

# HR & Tax Alert


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## Belgium – “LIMOSA” tracking system enters into force – Exemptions to notification requirements available

April 2007

### Executive summary

The recently enacted “LIMOSA” tracking system for business travellers to Belgium entered into force as of 1<sup>st</sup> April 2007 (for more background, see our alert of 15 February 2007 which may be accessed at [http://www.ey.com/GLOBAL/content.nsf/International/Human\\_Capital\\_-\\_Library](http://www.ey.com/GLOBAL/content.nsf/International/Human_Capital_-_Library)). This system will apply to any employee or self employed individual coming to Belgium on business. It will be used to simplify the administrative formalities associated with the employment of foreign citizens on Belgian territory and to monitor foreign business presence in Belgium.

The LIMOSA tracking system is designed to simplify the Belgian business environment by setting up a web enabled platform designed as a “one stop shop” for foreign citizens working in Belgium. This platform will be the single access point to apply for a work permit, a visa or a professional card.

With effect from 1 April 2007, business trips or assignments to Belgium must be disclosed to the Belgian authorities prior to the start of the assignment. This new disclosure requirement is imposed on both posted workers (including “trainees”) and self employed individuals.

There are however transition rules available which provide for a freezing period of 6 months for those already on assignment in Belgium when the legislation entered into force. There are also a number of exemptions available for certain categories of

assignment depending upon the nature or length of the assignment. The purpose of this alert is to review the instances where a “Limosa” filing is not required and to shed some light on the notification process itself.

### LIMOSA Exemption

In order not to jeopardize the free movement of services within the European single market, the legislation has exempted some categories of employees, self-employed persons and trainees from the LIMOSA notification requirement in view of either the short duration or the nature of their activities in Belgium.

An exemption is available in the following instances:

- business trip to attend a conference (for up to 5 days per calendar month)
- meetings in “limited” circles (rather than conferences or seminars) provided that the stay in Belgium does not exceed 5 days per month
- specialized employees temporarily sent to Belgium to take care of the initial assembly and/or first installation of machinery/equipment (up to 8 days) or to carry out urgent repairs or maintenance works (up to 5 days per calendar month).
- Other incidental exemptions are available for the international transport sector or the public sector.
- None of the above exemptions apply to individuals active in the construction or interim agency sectors.

Self-employed persons are exempted from the LIMOSA-notification if, without being exhaustive, they have their main residence abroad and come on business trips to Belgium up to a maximum of 5 days per calendar month.

### **LIMOSA Declaration**

The LIMOSA notification must be made electronically via the LIMOSA website which has been operational since 1<sup>st</sup> April 2007. The data that must be provided to the Belgian social security authorities relates to the identification of the foreign company/employer and the individual concerned, the place of activities in Belgium, the start date and estimated duration of the activity in Belgium, and the applicable daily and weekly work schedule. A simplified LIMOSA notification valid for a maximum period of 12 months (though renewable) is available for employees and self-employed persons paying frequent visits to Belgium.

For employees, the disclosure requirement should normally be satisfied by the foreign posting employer through the web based electronic platform. The disclosure will be confirmed by a receipt which the posted worker and his posting employer should share with the host entity in Belgium. If the latter is not provided with the receipt proving the satisfaction of the pre-assignment disclosure requirement, the Belgian host entity will be obliged to satisfy the disclosure requirement in lieu of the sending party.

### **Next steps**

Employers with employees working in Belgium will need to set up appropriate protocols and processes (notably via their corporate travel policy) to ensure that they comply with the LIMOSA notification procedure for all assignees travelling into Belgium. Ernst & Young can support companies in understanding their obligations under the scheme and in the design and set up of protocols and processes to deal with the new procedures.

For further information please contact your local Ernst & Young Human Capital professional, or in Belgium:

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