

FACTSHEET: PROVISION OF SERVICES IN LUXEMBOURG – FORMALITIES

PRIOR NOTIFICATION TO THE MINISTRY OF ECONOMY

A foreign **craft** or **industrial business** must notify the “Ministère de l'économie” of a provision of services on Luxembourg territory prior to starting works.

The written notification must be filed by post to:

Ministère de l'Economie

DG des Classes Moyennes

Département autorisations

B.P. 535, L-2937 Luxembourg

Tél. : +352 247 847-15 / - 17 / - 18 / - 24

After receipt of notification, the Ministry issues a **certifying document** to be used as proof, where necessary

Please enclose the following documents with the notification:

- EU-certificate;
- proof of payment of stamp duty (droit de chancellerie), in the form of:
 - either a tax stamp, value EUR 24, purchased at the Land Registration and Estates Department (AED);
 - Proof of payment of EUR 24 into the IBAN account LU47 1111 0087 9262 0000, BIC : CCPLLULL of the AED and indicating the following communication: “Droit de Chancellerie”;
- A copy of the identity card (or passport) of the partners appearing in the constitutional documents and/or the business managers/directors of the company.

The notification is valid for 12 months and **has to be renewed**. Application of renewal can be made by form free mail notification.

APPLICATION FOR VAT IDENTIFICATION NUMBER

A foreign craft or industrial business which wants to provide services in Luxembourg has to apply for a VAT identification number. The reverse-charge-mechanism does not apply to construction and assembly works. To register for VAT, the business (= taxable person) must submit an initial declaration.

Documents and information to be enclosed to the application:

- A copy of the constitutional documents in French or German;
- A copy of the identity card (or passport) of the partners appearing in the constitutional documents and/or the business managers/directors of the company;
- EU-certificate ;
- Certificate of the “Ministère de l'économie”.

The application should be sent to:

Administration de l'Enregistrement et des Domaines

Bureau d'Imposition Luxembourg X

B.P. 31, L-2010 Luxembourg

Tél. : +352 44 90 56 09

The standard tax rate in Luxembourg is 15%. The reduced rate is 6% and the highly reduced rate is 3%. For more information consult www.aed.lu

DIRECT TAX: CORPORATE INCOME TAX

Exceeds the stay or the execution of the mission in Luxembourg a certain time (see relevant double tax agreement), it is automatically and backdated seen as permanent **ESTABLISHMENT** in Luxembourg. In Luxembourg generated income is taxed in Luxembourg.

For any additional information please consult www.impotsdirects.public.lu.

POSTING WORKERS TO LUXEMBOURG

An employer based abroad may assign employees to Luxembourg temporarily in order to carry out work in the Grand Duchy in the framework of a provision of services or goods between the employer and a business or client.

Prior to posting employees any business must make declaration of posted worker to the National Inspectorate of Labour and Mines (ITM). The form can be downloaded on www.itm.lu.

When a foreign business posts its workers to Luxembourg, it is required to comply with the legal provisions concerning Luxembourg labour law.

These provisions apply to the social minimum wage, the duration of work, daily and weekly rest hours and the regulations for health and safety of employees in the workplace.

In case of a posting for duly justified urgent and unforeseeable repair or maintenance works, there is no need of prior declaration, under condition that the duration of these works is less than 48 hours.

SOCIAL SECURITY FOR POSTET WORKERS (LETTER OF ASSIGNMENT A1)

Generally the posted worker is subject to the social security of the contributing state. He has to possess a letter of assignment A1 issued by the appropriate contributing state.

NOMINATE A TEMPORARY HOLDING PERSON

During the entire period of posting, the employer must entrust a **temporary holding person** (THP) with a sealed envelope containing all the documentation which is necessary for the Luxembourg Inspectorate of Labour and Mines (ITM) to inspect the working conditions. The envelope must be stored in a clearly identifiable and physically accessible location.

The THP may be a client, a person of trust for the posting business or one of the posted workers present at the location where the services are provided.

The THP must keep the following documents available for the ITM:

- where applicable, a copy of the labour supply contract;
- certificate of the “Ministère de l'économie”;
- the certificate of fitness for work delivered by the occupational health service in the country of origin;
- a copy of the VAT certificate provided by the Luxembourg Land Registration and Estates Department (AED);

- proof of compliance with the obligation to inform employees about applicable contractual conditions or conditions applicable to the working relationship, namely.

Upon request by the ITM, the documents must be translated into French or German.

If the THP is replaced during the posting, the business must inform the ITM as soon as possible.

ADDITIONAL INFORMATION

The documents have to be in one of the official languages of Luxembourg (German or French).

Contact us :

Contact Entreprise

Tel.: +352 42 67 67 -211 / -229 / -233 / -281

E-Mail: contact@cdm.lu



L'Europe à la portée de votre entreprise.

NOTE: This factsheet has been established with diligence and shall be a guide for better orientation. For accuracy, completeness and selection of accessible retrievable and published release, no guarantees are issued and liabilities are excluded.