁰ Directive (EU) 2020/1057 of the European Parliament and of the Council of 15 July 2020 laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector and amending Directive 2006/22/EC as regards enforcement requirements and Regulation (EU) No 1024/2012 (OJ L 249, 31.7.2020, p. 49, ELI: <http://data.europa.eu/eli/dir/2020/1057/oj>).

in the road transport sector and national declaration systems for posting in other sectors. Aligning the two systems could streamline the use of databases and internal administrative procedures for national competent authorities and thereby provide for a more efficient mechanism for national competent authorities to monitor and control compliance with applicable posting rules.

Participating Member States benefit from cost- and time-savings. Moreover, making use of the IMI system allows Member States to discontinue their self-standing national declaration systems if they wish to do so, and they thus save the costs of operating and maintaining these systems. A few Member States that do not yet use digital solutions for their declaration obligations can use the IMI system, without the need to invest time and resources into the development of an electronic national declaration system. Member States who maintain their national databases would benefit from the possibility to connect those to the public interface.

The IMI system also allows for the generation of statistics, supporting national policy making and providing a solid basis for the work of the labour inspectorates, including for their risk analysis.

- **Consistency with existing policy provisions in the policy area**

The freedom to provide services is a fundamental principle of the internal market in the European Union enshrined in the Treaty on the Functioning of the European Union (TFEU).

Directive 96/71/EC implements this principle concerning the posting of workers with the aim to guaranteeing a level playing field for businesses and respect for the rights of workers. Article 3 of Directive 96/71/EC establishes a core set of clearly defined terms and conditions of employment which are required to be complied with by the service provider in the Member State to which the posting takes place to ensure the minimum protection of the posted workers concerned.

Directive 2014/67/EU aims to facilitate the exercise of the freedom to provide services and the functioning of the internal market, as well as to guarantee respect for an appropriate level of protection of the rights of posted workers for the cross-border provision of services, in particular as regards the enforcement of the core terms and conditions of employment that apply in the Member State where the service is to be provided in accordance with Article 3 of Directive 96/71/EC. In this context, Directive 2014/67/EU establishes a common framework of a set of appropriate provisions, measures and control mechanisms necessary for better and more uniform implementation, application and enforcement in practice of Directive 96/71/EC.

In order to ensure the correct application of, and to monitor compliance with, the substantive rules on the terms and conditions of employment to be respected with regard to posted workers, Directive 2014/67/EU provides the possibility for Member States to impose certain administrative requirements and control measures to service providers that post workers in the framework of the provision of services, provided that these are justified and proportionate in accordance with Union law. Within this context, Article 9(1)(a) of Directive 2014/67/EU allows Member States to impose an obligation for a service provider established in another Member State to make a simple declaration to the responsible national competent authorities containing the relevant information necessary in order to allow factual controls at the workplace.

The proposal is consistent with these provisions as it does not amend the legal framework for the posting of workers, as established by Directives 2014/67/EU and 96/71/EC, nor does it compromise the level of workers' protection it entails. It facilitates the submission of posting declarations where required, in accordance with Article 9(1)(a) of Directive 2014/67/EU and the procedure laid down in its Article 9(4), and facilitates administrative cooperation between

Member States and effective monitoring of compliance with the obligations in Directive 2014/67/EU and Directive 96/71/EC.

The proposal complements the rules on the posting of drivers in the road transport sector. The new rules on posting of drivers in road transport, as established by Directive (EU) 2020/1057, were adopted in July 2021 as part of the Mobility Package and apply since 2 February 2022. The Commission is operating a multilingual portal connected to IMI for road transport operators who have to comply with these new rules. The portal allows the road transport operators to submit posting declarations via IMI to the Member State(s) where their drivers will be posted. The proposal would mirror the administrative procedure for the declaration of posted workers in other sectors with the procedure for posting drivers in the road transport sector.

- **Consistency with other Union policies**

The proposal contributes to two of the priorities of this Commission, notably creating “a deeper and fairer internal market” and boosting “jobs growth and investment” through the simplification of the regulatory framework and rationalisation of reporting requirements.

The proposal complements the efforts of the Single Market Enforcement Taskforce (‘SMET’) to reduce the administrative burden for posting workers in. The Commission and Member States are working together in SMET to facilitate administrative requirements on the posting of workers including as regards declaration obligations. Best practices identified in SMET will be considered when developing the public interface.

In October 2023, the European Council called on all relevant institutions to take forward work to simplify regulation and reduce the unnecessary administrative burden¹¹. In April 2024, it also invited the Commission to significantly reduce the administrative and compliance burden on companies and national authorities as part of a better and smarter regulatory framework¹².

In its resolution of 17 February 2022 on tackling non-tariff and non-tax barriers in the single market¹³, 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.

The proposal furthermore responds to the objective of the Interoperable Europe Act, which aims to strengthen cross-border interoperability and cooperation in the public sector across the EU. To cater for cross-border interoperability, the technical specifications and requirements of the public interface are subject to an interoperability assessment and consider the reuse of common interoperability solutions.

Finally, the initiative and the implementation of the digital form for the declaration of the posting of workers in the EU is in line with ongoing developments on the European digital identity framework and the European Digital Identity Wallet¹⁴. Service providers could for example use the European Digital Identity Wallet, once available, as one means of identifying themselves, and posted workers could receive a copy of a posting of worker declaration in their wallet.

¹¹ EUCO 14/23.

¹² EUCO 12/24.

¹³ 2021/2043(INI).

¹⁴ Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (OJ L, 2024/1183, 30.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1183/oj>).

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for the proposal, as is the case for the IMI Regulation, is Article 114 TFEU. The proposal aims to support the functioning of the internal market (Article 26 TFEU). Although Member States are not required to provide for the use of the public interface set up by the proposal, the envisaged uptake by Member States will favour an approximation of the procedure and of the requirements for the declaration of posting of workers in the participating Member States. Moreover, where Member States do decide to use the public interface, they will be required to ensure that service providers are able to comply with their obligation to make a declaration of posting by using that common interface. The public interface as the single declaration portal and the standard form establish similar conditions for posting declarations in the Member States that opt to make use of the public interface.

- **Subsidiarity (for non-exclusive competence)**

The proposal complies with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. The objective of this Regulation, namely the establishment of a multilingual electronic public interface connected to IMI to reduce the administrative burden for service providers posting workers to a participating Member States, whilst also facilitating a better and more uniform application and enforcement of Directive 96/71/EC, cannot be sufficiently achieved by the Member States alone and can therefore, by reason of its scale and effects, be better achieved at Union level.

- **Proportionality**

The objective of the proposal is to contribute to the proper functioning of the internal market by reducing administrative barriers to the freedom to provide services, facilitating the effective monitoring by Member States of compliance with EU legislation aimed at ensuring the protection of posted workers, and supporting the related administrative cooperation between the national competent authorities in the Member States.

The proposed action is an appropriate way to achieve the objective. Establishing similar procedures for posting declarations in the Member States that opt to make use of the public interface reduces administrative burden, facilitates effective monitoring and supports the related administrative cooperation. While the public interface is for voluntary use by Member States, its objective should be achieved by the envisaged uptake by Member States, thereby demonstrating that delivering the benefits of the single market is a joint responsibility of the Commission and the Member States.

At the same time, with its voluntary nature the proposal does not go beyond what is necessary to achieve the objective and it does not affect the Member States' competences in the area of posting of workers. Member States may require service providers to use this interface to make a simple declaration of posted workers to competent authorities.

As the proposal would mirror the already established administrative and technical procedure for posting drivers in the road transport sector, the financial and administrative costs for the Union are limited and proportionate to the objective of the initiative.

- **Choice of the instrument**

The proposal includes an amendment to the Annex of the IMI Regulation. The most appropriate instrument is therefore a Regulation. The submission, storing and processing of the declaration in the public interface by the Commission and the exchange of information in

the context of effective administrative cooperation and mutual assistance between Member States must comply with the rules on personal data protection laid down in Regulations (EU) 2016/679 and (EU) 2018/1725 of the European Parliament and of the Council and shall be laid down in Union law.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

In the implementation report of Directive 2014/67/EU the Commission concluded that there are some areas that have been brought to the attention of the Commission by different stakeholders and where improvements could be necessary. These include the simplification of the administrative control systems by, for example, introducing a single EU-wide declaration system.

- **Stakeholder consultations**

Stakeholder consultations were held in the preparation of a common form, in an electronic format, for the declaration of the posting of workers.

Relevant stakeholder groups contributed to the consultation process: national authorities, enforcement bodies, business associations. In particular, the European social partners have been consulted. A variety of open and targeted consultation methods and tools were used in the context of an external study, aiming *inter alia* at: identifying the potential scope, format, structure, and implementation options for the e-Declaration and consulting Member States and relevant stakeholders on the concept (i.e. scope, format, and structure) and implementation options:

- a webinar in cooperation with the European Labour Authority (ELA) on 17 February 2022 to inform the Member States' competent authorities and social partners about the project and to gather their feedback;
- meetings and interviews with interested Member States' authorities and relevant stakeholders between February and April 2022;
- a user experience workshop on 27 April 2022 with service providers identified by social partners to gather information about administrative experience of posting workers;
- a technical workshop with relevant representatives of the Member States' authorities on 28 April 2022 to discuss implementation options;
- meetings with social partners on 30 November 2021, 8 December 2021, 8 February 2022, 2 June 2022 and 11 May 2023;
- technical survey for Member States between 9 June and 6 July 2022
- a social partner online hearing on 29 April 2024 dedicated to the e-declaration for posting of workers.

The project of an e-Declaration for posting of workers was also discussed with Member States and social partners at the ELA Forum for Posting of Workers on 13 March 2023 and 11 April 2024.

- **Collection and use of expertise**

This proposal has been identified following a process of internal scrutiny of existing reporting obligations and based on the experience from implementation of the related legislation. Since this is a step in the process of continuous assessment of reporting requirements arising from EU legislation, the scrutiny of such burdens and of their impact on stakeholders will continue.

The Commission received input from the expert group on a common electronic form for the declaration of posting of workers, which advises the Commission on the joint development and implementation of a common electronic form for the declaration of posting of workers. The work of the group is undertaken in full respect of Directive 96/71/EC and Directive 2014/67/EU.

- **Impact assessment - burden reduction**

The Commission did not carry out an impact assessment (IA) for this targeted initiative. The Commission however carried out an analysis to measure the existing level of administrative burden for declaring posted workers in the 27 EU Member States, resulting in a detailed cost modelling of the different declaration procedures. The analysis, laid out in the accompanying Staff Working Document, also looked at the potential savings in terms of time and resources from the introduction of a standard form for the declaration of workers to be posted under different implementation options, including a multilingual electronic interface connected to IMI, taking into account different degrees of participation by Member States. At the EU level, the analysis suggests that the impact of a common system for declaring posted workers is influenced by the design of the common system and on the volume of posting declarations that will be covered by the new system.

The average reduction in the time required to complete a posting declaration using the standard form is estimated to approximately 73% compared to the average time currently required across the EU. The burden reduction varies according to the take-up of the standard form by Member States.

The average burden reduction (total cost) for service providers posting workers to their territory is estimated to 58% compared to the current situation, with the participation of the initial group of nine Member States that indicated their readiness so far. In case all 27 Member States would decide to join this initiative, the burden reduction at EU level would further increase to 81% compared to the current baseline scenario.

The proposal concerns limited and targeted changes of existing administrative practice, for Member States who voluntarily opt for it, and of existing legislation, namely Regulation (EU) No 1024/2012 of the European Parliament and of the Council establishing the Internal Market Information System ('IMI'). The objective of the proposal is to provide for a multilingual electronic public interface connected to IMI for the declaration of posted workers, as has already been done in the road transport sector, for other economic sectors, in order to facilitate the implementation of Directive 96/71/EC and Directive 2014/67/EU, which remain unchanged.

The changes proposed do not impact EU policy, but only provide grounds for developing a voluntary technical solution (public interface) for the submission of declarations of posted workers, using a standard form, and facilitating data exchange between national administrations. The exchanges and evidence collected by the expert group on a common electronic form for the declaration of posting of workers fed into the drafting of this proposal. The proposal will facilitate reducing administrative burden for competent national authorities and businesses by increasing accessibility and exchange of data on posted workers.

In conclusion, there was no need for an IA as the amendment is limited in scope, targeted and provides technical amendments to the existing legislation.

- **Regulatory fitness and simplification**

This is a REFIT proposal, aiming to cut burdens for Member States' public administrations and businesses.

The reporting requirements for the posting of workers concern a large number of companies. 2022 data from the prior declaration tools, the most recent data available, suggest that there were around 1.9 million posted workers, 2.3 million posting declarations and 4.7 million postings in the EU. Looking at the evolution of the number of postings and posted workers excluding the road freight transport, for which declarations have to be made now through a central EU portal for road transport operators, available data suggest a growth of 14 % regarding the number of postings declared between 2021 and 2022¹⁵.

All 27 Member States established a prior declaration tool for service providers posting workers to another Member State. However, Member States systems differ in design and requirements and are not interconnected. Compliance with the required administrative declaration procedures therefore entails considerable administrative burdens for the posting companies. The resulting increase in transaction costs may, under certain conditions, significantly impede or restrict the cross-border provision of services – especially for small and medium-sized enterprises (SMEs).

A business survey on the state of the single market carried out in 2024 found that 46.1% of over 1000 surveyed companies believed that problems/uncertainties in posting workers temporarily to another country were significant¹⁶. The estimated effort required to register a posting ranges from 21 minutes in Estonia and Slovakia to 87 minutes in Greece. For Italy, the time required is 61 minutes. In a recent study on the influence of administrative burdens on the cross-border posting of employees by SMEs in border regions, all respondents identified the lack of rationalisation of national posting procedures in the EU as one of the biggest burdens¹⁷.

Reporting requirements play a key role in ensuring correct enforcement and proper monitoring of legislation. Reporting requirements can however also impose disproportionate burdens on stakeholders, particularly affecting SMEs and micro-companies. Their cumulation over time can result in redundant or duplicating obligations, or inadequate methods of collection.

Streamlining reporting obligations and reducing administrative burdens is therefore a priority. The proposal will rationalise reporting obligations by a combination of measures:

- Consolidation of reporting currently performed in different systems and with varying requirements;
- Digitalisation of transmission of information.

¹⁵ 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.

¹⁶ 2024 Single Market Survey: Overcoming Obstacles, Developing Solutions, Eurochambres, 2024

¹⁷ 'Influence of administrative burdens on the cross-border posting of employees by SMEs in border regions', Michael Holz, Annette Icks, IfM-Materialien No. 299, 2023.

- **Fundamental rights**

The proposed Regulation concerns the processing of personal data. Processing of personal data requires ensuring full compliance with fundamental rights as enshrined in the Charter of Fundamental Rights, and notably the rights to the protection of personal data in Article 8 of the Charter of Fundamental Rights of the European Union. This proposal takes full account of these legal requirements.

4. BUDGETARY IMPLICATIONS

The proposal has limited budgetary implications for the Commission. Considering an initial period of five years of full implementation and maintenance of the public interface the 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;

Amounting to approximately EUR 3 million for 5 years. Running costs after full implementation are estimated at EUR 0.5 million per year.

In terms of staffing needs, the full implementation of the public interface will require 1.5 full-time equivalents, the constant maintenance 0.5 full-time equivalents.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

n/a

- **Explanatory documents (for directives)**

n/a

- **Detailed explanation of the specific provisions of the proposal**

Article 1 – Public interface connected to the Internal Market Information System

The Article provides for the set up a multilingual public interface connected to IMI for the declaration of posting of workers ('the public interface').

The main purpose of the public interface is to reduce administrative burden for Member States authorities and businesses by approximating national laws and procedures, and to reinforce the cooperation between Member States in monitoring compliance with certain administrative requirements applicable for posting of workers through IMI.

The public interface allows service providers to comply with justified and proportionate obligations to declare posting of workers, in accordance with Article 9(1) and (2) of Directive 2014/67/EU, where Member States chose to make use of this public interface.

Article 2 – Functionalities of the public interface

The Article lists the main functionalities of the public interface.

Article 3 – Making use of the public interface

The Article sets out the procedure for Member States to make use of the public interface.

Article 4 – Standard form

The Article sets out the main elements of the relevant information contained in the standard form that service providers will use to submit a posting declaration through the public interface to the competent national authorities of the host Member State. It grants implementing powers to the Commission to establish the standard form and provides a procedure for possible amendments of the standard form.

Article 5 – Processing and retention of personal data

The Article defines the purpose of the processing of personal data as well as the data categories and data subjects. It furthermore clarifies the responsibilities for the processing of personal data submitted through the public interface.

Article 6 – Processing of submitted information by means of IMI

The Article sets out how to facilitate administrative cooperation between Member States' competent authorities and to simplify requests for mutual assistance, information submitted in posting declarations should be made available directly in IMI for the competent national authorities of the host Member States.

Article 7 – Amendment to Regulation (EU) No 1024/2012

The Article lists the Union acts that includes the use of IMI for administrative cooperation between competent authorities of the Member States as listed in the Annex of the IMI Regulation, in accordance with Article 3(1) IMI Regulation.

Article 8 – Committee procedure

The Article defines the Committee procedure to be followed for the establishment of the standard form.

Article 9 – Evaluation

The Article instructs the Commission to evaluate the Regulation five years after its entry into force and to report on the experience gained in its application as well as on the achievement of its objectives.

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

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹⁸,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Internal Market Information System ('IMI'), established by Regulation (EU) No 1024/2012 of the European Parliament and of the Council¹⁹, should be used as much as possible for the administrative cooperation and mutual assistance, including between the competent authorities of the Member States provided for in Directives 2014/67/EU²⁰ and 96/71/EC²¹ of the European Parliament and of the Council, concerning the posting of workers in the framework of the provision of services. In accordance with Directive 2014/67/EU, in particular its Article 6, Member States are to work in close cooperation and provide each other with mutual assistance without undue delay in order to facilitate the implementation, application and enforcement in practice of that Directive and Directive 96/71/EC.
- (2) Directive 2014/67/EU aims to facilitate the exercise of the freedom to provide services and the functioning of the internal market, as well as to guarantee respect for an appropriate level of protection of the rights of posted workers for the cross-border provision of services, in particular as regards the enforcement of the terms and conditions of employment that apply in the Member State where the service is to be provided in accordance with Article 3 of Directive 96/71/EC. According to Article

¹⁸ OJ C , , p. .

¹⁹ 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>).

²⁰ 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>).

²¹ 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>).

9(1) of Directive 2014/67/EU, Member States may only impose administrative requirements and control measures in so far as necessary in order to ensure effective monitoring of compliance with the obligations set out in that Directive and in Directive 96/71/EC and provided that these are justified and proportionate in accordance with Union law. Where this is the case, Article 9(1)(a) of Directive 2014/67/EU allows Member States to impose an obligation for a service provider established in another Member State to make a simple declaration to the responsible national competent authorities in order to allow factual controls at the workplace. It remains the responsibility of Member States to decide, within the limits of justification and proportionality, in which cases to demand a posting declaration and what information this declaration must contain.

- (3) All Member States have used the possibility to impose a declaration obligation for service providers posting workers to their Member State, with national systems differing significantly in design, requirements and functionality. Complying with these diverging systems creates a considerable administrative burden for the service providers posting workers. Stakeholders have consistently highlighted that the declaration for the posting of workers constitutes a significant reporting obligation and is among the most important administrative barriers for the cross-border provision of services in the internal market.
- (4) Reporting requirements play a key role in ensuring proper monitoring and correct enforcement of legislation. However, it is important to streamline those requirements, in order to ensure that they fulfil the purpose for which they were intended and to limit the administrative burden. The reporting obligations and requirements in the submission of posting declarations to the competent authorities of the host Member State, established in accordance with Article 9(1) of Directive 2014/67/EU should therefore be simplified, in line with the Commission's Communication on 'Long-term competitiveness of the EU: looking beyond 2030'²², in order to significantly reduce the administrative burden for service providers established in other Member States and posting workers to the host Member States as well as for national competent authorities.
- (5) Reducing the administrative burden for service providers and national competent authorities must concur with the respect for adequate working conditions and social protection for posted workers. Facilitating the effective monitoring of compliance by Member States and reinforcing mutual administrative cooperation improves the protection of workers' rights.
- (6) In accordance with Article 12 of Regulation (EU) No 1024/2012 technical means may be provided to allow external actors to interact with IMI. Such an interaction should be facilitated by a multilingual electronic public interface connected to IMI ('the public interface') through which service providers should submit posting declarations to the Member States making use of the public interface ('participating Member States'). These Member States should then, if necessary, use the information received through IMI to make reasoned requests in the IMI posting modules in accordance with the obligation to provide mutual administrative cooperation and assistance referred to in Articles 6 and 7 of Directive 2014/67/EU.
- (7) A simplification of the process of sending and updating posting declarations resulting from the creation of such a public interface should reduce administrative barriers to the

²² COM(2023) 168 final.

freedom to provide services, including to the right of undertakings to provide services in another Member State with their own workers.

- (8) The simplification of the process of sending and updating posting declarations should facilitate a better and more uniform application of Directive 96/71/EC as well as its enforcement in practice, reducing the cases on non-compliance with the posting rules due to the different procedures for submitting the posting declarations. It will facilitate carrying out of effective and adequate inspections by the Member States, contributing to the protection of posted workers' rights.
- (9) A simplification of the process of sending and updating posting declarations should reduce the administrative burden of national competent authorities seeking mutual assistance from other Member States. To ensure that the responsible national competent authorities can provide each other with mutual assistance without undue delay and to simplify requests for mutual assistance, information submitted in posting declarations should be made available directly in IMI, thus facilitating the application in practice of Directive 2014/67/EU and Directive 96/71/EC and supporting the related administrative cooperation between the national competent authorities in the Member States contributing to the proper functioning of the internal market.
- (10) The Commission should set up a public interface for voluntary use by Member States. Member States may choose to require service providers to use the electronic public interface to make a posting declaration to its responsible national competent authorities, in order to comply with justified and proportionate obligations imposed by these Member States to declare posting of workers. This public interface should support Member States in their task to ensure that the procedures and formalities relating to the posting of workers can be completed in a user-friendly way by undertakings, at a distance and by electronic means, facilitating the submission of posting declarations where required.
- (11) Interoperable and reusable solutions, such as those provided for in Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework²³, should be used as they can facilitate how service providers identify themselves. Once available, workers should be able to receive notifications about posting declarations concerning them via the European Digital Identity Wallet²⁴.
- (12) The public interface connected to IMI is a technical means made available by the European Commission for voluntary use by Member States. Before requiring service providers to declare the relevant information by way of that interface, Member States should ensure that such a requirement is provided for in national law, in line with Union law. In order to ensure a frictionless use of the public interface Member States should communicate to the Commission their interest in making use of the multilingual electronic public interface, at any time from the date of entry into force of this Regulation.
- (13) The Commission, in line with the UN Convention on the Rights of Persons with Disabilities to which the Union and all Member States are parties, should ensure accessibility for persons with disabilities of the public interface and its content taking

²³ Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (OJ L, 2024/1183, 30.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1183/oj>).

²⁴ Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (OJ L, 2024/1183, 30.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1183/oj>).

into account to the extent relevant the accessibility requirements as set out in Annex I of Directive (EU) 2019/882²⁵.

- (14) Service providers should be able to submit a posting declaration to the national competent authorities of a participating Member State to which a worker is posted, i.e. the host Member State, using a multilingual standard form of that public interface.
- (15) The Commission received input from the expert group on a common electronic form for the declaration of posting of workers on the national declaration requirements and systems as well as on the relevant information necessary to allow factual controls at the workplace. The Commission has received advice from the expert group concerning the information requirements that it would consider to be appropriate to include in a common form for the declaration of posting of workers. Taking into account this advice and in order to allow for the provision of the information that may be necessary to allow factual controls at the workplace, the standard form used by the electronic public interface should consist of information related to the service provider, the posted worker, the posting assignment, the contact person for competent authorities and the service recipient. The standard form should be available in all EU languages. Member States may decide that certain elements contained in the standard form, that they do not consider relevant 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 filling in the form on the electronic public interface.
- (16) In respect of the establishment of, and subsequent changes to, the standard form, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁶. Member States considering that certain information should be added to or removed from the standard form, or that the standard form should otherwise be modified, should be allowed to request the Commission to amend the standard form accordingly.
- (17) The use of the public interface, with its standard form, consisting of a common and exhaustive set of relevant information that may be necessary for factual controls at the workplace, will reduce the divergencies in the applicable rules and regulations of the Member States. It should be sufficient for service providers to comply with the declaration obligations in Member States making use of the public interface. There should be no additional information requirements imposed at national level in these Member States. The setting up of the public interface connected to IMI with its standard form and the making available of this interface to national competent authorities is instrumental and ancillary to the approximation of the legislation of the Member States, ensuring the functioning of the internal market.
- (18) The establishment of a public interface provides a streamlined framework for posting declarations that offers significant incentives for Member States to participate. It aligns with Member States' own interest in enhancing administrative cooperation, simplifying administrative procedures, and protecting workers' rights. When the public interface will be established and will show its usefulness and benefits, all Member

²⁵ Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70, ELI: <http://data.europa.eu/eli/dir/2019/882/oj>).

²⁶ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: <http://data.europa.eu/eli/reg/2011/182/oj>).

States should consider making use of the public interface. The more Member States were to make use of the public interface, the higher would be the reduction of administrative burden for service providers and national competent authorities, and the larger the scope for effective administrative cooperation for protecting workers' rights.

- (19) In order to allow factual controls at the workplace the relevant information to be provided in the declaration of posting of workers may include amongst the information requirements established in the context of Article 9(1)(a) of Directive 2014/67/EU certain personal data. Processing of personal data should be carried out in accordance with Union law on the protection of personal data laid down in Regulations (EU) 2016/679²⁷ and (EU) 2018/1725²⁸ of the European Parliament and of the Council. In order to clarify the responsibility for the processing of personal data submitted through the public interface, this Regulation should indicate who is to be regarded as the controller of the personal data. Regulation (EU) No 1024/2012 applies to the processing of personal data of the competent authorities in IMI.
- (20) The information from the posting declarations should be kept in the public interface for the purpose of reusing it in subsequent posting declarations for a maximum period of 36 months after the end date of the posting period.
- (21) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725 and delivered an opinion on 5 September 2024.
- (22) Where social partners play a role in the monitoring of compliance with posting rules, competent authorities should be allowed to provide national social partners with the relevant information which has been shared via IMI, for the sole purpose of checking compliance with posting rules while respecting Regulation (EU) 2016/679. The relevant information should be provided to social partners by other means than IMI.
- (23) The European Labour Authority ('ELA') should support Member States' national competent authorities and service providers in the implementation and use of the public interface in accordance with its mandate under Regulation (EU) 2019/1149²⁹.
- (24) This regulation should be without prejudice to Directive 2014/67/EU and Directive 96/71/EC.

HAVE ADOPTED THIS REGULATION:

Article 1

Public interface connected to the Internal Market Information System

- 1. In order to contribute to the proper functioning of the internal market by reducing administrative barriers to the freedom to provide services, while facilitating the

²⁷ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

²⁸ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39, ELI: <http://data.europa.eu/eli/reg/2018/1725/oj>).

²⁹ Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344 (Text with relevance for the EEA and for Switzerland) (OJ L 186, 11.7.2019, p. 21, ELI: <http://data.europa.eu/eli/reg/2019/1149/oj>)

effective monitoring by Member States of compliance with EU legislation aimed at ensuring the protection of posted workers' rights, and supporting the related administrative cooperation between the national competent authorities in the Member States, the Commission shall set up a multilingual public interface connected to the Internal Market Information System ('IMI'), established by Regulation (EU) No 1024/2012, for the declaration of posting of workers ('the public interface').

2. Member States may opt to make use of this public interface.
3. The legislation of a Member State may provide for service providers to declare posting of workers, in accordance with Article 9(1) of Directive 2014/67/EU, by submitting a declaration based on a multilingual standard form through the public interface. Where a Member State provides for the use of the public interface, that declaration shall replace any pre-existing one required under national law.

Article 2

Functionalities of the public interface

1. The public interface shall provide functionality for:
 - (a) creating an account for secure access to the service provider's reserved area;
 - (b) ensuring appropriate logging of user activity;
 - (c) creating, submitting and managing declarations of posted workers;
 - (d) transmitting a copy of the posting declaration to the posted worker;
 - (e) making submitted information available in IMI to the responsible national competent authorities of the host Member State for administrative cooperation pursuant to points 6 and 7 of the Annex to Regulation (EU) No 1024/2012.
 - (f) allowing one or more national authorities of the host Member State that are competent authorities within the meaning of Article 3 of Directive 2014/67/EU, to additionally receive posting declarations directly in the national back-end system upon the request of that Member State.
2. The Commission shall be responsible for the development, maintenance and operation of the public interface.
3. The Commission shall ensure accessibility for persons with disabilities of the public interface and its content..

Article 3

Making use of the public interface by the Member States

1. A Member State that opts to make use of the public interface shall inform the Commission six months before the date from which it intends to use the public interface.
2. A Member State opting to make use of the public interface shall adopt the laws, regulations and administrative provisions necessary to allow for the use of the public interface by service providers posting workers to that Member State and to comply with the requirements of the public interface and of the standard form of the declaration of posting of workers in due time before such use.

3. Member States making use of the public interface shall not impose any additional declaration or information requirements on the service providers submitting the posting declaration through the public interface.
4. The list of Member States making use of the public interface as referred to in paragraph 3 shall be made publicly available by the Commission on the public interface.
5. A Member State may discontinue making use of the public interface. That Member State shall inform the Commission thereof six months before the intended end date of the use of the public interface.

Article 4 **Standard form**

1. Without prejudice to paragraph 5 the standard form shall consist of information related to:
 - (a) the service provider;
 - (b) the posted worker;
 - (c) the posting assignment;
 - (d) the contact person to liaise with the competent authorities;
 - (e) the service recipient.
2. The Commission shall establish the standard form referred to in paragraph 1 of this Article by way of implementing acts. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 8(2).
3. A Member State opting to make use of the public interface may decide not to request all the information contained in the standard form and shall inform the Commission accordingly.
4. Member States may submit to the Commission suggestions for amendment(s) of the standard form. The Commission shall examine such suggestions with the view to amending, where appropriate, the standard form.
5. The Commission may, based on a suggestion by a Member State or on its own initiative, propose an amendment of the standard form, in accordance with the procedure referred to in paragraph 2 of this Article.

Article 5 **Processing and retention of personal data**

1. For the purpose of achieving the objectives set out in Article 1, personal data referred to in paragraphs 2 and 3 may be processed by the public interface.
2. The Commission is to be considered as controller in accordance with Article 3(8) of Regulation (EU) 2018/1725 in relation to:
 - (a) Ensuring the security and availability of the public interface;
 - (b) Processing the identification and contact details of the person submitting the declaration of posting of workers,
3. The service provider is to be considered as controller in accordance with Article 4(7) of Regulation (EU) 2016/679 for processing:

- (a) the identity and contact details of the service provider;
 - (b) the identity of a posted worker;
 - (c) an electronic notification address, such as a mail address, of a posted worker to inform the posted worker that a declaration has been submitted for that worker;
 - (d) the address of the workplace of the posted worker;
 - (e) the identity and contact details of the contact person of the service provider.
4. Where a Member State receives posting declarations additionally through the public interface in its national back-end system, the competent national authority is to be considered as controller in accordance with Article 4(7) of Regulation (EU) 2016/679 in respect of the processing of personal data contained in these posting declarations.
5. The public interface shall ensure the automatic deletion of the information related to a posting which has been submitted through that public interface 36 months after the end date of the posting period.
6. The public interface shall allow for the deletion of all personal data stored in there and in the service providers' accounts when those data are no longer needed for the purposes for which they were collected and processed.
7. The public interface shall allow for the sending of a reminder to the service provider to review and delete, when necessary, any personal data in accordance with paragraph 6.
8. A Member State may allow the competent national authority to provide national social partners by other means than IMI with relevant information available in IMI to the extent necessary and exclusively for the purpose of checking compliance with posting rules and in accordance with national law and practices, provided that the information relates to a posting to the territory of the Member State concerned.

Article 6

Processing of submitted information by means of IMI

Information submitted via the public interface shall be made available in IMI to the responsible competent authorities of the host Member State to achieve the objectives set out in Article 1.

Article 7

Amendment to Regulation (EU) No 1024/2012

In the Annex to Regulation (EU) No 1024/2012, the following new point (17) is added:

‘17. Regulation (EU) .../... of the European Parliament and of the Council of ... 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.

Article 8

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 9

Evaluation

The Commission shall report on the experience gained in the application of this Regulation by [five years after entry into force of the Regulation]. In particular the report shall examine to what extent this Regulation has been successful in reducing administrative barriers to the freedom to provide services, in facilitating the effective monitoring by Member States of compliance with EU legislation aimed at ensuring the protection of posted workers and in supporting the related administrative cooperation between the national competent authorities in the Member States.

Article 10

Entry into force

This Regulation shall enter into force three months following the date of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

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

1.2. Policy area(s) concerned

Internal Market, Free movement of services, Competitiveness, SME, Employment, Social Protection

1.3. The proposal/initiative relates to:

- ☐ a new action
- ☐ a new action following a pilot project/preparatory action³⁰
- ☒ the extension of an existing action
- ☐ a merger or redirection of one or more actions towards another/a new action

1.4. Objective(s)

1.4.1. General objective(s)

Extending the successful use of a public interface connected to the IMI for the purpose of posting of worker declarations in road transport to other economic sectors

1.4.2. Specific objective(s)

Specific objective No

- Reducing administrative burden for service providers for declaring the posting of workers, by bringing down average compliance costs for companies posting workers to Member States that are voluntarily using the public interface connected to the IMI by at least 50% by end of 2026.
- Facilitate administrative cooperation between Member States that require posting of worker declarations, by allowing for a submission of posting of worker declarations to participating Member States through the public interface and an automated import of administrative data on posted workers in IMI by end of 2025.
- Enable Member States to realise cost savings for the development and operation of national declaration portals, by having interested Member State voluntarily make use of the public interface connected to the IMI by end of 2026.

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

For public administration and labour inspectorates in participating Member States:

³⁰ As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

- Reduce costs for use of the IMI, since manual entering of data on postings is no longer needed.
- Reduce costs for continuous maintenance, since it is no longer necessary to maintain a national IT components with the same functionality as the public interface connected to the IMI.
- Achieve better compliance, i.e., more complete and accurate information on postings which allows for effective monitoring and control.

For service providers:

- Reduce compliance costs by putting in place a common portal and process for declarations to the participating Member States, by reducing the differences between required information fields when posting workers to several participating Member States, by reducing translation costs through the use of a multilingual public interface connected to the IMI.

1.4.4. *Indicators of performance*

Specify the indicators for monitoring progress and achievements.

- Go live of a public interface connected to the IMI by end 2025.
- At least 9 Member States covering at least one third of all EU posted workers as receiving countries decide to make voluntary use of the public interface connected to the IMI by end 2026.
- At least one third of posting declarations in the EU are submitted through the public interface connected to the IMI, and compliance costs for declarations submitted through the public interface connected to the IMI are reduced by at least 50%.

1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

By autumn 2025: The Commission adopts an implementing act to establish the standard form of the public interface connected to the IMI.

By end of 2025: The Commission makes the public interface connected to the IMI available online.

By mid-2026: An initial group of Member States takes a voluntary decision to make use of the public interface connected to the IMI and adapts their declaration systems and national law accordingly where needed.

As of 2026: The Commission maintains and continuously improves the public interface connected to the IMI.

1.5.2. *Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention, which is additional to the value that would have been otherwise created by Member States alone.*

Reasons for action at European level (ex-ante):

- Coordination of administrative cooperation between Member States

- Efficiency gains on the EU-level implementation of a public interface connected to the IMI, instead of development and operation of separate national IT components with the same functionality
- Use of a common form by the participating Member States through EU-level coordination

Expected generated Union added value (ex-post)

- More effective protection of workers' rights due to efficient cooperation between Member States through IMI
- Cost savings for Member States
- Reduced compliance costs for companies, thus reducing barriers in the Single Market for Services

1.5.3. Lessons learned from similar experiences in the past

- Lessons learnt from experience from the public interface connected to the IMI for declaring posting of road transport worker:
- Demonstrated the feasibility of a public interface connected to the IMI for creating, submitting and managing posting of worker declarations.
- Demonstrated facilitation of the submission of posting information to the national competent authorities, and potential for reduction of administrative burden.
- Provides a blueprint for project implementation, and a reusable technical solutions.
- Demonstrated the potential for better compliance with posting declaration obligations.

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

The initiative is funded through the Single Market Programme, starting under the current MFF.

1.5.5. Assessment of the different available financing options, including scope for redeployment

- Funding of the initiative had already been foreseen, as it was announced in the 2020 update of the Industrial Strategy, and reinforced in the “Single Market at 30” Communication. Therefore, under the Single Market Programme funding has already been planned for 2024 and 2025.
- No need for additional budget through redeployment.

1.6. Duration and financial impact of the proposal/initiative

☐ **limited duration**

- ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY
- ☐ Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ **unlimited duration**

- Implementation with a start-up period from 2024 to 2025,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned³¹

☒ **Direct management** by the Commission

- ☒ by its departments, including by its staff in the Union delegations;
- ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated;
- ☐ international organisations and their agencies (to be specified);
- ☐ the EIB and the European Investment Fund;
- ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation;
- ☐ public law bodies;
- ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees;
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees;
- ☐ bodies or persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

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³¹ Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The project will follow a tailored version of the PM² Methodology. A project steering committee including the lead-DGs of the project will oversee the implementation. The Commission expert group on a Common Electronic Form for the Declaration of Posting of Workers will be kept informed, and advice the Commission throughout implementation.

2.2. Management and control system(s)

2.2.1. *Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Direct management for budget implementation, and choice of the PM² Methodology for project implementation have been chosen for the following reasons:

- the project will require development, reuse and adaptation/configuration of existing Commission IT systems which are developed in-house;
- Use of the PM² methodology aligns with the corporate policy on implementation of IT projects, and is a solid choice for projects of this level of complexity.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

Main risks identified, and control systems to mitigate them:

- Risk: Changes of requirements late in the project can delay project implementation and increase costs.
Mitigation: Implement workflow for change requests ensuring assessment and business approval; implementation of solution in a phased approach followed by continuous improvement.
- Risk: Low number of Member States participate in the project, reducing expected benefits.
Mitigation: Co-creation with Member States and continuous consultation of the Commission expert group on a Common Electronic Form for the Declaration of Posting of Workers to ensure the project results meet expectations of many Member States.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

n/a

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

Standard measures for fraud prevention applied by the Commission in direct management.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ³²	from EFTA countries ³³	from candidate countries and potential candidates ³⁴	from other third countries	other assigned revenue
Single market, innovation and digital	03.02.01.01	Diff.	YES	YES	NO	NO

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	N/A					

³² Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

³³ EFTA: European Free Trade Association.

³⁴ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	Single market, innovation and digital
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DG: GROW			Year 2024 ³⁵	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
○ Operational appropriations										
03.02.01.01 ³⁶	Commitments	(1a)	1,000	0,500	0,500	0,500	0,500	...		3,000
	Payments	(2a)	-	1,500	0,500	0,500	0,500	...		3,000
Budget line	Commitments	(1b)	-	-	-	-	-	...		
	Payments	(2b)	-	-	-	-	-	...		
Appropriations of an administrative nature financed from the envelope of specific programmes ³⁷										
Budget line		(3)	-	-	-	-	-	...		
TOTAL appropriations for DG GROW	Commitments	=1a+1b +3	1,000	0,500	0,500	0,500	0,500	...		3,000
	Payments	=2a+2b +3	-	1,500	0,500	0,500	0,500	...		3,000

³⁵ Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

³⁶ According to the official budget nomenclature.

³⁷ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

○ TOTAL operational appropriations	Commitments	(4)	1,000	0,500	0,500	0,500	0,500	...		3,000
	Payments	(5)	-	1,500	0,500	0,500	0,500	...		3,000
○ TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	-	-	-	-	-	...		
TOTAL appropriations under HEADING Single market, innovation and digital of the multiannual financial framework	Commitments	=4+ 6	1,000	0,500	0,500	0,500	0,500	...		3,000
	Payments	=5+ 6	-	1,500	0,500	0,500	0,500	...		3,000

3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year 2024		Year N+1		Year N+2		Year N+3		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL	
	OUTPUTS																	
	Type ³⁸	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 ³⁹ : Reducing administrative burden for service providers for posting declarations																		
IT development of the public interface	IT Dev			0,800		0,200												1,000
IT support & maintenance (public)	IT S&M					0,100		0,300		0,300		0,300		...		...		1,000
IT infrastructure (hosting, etc.)	IT Infrastr					0,015		0,015		0,015		0,015		...		...		0,060
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2: Facilitate administrative cooperation between Member States																		
IT development of interfaces with MS	IT Dev			0,200		0,100												0,300
IT support & maintenance (interfaces)	IT S&M					0,025		0,125		0,125		0,125		...		...		0,400
IT infrastructure (hosting, etc.)	IT Infrastr					0,010		0,010		0,010		0,010		...		...		0,040
Training to MS	Trainin					0,050		0,050		0,050		0,050		...		...		0,200
Subtotal for specific objective No 2																		
SPECIFIC OBJECTIVE No. 3: Member States realising cost savings by using the public interface connected to the IMI instead of their own declaration portal																		
N/A																		

³⁸ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

³⁹ As described in point 1.4.2. 'Specific objective(s)...'

Subtotal for specific objective No 3		0		0		0		0		0		...		...
TOTALS		1,000		0,500		0,500		0,500		0,500		...		...		3,000

3.2.3. Summary of estimated impact on administrative appropriations

- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year 2024	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
--	--------------	-------------	-------------	-------------	--	--	--	-------

HEADING 7 of the multiannual financial framework								
Human resources	0.267 M€	0.267 M€	0.089 M€	0.089 M€	0.089 M€	...	...	0.801 M€
Other administrative expenditure	0	0	0	0	0	...	...	0
Subtotal HEADING 7 of the multiannual financial framework	0.267 M€	0.267 M€	0.089 M€	0.089 M€	0.089 M€	...	...	0.801 M€

Outside HEADING 7 ⁴⁰ of the multiannual financial framework								
Human resources	0	0	0	0	0	...	...	0
Other expenditure of an administrative nature	0	0	0	0	0	...	...	0
Subtotal outside HEADING 7 of the multiannual financial framework	0	0	0	0	0	0

TOTAL	0.267 M€	0.267 M€	0.089 M€	0.089 M€	0.089 M€	0.801 M€
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.3.1. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources.
- ☒ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

	Year 2024	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration
--	--------------	-------------	-------------	-------------	--

⁴⁰ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

					of the impact (see point 1.6)		
○ Establishment plan posts (officials and temporary staff)							
20 01 02 01 (Headquarters and Commission’s Representation Offices)	1.5	1.5	0.5	0.5	0.5	...	...
20 01 02 03 (Delegations)	-	-	-	-	-	...	...
01 01 01 01 (Indirect research)	-	-	-	-	-	...	...
01 01 01 11 (Direct research)	-	-	-	-	-	...	...
Other budget lines (specify)	-	-	-	-	-	...	...
○ External staff (in Full Time Equivalent unit: FTE) ⁴¹							
20 02 01 (AC, END, INT from the ‘global envelope’)	-	-	-	-	-	...	...
20 02 03 (AC, AL, END, INT and JPD in the delegations)	-	-	-	-	-	...	...
XX 01 xx yy zz ⁴²	- at Headquarters	-	-	-	-	...	...
	- in Delegations	-	-	-	-	...	...
01 01 01 02 (AC, END, INT - Indirect research)	-	-	-	-	-	...	...
01 01 01 12 (AC, END, INT - Direct research)	-	-	-	-	-	...	...
Other budget lines (specify)	-	-	-	-	-	...	...
TOTAL	1.5	1.5	0.5	0.5	0.5	...	...

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	<ul style="list-style-type: none"> - Manage & oversee the implementation of the public interface connected to the IMI - Engage with the Commission expert group on a Common Electronic Form for the Declaration of Posting of Workers - Communication and outreach - Manage stakeholder relations - Management of the legal act
External staff	-

⁴¹ AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

⁴² Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. *Compatibility with the current multiannual financial framework*

The proposal/initiative:

- ☒ can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

Funding for the implementation of the common electronic form for posting of worker declarations has already been programmed due to the Commission's commitment in the 2020 update of the Industrial Strategy.

- ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

-

- ☐ requires a revision of the MFF.

-

3.2.5. *Third-party contributions*

The proposal/initiative:

- ☒ does not provide for co-financing by third parties
- ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year N ⁴³	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

⁴³ Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☐ on other revenue
 - please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ⁴⁴						
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article								

For assigned revenue, specify the budget expenditure line(s) affected.

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Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

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⁴⁴ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.