

# Good to know

## Temporary provision of services in Luxembourg (craft or industrial activities)

# OVERVIEW OF THE STEPS

- The business established in the European Union (EU) or a country treated as such has to **notify** the occasional and temporary provision of services to the General Directorate for Small and Medium-Sized Enterprises (*Direction générale des Classes moyennes*) at the Ministry of the Economy.
- Businesses providing services in Luxembourg must also **register for VAT** in Luxembourg in order to conform to the VAT applicable to the provision of services.
- Each business who wants to post workers to Luxembourg (irrespective of the place of its registered office or the nationality of the posted workers) must submit a **posting declaration in order to obtain a social badge for each posted worker**. The social identification badge contains the employee's identity details and a barcode which enables ITM to access the data provided by the employer in the posting declaration.

# PROCEDURE TO FOLLOW – NOTIFICATION 1/2

The business must notify the General Directorate for Small and Medium-Sized Enterprises of an occasional and temporary provision of services on Luxembourg territory before starting any work.

The notification must be submitted together with:

- a European certificate of experience issued by the professional chamber of the country of origin or any other document proving that the declarant is authorised to exercise the activity in his country of origin;
- proof of payment of EUR 24 into the bank account of the AED (IBAN: LU09 1111 7026 5281 0000, BIC: CCPLLULL with the indication of the following communication: "*Droit de Chancellerie*").

# PROCEDURE TO FOLLOW – NOTIFICATION 2/2

The General Directorate for Small and Medium-Sized Enterprises may also request:

- proof of the declarant's nationality;
- for professions in the security sector, proof of a clean criminal record;
- where applicable, proof that the service provider has actually carried out said activities for at least one of the past 10 years.

As a general rule, being registered at the trade register in the country of origin does not constitute proof.

## **Important**

The notification is valid for 12 months and is renewable.

# PROCEDURE TO FOLLOW – VAT 1/4

## Principles

Natural or legal persons are liable for VAT if they independently and regularly conduct operations in connection with the performance of an economic activity, regardless of the aims or results of such activity and regardless of where it is conducted.

## Field of application of Luxembourg VAT

- delivery of goods and provision of services, in return for payment, within the country, by a taxable person as part of their business activities;
- intra-EU purchase of goods, in return for payment, within the country, by a taxable person as part of their business activities, or by a non-taxable legal person;
- intra-EU purchase of new means of transport, in return for payment, within the country, by a taxable person as part of their business activities, or by a not-taxable legal person, or by any other non-taxable person;
- the importing of goods from non-EU Member States.

# PROCEDURE TO FOLLOW – VAT 2/4

## Specific case of immovable property

The place of supply of services connected with immovable property, including the services of estate agents and experts, and services for the preparation and coordination of construction work, such as the services of architects and of firms providing on-site supervision, **is the place where the property is located.**

**Any provision of services related to immovable property located in Luxembourg will therefore be subject to Luxembourg VAT.**

# PROCEDURE TO FOLLOW – VAT 3/4

## VAT Registration

In order to be able to charge VAT to customers, taxable persons must register for VAT with the Registration Duties, Estates and VAT Authority, which will assign them a VAT number. VAT registration must take place within 15 days after the start of the activity, for taxable persons.

In order to register for VAT, any taxable person has to submit an initial declaration (<http://www.aed.public.lu/formulaires/FormsUK/index.html>) to the VAT Offices of non-residents – Luxembourg 10 by standard mail, to the following address:

**Administration de l'Enregistrement, des Domaines et de la TVA – VAT  
Administration - Offices of non-residents – Luxembourg 10**

B.P. 31

L-2010 Luxembourg

The application should be accompanied by the following documents:

- copy of the statutes of the company;
- copy of a company's trade register;
- copy of an ID of the manager.

# PROCEDURE TO FOLLOW – VAT 4/4

## VAT Declaration

Since January 2020, all VAT returns must be submitted electronically. This can be done by filling in an online form or uploading an XML file via the platform for the Collection of Financial Data “eCDF” (<https://ecdf.b2g.etat.lu/ecdf/>).

## Important

To log in to their eCDF account, users must click the "Log in" button on the homepage of the eCDF website ([www.ecdf.lu](http://www.ecdf.lu)). They will be required to authenticate their identity using an **electronic certificate**.

## How to obtain an electronic certificate?

In order to submit VAT declarations, applicants can order an electronic certificate on LuxTrust website (<https://www.luxtrust.lu/en/simple/208>) in the form of a smart card pro or a signing stick pro.

If the foreign company has a subsidiary in Luxembourg, the Chamber of Commerce offers support to order such device ([formalities@houseofentrepreneurship.lu](mailto:formalities@houseofentrepreneurship.lu)).



# PROCEDURE TO FOLLOW – POSTING WORKERS 1/4

An employer based abroad may **temporarily post its employees to Luxembourg** to carry out work within the **framework of a transnational provision of services agreement** between the employer established abroad and a business or individual client established in Luxembourg.

Posted work does **not** amend the provisions in the original employment contract : the rights and obligations attached to the contract remain in effect. However, employers must respect the minimum working conditions (e.g. working hours, holidays, health and safety, remuneration, etc.) in force in Luxembourg.

Posted workers remain under the social security scheme of the country in which they usually work.



# PROCEDURE TO FOLLOW – POSTING WORKERS 2/4

The posting of employees in Luxembourg is possible, provided that:

- **an employment relationship** exists between the posting employer and the employee throughout the period of posting;
- the posting of worker(s) must take place within the framework of a contract for the provision of services relating to a specific object or activity limited in time and ending with the execution **of the object of the contract**; and
- the posting employer must **perform a real and substantial economic activity in its country of origin.**

# PROCEDURE TO FOLLOW – POSTING WORKERS 3/4

Employers have to:

- ensure that their employees are **authorised to stay/work in Luxembourg**;
- prove that their employees are **covered by social security**;
- **declare the posted work to the Inspectorate of Labour and Mines** (*Inspection du Travail et des Mines - ITM*) as soon as the work in Luxembourg begins and communicate the necessary elements required for receiving the social identification badge (badge social);
- **designate** a natural or legal person in Luxembourg who will be the **main contact person for the ITM** and the competent authorities in matters of respect of posting conditions; and
- respect Luxembourg labour law and income tax which apply to posted workers.

# PROCEDURE TO FOLLOW – POSTING WORKERS 4/4

The employer must, as soon as the work begins on the Luxembourg territory and without prejudice to a prior declaration, **inform ITM by communicating on the electronic platform** intended for this purpose (<https://edetach.itm.lu/edetach/>):

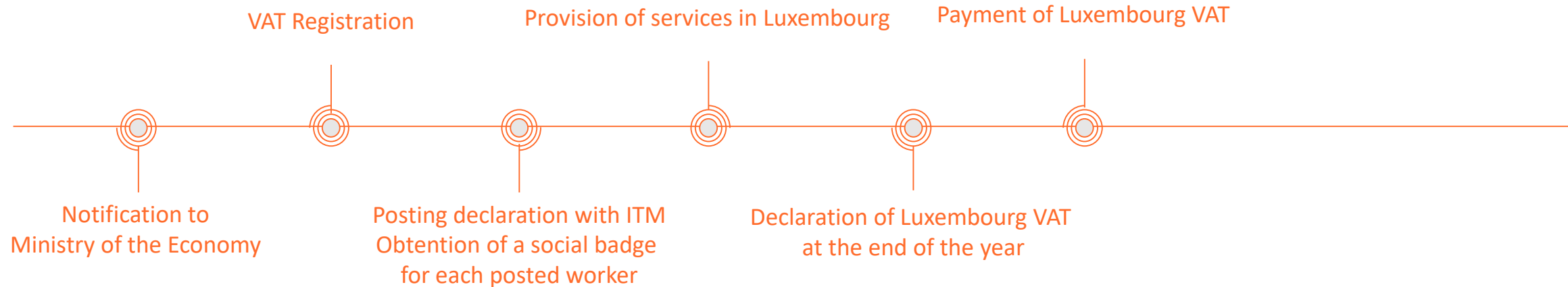
- the requested information for obtaining the social badge and for the legal control to be carried out by ITM; and
- the requested supporting documents.

**Any subsequent change**, in particular with regards to the place or object of the work, **must be notified to ITM through this platform**, without prejudice to the need for a new service contract with a different object.

All transmitted documents must be translated into French or German.

*Please note that it is necessary to make a posting declaration even if the activity in Luxembourg only lasts one day or even one or two hours.*

# PROCEDURE TO FOLLOW – OVERVIEW



*NB: the notification, VAT registration and posting declaration can be done simultaneously.*

# USEFUL LINKS



Notification of occasional and temporary provision of services in Luxembourg (craft or industrial activities only):

<https://guichet.public.lu/en/entreprises/marche-international/intra-ue/prestation-luxembourg/notification.html>

Information on VAT registration:

<https://guichet.public.lu/en/entreprises/creation-developpement/declarations-initiales/tva-impots/inscription-tva.html>

Posting workers to Luxembourg:

<https://guichet.public.lu/en/entreprises/ressources-humaines/mobilite/detachement/detacher-personnel.html>

Q&A of ITM on posting workers (available in French only):

<https://itm.public.lu/fr/questions-reponses/droit-travail/detachement-salaries.html>

# CONTACTS

## **House of Entrepreneurship – one-stop shop**

14, rue Erasme  
L-1468 Luxembourg  
Luxembourg

Phone : (+352) 42 39 39 - 330  
From Monday to Friday from 8.30 to 17.30  
<https://www.houseofentrepreneurship.lu/en/>

## **Administration de l'Enregistrement, des Domaines et de la TVA – VAT Administration - Offices of non-residents – Luxembourg 10**

14, avenue de la Gare,  
L-1610 Luxembourg  
Luxembourg

Phone : (+352) 247-80669  
From Monday to Friday from 8.30 to 11.30 and 14.00 to 16.00  
<http://www.aed.public.lu/>

## **Contact Entreprise at the Chamber of Skilled Trades and Crafts - Luxembourg**

2 Circuit de La Foire Internationale  
L-1347 Luxembourg  
Luxembourg

Phone : (+352) 42 67 67-1  
From Monday to Friday from 8.30 to 12.00 and 14.00 to 17.00  
<https://www.cdm.lu/>

## **Inspectorate of Labour and Mines**

3, rue des Primeurs  
L-2361 Strassen  
Luxembourg

Phone : (+352) 247 76100  
From Monday to Friday from 8.30 to 12.00 and 13.30 to 16.30  
<https://itm.public.lu/fr.html>