



In this issue:

Background

**Implications for
foreign employers**

Deloitte's view

People to contact

GES NewsFlash

Sweden — Government Bill Regarding Duty for Foreign Employers to Notify Swedish Authorities of Employees Posted in Sweden

March 4, 2013

Background

On February 14, 2013, the Swedish government proposed new legislation regarding posted employees in Sweden. It is proposed that a reporting obligation is introduced for foreign employers who post employees in Sweden if the work in Sweden exceeds five days.

The background to the government bill is to assure that the parties of the labour market can monitor and assure that the conditions of work and employment are in line with the Directive 96/71/EC of the European Parliament concerning the posting of workers. Furthermore, the reporting obligation shall also make it possible for Swedish authorities to contact the foreign employers concerned.

Implications for foreign employers

The new reporting obligations to the Swedish authorities shall be fulfilled by the employer no later than when the employee begins his or her work in Sweden. There is no provisional legislation proposed and the legislation is proposed to enter into force on July 1, 2013.

Hence, as of the day the new legislation enters into force, all new or existing deployments of employees to Sweden shall be registered with the Swedish Work Environment Authority (Arbetsmiljöverket) if the work in Sweden exceeds five days. Further details on the required contents of the registration are expected to be announced shortly.

Furthermore, the foreign employer shall also appoint and register a contact person in Sweden. The contact person shall be authorized to receive service on behalf of the employer, and it is suggested that such authority shall arise automatically through the employer's nomination of the contact person to the Swedish authorities. The contact person shall upon request also be able to provide documentation attesting that the criteria's in the Foreign Posting of Employees Act are fulfilled. The contact person may be one of the posted workers or the employer may appoint another person located in Sweden.

Noncompliance with the duty to register posted employees in Sweden or to appoint and register a contact person is proposed to impose a strict liability to pay penalty charges of between SEK 1,000 – 100,000.

Deloitte's view

The suggested legislation will result in increased administration for foreign employers conducting business in Sweden. It is expected that the Government bill will be accepted by the Swedish Parliament. It is important to already now start the preparations for how to comply with the reporting obligation.

Foreign employers need to determine which employees are covered by the reporting obligations, including current assignments, so that registrations of both current and new assignments can be completed as soon as the law enters into force.

Based on currently known facts, the employer can appoint an external contact person who can be liable to receive service and who can act as an intermediary between the Swedish authorities and the employer.

Deloitte is currently looking into a process on how to assist foreign employers to comply with the reporting obligation. We would be happy to discuss this further with employers concerned.

People to contact

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