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The A1 certificate: the end of a bureaucracy monster

Dear Sir or Madam,

Since 01.05.2010 it has been **essential** to apply for a so-called **A1 certificate** when deploying anyone abroad in Europe (**secondments** according to Regulation (EC) 883/2004). There is an obligation here to carry the document in every EU/EEA state where employment is undertaken. The duration and nature of the personnel deployment is of no consequence. The result of this is that an application for an A1 certificate must be made in principle **for every business trip**, even if this only lasts for a few days or even a few hours. It is rightly being discussed whether this “bureaucracy monster” is consistent with the freedom to provide services.

The **A1 certificate** - also called the secondment certificate - is used both as a certificate of the social security regulations that apply to the seconded person, as well as a confirmation that social security contributions are paid in the sending state. In particular this is supposed to prevent social security contributions from being paid twice or from interruptions in contribution payments occurring.

Our experiences show that the issue of social security with regard to secondments is treated somewhat with neglect, so that no corresponding certificate is or was applied for. If the obligation to carry the document is violated, checks by the foreign social security agencies can sometimes lead to serious **finances or penalties of up to EUR 10,000 per case**. Increased verification checks have recently been reported from

To be on the safe side, you should not shy away from applying for the A1 certificate despite the bureaucratic hurdles. On application by the employer, the responsible social security agency in the sending state issues an A1 certificate for a person seconded to another member state. The following social security agencies are responsible:

- health insurance company for persons covered by statutory, voluntary or family insurance policies
- German pension insurance for persons with private health insurance
- working group of professional pension institutions for members of a pension fund

Since 01.01.2019 the **electronic application process** has been mandatory for all participating social security agencies. Employers must apply for the A1 certificate through a certified payroll program. Paper-based applications will only still be accepted up to 30.06.2019 in exceptional cases.

Now comes the good news: The European Parliament, the governments of the member states in the Council and the EU Commission resolved on 20.03.2019 that, for **business trips to other EU countries, the A1 certificate should no longer be necessary**. When this change is actually expected to be implemented cannot yet be estimated.

The applicable law is therefore to be

France and Austria. In other EU countries, such checks can be carried out directly at airports or later on company premises and installation sites.

observed until further notice. So if you are planning to post one of your employees abroad in the near future, please contact us. We will be happy to advise and help you!

Best regards



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Dr. René Schäfer completed his degree in Business Administration at Saarland University in Saarbrücken in 1999 as a Business Administrator. At the same time, he received the Diploma of the Ecole Supérieure de Commerce, Lyon after one year of study in France.

In July 2007, Dr. Schäfer was made a person with full commercial power of attorney and on January 1st, 2011, he was accepted as a partner.

In 2003, he received a doctorate at the Chair for Business Management Studies, particularly Business Taxation from Univ. Prof. Dr. Heinz Kussmaul on the subject of "Taxation of a German-French company". Dr. Schäfer completed the examination for Tax Advisor in 2005. Since 2008, he has also possessed the title of "Specialist Advisor for International Tax Law".

In July 2015, he was made an Honorary Professor in the subject of Business Administration at the Saarland University.

Specialisation

International tax law /
Corporate reorganisation tax law /
Transaction consultancy

In mid-February 2005, Dr. Schäfer began working as an employee in the tax department of DORNBACH GmbH, Saarbrücken branch.

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Company presentation



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