FIEC is the European Construction Industry Federation, representing via its 31 National Member Federations in 27 countries (24 EU & EFTA and Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as "global players", carrying out all forms of building and civil engineering activities. FIEC is the confirmed Sectoral Social Partner of the construction industry, representing the employers' side

Press Contact: Domenico Campogrande Tel. +32-2-514 55 35 / e-mail: info@fiec.eu

## **FIEC Press Release**



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## The new "Posting" Directive is not a panacea against all forms of fraud

With the adoption of the new modified "Posting of workers" Directive the EU legislator intends to provide some answers to problems and fraud observed in the cross-border provision of services within the EU.

"Ensuring a level playing field for companies requires a legislative framework which provides an adequate balance between the freedom to provide services within the Internal Market and the protection of workers' rights. This plays a crucial role in the competitiveness of genuine companies." declared Kjetil Tonning, FIEC President. "However, contrary to what some organisations are claiming, the recent modifications to the "Posting" Directive are not the panacea against all fraud. We therefore remain careful at this stage about the possible positive added value introduced by the new provisions" added Kjetil Tonning.

Much fraud observed in the area of "Posting" is due amongst other things to factors such as fraudulent A1 forms, unpaid or incorrectly paid social security contributions, undeclared working time, etc. which would normally require other types of intervention.

"In addition to the initiatives undertaken so far, the EU needs to put in place an effective and efficient system of data exchange between administrations, which is currently missing" indicated Paul Depreter, FIEC Vice-President responsible for Social Affairs. "Employers and workers also need clear, up-to-date and reliable information on the rules and legislation applicable in the "host" country. In this respect what most of the Member States have put in place so far is extremely poor and unsatisfactory" added Paul Depreter.

FIEC, at the EU level, and its members at the national level, will therefore continue to cooperate in a constructive manner with the concerned authorities and stakeholders, in order to develop a comprehensive framework that can effectively guarantee fair mobility and the respect of workers' rights within the Internal Market.