















Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed 2016/0070(COD)
Posting of workers in the framework of the provision of services Amending Directive 96/71/EC 1991/0346(COD)	
Subject 2.40 Free movement of services, freedom to provide 4.15.04 Workforce, occupational mobility, job conversion, working conditions 4.15.12 Workers protection and rights, labour law	
Legislative priorities Joint Declaration 2018-19	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Employment and Social Affairs		10/05/2016
		 MORIN-CHARTIER Elisabeth	10/05/2016
		 JONGERIUS Agnes	
		Shadow rapporteur	
		 MCINTYRE Anthea	
		 DLABAJOVÁ Martina	
		 REINTKE Terry	
		 AGEA Laura	
		 MARTIN Dominique	
	Committee for opinion	Rapporteur for opinion	Appointed
 Internal Market and Consumer Protection			20/04/2016
	 FORD Vicky		
 Legal Affairs			23/05/2016
	 CAVADA Jean-Marie		
	Committee for opinion on the legal basis	Rapporteur for opinion	Appointed

Council of the European Union	Council configuration	Meeting	Date
	Employment, Social Policy, Health and Consumer Affairs3625		21/06/2018
	Employment, Social Policy, Health and Consumer Affairs3475		16/06/2016
	Competitiveness (Internal Market, Industry, Research and Space)	3470	26/05/2016
European Commission	Commission DG	Commissioner	
	Employment, Social Affairs and Inclusion	THYSSEN Marianne	

Key events

08/03/2016	Legislative proposal published	COM(2016)0128	Summary
11/04/2016	Committee referral announced in Parliament, 1st reading		
26/05/2016	Debate in Council	3470	
16/06/2016	Debate in Council	3475	
16/10/2017	Vote in committee, 1st reading		
16/10/2017	Committee decision to open interinstitutional negotiations with report adopted in committee		
23/10/2017	Committee report tabled for plenary, 1st reading	A8-0319/2017	Summary
23/10/2017	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
25/10/2017	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
25/04/2018	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
29/05/2018	Results of vote in Parliament		
29/05/2018	Debate in Parliament		
29/05/2018	Decision by Parliament, 1st reading	T8-0213/2018	Summary
21/06/2018	Act adopted by Council after Parliament's 1st reading		
28/06/2018	Final act signed		
04/07/2018	End of procedure in Parliament		
09/07/2018	Final act published in Official Journal		

Technical information

Procedure reference	2016/0070(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 96/71/EC 1991/0346(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 062; Treaty on the Functioning of the EU TFEU 053-p1
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/8/05991

Documentation gateway

Legislative proposal		COM(2016)0128	08/03/2016	EC	Summary
Document attached to the procedure		SWD(2016)0052	09/03/2016	EC	
Document attached to the procedure		SWD(2016)0053	09/03/2016	EC	
Document attached to the procedure		COM(2016)0505	20/07/2016	EC	Summary
Committee draft report		PE582.163	02/12/2016	EP	
Committee of the Regions: opinion		CDR2881/2016	07/12/2016	CofR	
Amendments tabled in committee		PE601.026	21/03/2017	EP	
Amendments tabled in committee		PE601.105	04/05/2017	EP	
Committee opinion	IMCO	PE597.610	15/05/2017	EP	
Specific opinion	JURI	PE604.710	15/06/2017	EP	
Committee opinion	JURI	PE597.398	22/06/2017	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0319/2017	23/10/2017	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0213/2018	29/05/2018	EP	Summary
Commission response to text adopted in plenary		SP(2018)414	27/06/2018	EC	
Draft final act		00018/2018/LEX	28/06/2018	CSL	

Additional information

Research document	Briefing
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Final act

[Directive 2018/957](#)
[OJ L 173 09.07.2018, p. 0016](#) Summary

[Corrigendum to final act 32018L0957R\(01\)](#)
[OJ L 091 29.03.2019, p. 0077](#)

PURPOSE: to amending Directive 96/71/EC of The European Parliament and of the Council concerning the posting of workers in the framework of the provision of services to address unfair practices.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: posting of workers supports the cross-border provision of services in the Internal Market, particularly in construction and some personal and business services sectors. Altogether, in 2014, there were over 1.9 million postings in the EU (representing 0.7% of a total EU labour force), up by 10.3% as compared to 2013 and by 44.4% with respect to 2010. The upward trend followed some stagnation during the years 2009 and 2010.

[Directive 96/71/EC](#) sets the EU regulatory framework to establish a balance between the objectives of promoting and facilitating the cross-border provision of services, providing protection to posted workers and ensuring a level-playing field between foreign and local competitors. It stipulates a 'core set' of terms and conditions of employment of the host Member State which are mandatory to be applied by foreign service providers, which include:

- maximum work periods and minimum rest periods;
- the minimum rates of pay, including overtime rates;
- minimum paid annual holidays;
- the conditions of hiring-out of workers;
- health, safety and hygiene at work;
- protective measures in favour of pregnant women, mothers who have recently given birth, children, and young people;
- equality of treatment between genders.

The [2014 Enforcement Directive](#) has provided for new and strengthened instruments to fight and sanction circumventions, fraud and abuses. It addresses problems caused by so-called "letter-box companies" and increases the Member States ability to monitor working conditions and enforce the rules applicable. It also lays down provisions to improve administrative cooperation between national authorities in charge of posting. Moreover, Member States have until 18 June 2016 to transpose the Directive.

The current initiative does not address any issue touched upon by the Enforcement Directive. Rather, it focuses on issues which were not addressed by it and pertain to the EU regulatory framework set by the original 1996 Directive.

IMPACT ASSESSMENT: this proposal is accompanied by an [Impact Assessment](#) Report which analysis the phenomenon of posting, describes the problem with the current legal framework, envisages different policy options to address it and finally assesses the social and economic impact of the policy options.

CONTENT: the proposal of targeted amendments to the Posting of Workers Directive integrates and complements the provisions set in the Enforcement Directive, which is to be transposed by 18 June 2016. It seeks to ensure fair wage conditions to posted workers and a level playing field between posting and local companies in the host country.

The new text introduces three main changes:

Posting exceeds twenty-four months: the proposal provides the following:

when it is anticipated that the duration of posting will be superior to 24 months or when the effective duration of posting exceeds 24 months, the host Member State is deemed to be the country in which the work is habitually carried out;

in application of the rules of the [Rome I Regulation](#), the labour law of the host Member State will therefore apply to the employment contract of such posted workers if no other choice of law was made by the parties. In case a different choice was made, it cannot, however, have the result of depriving the employee of the protection afforded to him by provisions that cannot be derogated from by agreement under the law of the host Member State;

in case of replacement of posted workers performing the same task at the same place, the cumulative duration of the posting periods of the workers concerned shall be taken into account, with regard to workers that are posted for an effective duration of at least six months.

Work and employment conditions, including in situations of sub-contracting: the proposed revision:

makes the collective agreements universally applicable to posted workers in all sectors of the economy, irrespective of whether the activities are referred to in the annex to the Directive 96/71/EC (which currently is the case only for the construction sector);

implies that the rules on remuneration applicable to local workers, stemming from the law or collective agreements universally applicable, are also applicable to posted workers;

imposes on Member States an obligation to publish in the website the constituent elements of remuneration applicable to posted workers;

gives the faculty to Member States to oblige undertakings to subcontract only to undertakings that grant workers certain conditions on remuneration applicable to the contractor, including those resulting from non-universally applicable collective agreements. This is only possible on a proportionate and non-discriminatory basis and would thus in particular require that the same obligations be imposed on all national sub-contractors.

Rules for temporary agency workers: a new provision sets the conditions applicable to the workers hired out by a temporary agency established in a Member State other than the Member State of establishment of the user undertaking.

This new measure specifies that the conditions to be applied to cross-border agencies hiring out workers must be those that are applied to national agencies hiring out workers. Contrary to the current Directive, this is now a legal obligation imposed on Member States.

Posting of workers in the framework of the provision of services

The Commission presented a communication on the proposal for a Directive amending the Posting of Workers Directive, with regard to the principle of subsidiarity, in accordance with Protocol No 2 to the Treaties.

Within this context, the Commission adopted on 8 March 2016 a proposal for a targeted revision of Directive 96/71/EC on Posting of Workers with a view to ensuring that the implementation of the freedom to provide services in the Union takes place under conditions that guarantee a level playing field for businesses and respect for the rights of workers.

Protocol No 2 to the Treaties on the application of the principles of subsidiarity and proportionality allows national Parliaments to issue reasoned opinions when they consider that a legislative proposal does not comply with the principle of subsidiarity.

Fourteen chambers of national Parliaments sent reasoned opinions to the Commission stating that the Commission proposal does not comply with the principle of subsidiarity.

Subsidiarity concerns raised by the national Parliaments: the subsidiarity arguments raised in the reasoned opinions of national Parliaments are the following:

1. The existing rules are sufficient and adequate: the Commission recalled that the objective of the proposal is to provide a more level playing field between national and cross-border service providers and to ensure that workers carrying out work at the same location are protected by the same mandatory rules, irrespective of whether they are local worker or posted workers, in all sectors of the economy.

Member States having the option, but not the obligation, to apply such rules in sectors other than the construction sector does not fully achieve this objective. Indeed, Member States can under such circumstances choose not to do so, hence failing to provide a level playing field and an adequate protection of posted workers in such other sectors.

The obligation for all Member States to apply the rules in all sectors of the economy cannot be established at national level but must be laid down at Union level. Therefore the Commission considers that the objective of the proposal on this point can be better achieved at Union level.

2. The Union is not the adequate level of the action: the objectives of the proposal are to facilitate the correct functioning of the Internal Market, in particular to facilitate the freedom to provide services, while ensuring a better level-playing field between national and cross-border service providers, an adequate protection of posted workers and clarity and predictability in the legal framework applicable to posted workers. The Commission considers that these objectives are interdependent and can be better achieved at Union level.

Individual action by the Member States could not achieve another important objective of the measures: bringing legal consistency throughout the Internal Market and clarity to the legal framework applicable to posted workers since the protection afforded to them would vary depending on the host Member State's approach.

3. The proposal fails to recognise explicitly Member States' competences on remuneration and conditions of employment: the Commission proposal fully and unequivocally respects the competence of the Member States to set the remuneration and other terms and conditions of employment, in accordance with their national law and practice and it states this explicitly. Recital No 12 confirms that "it is within Member States' competence to set rules on remuneration in accordance with their law and practice". The proposal hence does not regulate remuneration, nor does it define remuneration or the constituent elements of remuneration at Union level. It merely provides that mandatory rules on remuneration, as set by the Member States, should apply in a non-discriminatory manner to local and cross-border service providers and to local and posted workers.

4. The justification contained in the proposal with regard to the subsidiarity principle is too succinct: the Commission noted that the recitals of the draft Directive make clear why action at Union level is required to improve the Union regulatory framework concerning the posting of workers in some regards. Moreover, the Impact Assessment Report, which accompanies the proposal, gives a more detailed assessment of respect for the principle of the subsidiarity and proportionality of the proposal.

Conclusions: in line with its commitment to ensure that national Parliaments have a strong voice in European decision-making, the Commission carefully analysed the reasoned opinions. Before drawing its conclusions, it engaged directly with national Parliaments on the issues raised.

After having carefully analysed the reasoned opinions, the Commission concluded that the proposed revision of the Directive complies with the principle of subsidiarity.

Considering that all arguments raised by national Parliaments will play a role in the context of the legislative process, the Commission intends to address them in detail and separately by way of letters to the Parliaments concerned, under the political dialogue.

Posting of workers in the framework of the provision of services

The Committee on Employment, Social Affairs and Employment adopted the joint report by Elisabeth MORIN-CHARTIER (EPP, FR) and Agnes JONGERIUS (S&D, NL) on the proposal for a directive of the European Parliament and of the Council amending Directive 96/71/EC of the European Parliament and of the Council concerning the posting of workers in the framework of the provision of services.

The committee recommended that the European Parliaments position adopted at first reading under the ordinary legislative procedure should amend the Commission proposal as follows:

Need to revise the Directive: the amended text stressed that, in the light of proven cases of fraud, it is necessary to revise the Posting of Workers Directive in order to assess whether it still strikes the right balance between the need to promote the freedom to provide services and ensure a fair business climate and a level playing field for workers and undertakings operating in the internal market, and the need to protect the rights of posted workers. There is an urgent need to clarify the rules, to make sure that they are applied uniformly and to bring about genuine upward social convergence.

This Directive establishes a balanced framework with regard to the freedom to provide services and the protection of posted workers, which is non-discriminatory, transparent and proportionate while respecting the diversity of national industrial relations.

Postment exceeding 24 months: Members deemed it necessary to stipulate that the posting is of a temporary nature. Therefore, all the applicable terms and conditions of employment of the Member State where the worker is posted should be applicable after 24 months, except

the conditions relating to the conclusion and termination of the employment contract. This rule does not affect the right of undertakings posting workers to the territory of another Member State to invoke the freedom to provide services in circumstances also where the posting exceeds 24 months. For postings that require a longer duration, it shall be possible to grant extensions to undertakings based on a reasoned request made to the competent authority of the Member State where the worker is posted.

Conditions of work and employment: undertakings shall ensure that workers posted to their territory enjoy conditions of employment equal to those laid down in the Member State in whose territory the work is performed with regard to:

- maximum work periods and minimum rest periods, including specific measures regarding night work, work performed during weekends and public holidays and work performed in shifts;
- remuneration, including overtime rates;
- the conditions of hiring-out of workers, in particular the supply of workers by temporary employment undertakings;
- health, safety and hygiene at work;
- protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, of children and of young people;
- equality of treatment between men and women and other provisions of non-discrimination;
- the conditions of workers accommodation;
- allowance rates to cover travel, board and lodging expenses for workers away from their habitual place of work.

In order to ensure transparency and access to information, Member States shall publish the constituent elements of remuneration, as defined by law and applicable collective agreements, on a dedicated single website.

Double payments of equal or similar nature shall be avoided. The worker shall be subject to the terms and conditions that are more favourable to him or her.

Temporary agency work and subcontracting: with a view to tackling abuses in subcontracting situations and in order to protect posted workers' rights, Member States should ensure, in accordance with national law and practice that posted workers receive all entitlements.

Member States shall ensure equal treatment between posted temporary agency workers and domestically employed temporary agency workers.

Information co-operation: this co-operation shall also consist of combating manifest abuses and possible cases of unlawful activities, such as transnational cases of undeclared work and bogus self-employment.

Measures in the event of non-compliance with the Directive: the host Member States and the Member States of establishment shall be responsible for the monitoring, control and enforcement of the obligations laid down in this Directive and shall take appropriate measures in the event of failure to comply with this Directive. The sanctions provided for shall be effective, proportionate and dissuasive.

Member States shall ensure that in the case of non-genuine posting, irrespective of which law applies to the employment relationship, the terms and conditions of the Member State where the service is provided apply.

Road transport: a recital stated that the implementation of the Posting of Workers Directive in this sector raises particular legal questions and difficulties which are addressed in the Commissions [proposal for a directive](#) amending Directive 2006/22/EC as regards enforcement requirements and laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector, which is intended to provide for sector-specific legislation.

Posting of workers in the framework of the provision of services

The European Parliament adopted by 456 votes to 147, with 49 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending 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 (posted workers).

The revised Directive seeks to facilitate the transnational provision of services while ensuring fair competition and to ensure the protection of posted workers during their posting assignment by means of mandatory provisions on working conditions and the protection of workers' health and safety, which should be respected.

The European Parliaments position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Working and employment conditions: undertakings shall guarantee workers who are posted to their territory on a basis of equality of treatment the terms and conditions of employment covering the following matters which, in the Member State where the work is carried out, are laid down:

- maximum work periods and minimum rest periods;
- minimum paid annual leave;
- remuneration, including overtime rates; this point does not apply to supplementary occupational retirement pension schemes;
- the conditions of hiring-out of workers, in particular the supply of workers by temporary employment undertakings;
- health, safety and hygiene at work;
- protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, of children and of young people;
- equality of treatment between men and women and other provisions on non-discrimination;
- the conditions of workers' accommodation
- when provided by the employer to workers away from their regular place of work;
- allowances or reimbursement of expenditure to cover travel, board and lodging expenses for workers away from home for professional reasons.

In order to ensure transparency and access to information, Member States shall publish the elements of remuneration and all working and employment conditions on a single dedicated website.

Remuneration: the concept of remuneration shall be determined by the national law and/or practice of the Member State to whose territory the worker is posted and means all the elements of remuneration rendered mandatory by national law, regulation or administrative provision, collective agreements or arbitration awards which in that Member State have been declared universally applicable or otherwise apply.

Allowances specific to the posting should be considered to be part of the remuneration. Such allowances should therefore be taken into account for the comparison, unless they concern expenditure actually incurred on account of the posting, such as expenditure on travel, board and lodging.

Duration of posting: when the effective duration of a posting exceeds 12 months (with a possibility for extension of 6 months on the basis of a motivated notification of a service provider), Member States shall ensure, irrespective of which law applies to the employment relationship, that the undertakings guarantee workers posted to their territory on a basis of equality of treatment, in addition to the terms and conditions of employment, all the applicable terms and conditions of employment which are laid down, in the Member State where the work is carried out.

In addition to the legal provisions, Member States may, if they so decide, base themselves on:

- collective agreements or arbitration awards which are generally applicable to all similar undertakings in the geographical area and in the profession or industry concerned, and/or ;
- collective agreements which have been concluded by the most representative employers' and labour organizations at national level and which are applied throughout national territory.

Cooperation on fraud and abuse: Member States shall make provision for cooperation between the public authorities which are responsible for monitoring the terms and conditions of employment. Such cooperation shall in particular consist in replying to reasoned requests from those authorities for information on the transnational hiring-out of workers, and in tackling manifest abuses or possible cases of unlawful activities, such as transnational cases of undeclared work and bogus self-employment linked to the posting of workers.

International road transport: the provisions of the revised Directive shall apply to the road transport sector from the date of application of the forthcoming sectoral legislation.

Posting of workers in the framework of the provision of services

PURPOSE: facilitate the transnational provision of services whilst ensuring fair competition and respect for the rights of those workers who are employed in one member state and sent to work temporarily in another by their employer (posted workers).

LEGISLATIVE ACT : Directive (EU) 2018/957 of the European Parliament and of the Council amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services

CONTENT: the revised Directive 96/71/EC ensures the protection of posted workers during their posting in relation to the freedom to provide services, by laying down mandatory provisions regarding working conditions and the protection of workers health and safety that must be respected.

In particular, the new Directive provides the following :

Conditions of work and remuneration: local or posted workers who do the same work in the same place will be subject to the same working conditions and salary. The Directive provides for the application of the same remuneration rules as for local workers in the host Member State from the first day of posting. Equality of treatment also affects: (i) maximum work periods and minimum rest periods; (ii) minimum paid annual leave; (iii) health, safety and hygiene at work; (iv) protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, of children and of young people; (v) equality of treatment between men and women and other provisions on non-discrimination.

Temporary employment agencies will have to guarantee posted workers the same conditions of employment and salary as temporary workers employed in the Member State where the posting takes place.

The Directive also specifies the rules on allowances. Posted workers should receive at least the same allowances or reimbursement of expenditure to cover travel, board and lodging expenses for workers away from home for professional reasons that apply to local workers in that Member State. In addition, employers will have to ensure that accommodation conditions for posted workers are in line with national rules.

Length of posting: a worker will be considered to be posted long-term after 12 months (with the possibility of a 6 months extension subject to a justified notification by the service provider). After this period, the posted worker will be subject to nearly all aspects of the labour law of the host country.

Collective agreements: the number of potential collective agreements that may apply in Member States having a system for declaring collective agreements or arbitration awards of universal application is increased. Member States may base themselves on:

- collective agreements or arbitration awards which are generally applicable to all similar undertakings in the geographical area and in the profession or industry concerned, and/or
- collective agreements which have been concluded by the most representative employers and labour organisations at national level and which are applied throughout national territory,

Combating fraud: the Directive strengthens coordination between the competent authorities or bodies of Member States and cooperation at EU level in the fight against fraud in the context of posting of workers. With a view to tackling abuses in subcontracting situations and in order to protect the rights of posted workers, Member States should take appropriate measures to ensure subcontracting liability.

As regards the international road transport sector, the provisions of the Directive will apply from the date of entry into force of future sectoral legislation.

ENTRY INTO FORCE: 29.7.2018.

TRANSPOSITION AND APPLICATION: from 30.7.2020.