



Mutual Learning Programme

DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper – Lithuania

Inter-institutional cooperation as a tool to tackle undeclared work in complex chains

**Peer Review on “Control and prevention of undeclared
work in complex chains of economic activity”**

Slovakia, 4-5 May 2021

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1 Introduction

This paper has been prepared for the Peer Review on "Control and prevention of undeclared work in complex chains of economic activity" within the framework of the Mutual Learning Programme. It provides a comparative assessment of the policy example of the host country and the situation in Lithuania. For information on the host country policy example, please refer to the Host Country Discussion Paper.

2 Situation in the peer country

The Lithuanian legislation differentiates between illegal and undeclared work, undeclared self-employment and violations of the procedure for employing third-country nationals. Accordingly, public authorities involved in the prevention and control of undeclared work focus on detecting: (a) illegal work, (b) undeclared work, (c) undeclared self-employment, and (d) violations of the procedure for employing third-country nationals.

Illegal work in Lithuania is defined as "work performed for remuneration by a natural person (an employee), who is subordinate to another person (an employer), for the benefit of the latter, where: 1) the employer has not concluded an employment contract in writing according to the established procedure or has not given a notification of the hiring of the employee to a territorial office of the State Social Insurance Fund Board at least one hour prior to the start of the work; 2) the working third-country national is employed in violation of employment procedures laid down in the relevant legal acts"¹.

Undeclared work is defined as "work performed for remuneration by a natural person (an employee), who is subordinate to another person (an employer), for the benefit of the latter, where the following has not been recorded in the working time accounting documents according to a procedure prescribed by the Labour Code of the Republic of Lithuania: overtime worked by the employee; the employee's work during holidays or days-off unless such work is set according to a schedule; the employee's night-time work"².

The prevalence of undeclared work in Lithuania is not assessed nationwide. The main source of information are prevention and control measures by the State Labour Inspectorate (SLI) which involve inspections for the detection of illegal (undeclared) work. In 2020, the SLI carried out a total of 4,161 inspections of this type (covering a total of 3,818 entities – undertakings, farmers and natural persons) and identified 1,794 persons in illegal (undeclared) work (a total of 1,339 cases, including 357 cases in undertakings, 37 cases in farms and 945 cases of undeclared self-employment). Although the number of undeclared work inspections carried out in 2020 was 42% lower than in 2019, the number of persons identified to work illegally/undeclared was only 17% lower, whereas the number of third-country nationals in illegal work was even 40% higher than in 2019. This suggests two possible options: 1) undeclared work scaled up in Lithuania during the COVID-19 pandemic; 2) efficiency of SLI inspections and quality thereof increased significantly. In Lithuania, the majority of undeclared work cases are detected in the construction sector - about 70% of the total number of undeclared cases and about 80% of all cases of illegal/undeclared third-country nationals' work.

According to Special Eurobarometer 498, in 2019, the number of people in Lithuania declaring that they have paid for any goods or services where they 'had a good reason to assume that they included undeclared work' was higher than the average in the EU-28. Concerning such goods and services, respondents in Lithuania more often mentioned that they bought food (e.g. farm produce) (LT – 47%, EU – 16%), repair services (e.g. mobile phone, car) (LT – 25%, EU – 19%), and hairdressing or beauty treatment (LT –

¹ Art. 56 "Illegal Work and Liability" of Law on Employment.

² Art. 58 "Undeclared Work and Liability" of Law on Employment.

35%, EU – 27%). However these activities are likely to have little connection with complex chains of economic activity.

One of the examples of undeclared work in complex chains encountered in Lithuania is the illegal employment of third-country nationals through companies registered abroad. In Lithuania, there are cases when migrants (e.g. Byelorussians, Ukrainians) are employed in a company registered abroad (e.g. in Poland, Latvia) and are posted to work in Lithuania. However, upon arrival in Lithuania they are dismissed from the foreign companies and appear to have no social insurance coverage in Lithuania or in any other country. In such cases, it takes time to verify whether a third-country national has a valid employment contract with the sending company. In addition, there are cases of forged documents and it is difficult to control how much time third-country nationals actually spend in Lithuania when they arrive or depart, crossing the EU's internal borders.

Another increasingly common trend is that temporary work agencies (TWA) are managed by third-country nationals, which makes it very difficult to impose liability on the directors of legal entities under the Code of Administrative Offences (CAO).

There are also sectors in Lithuania where bogus self-employment is quite widespread; these include beauty services, the construction sector as well as real estate brokers, insurance agents working as self-employed under business certificates³ or individual economic activity certificates⁴ instead of employment contracts. Although there are no specific studies or assessments, it can be said that this problem has largely remained on the same scale for a decade; there are no obvious upward or downward trends in the scale of bogus self-employment in Lithuania.

3 National policies and measures

3.1 Current provisions regulating the complex chains of activity to prevent undeclared work

Regulation of complex chains

The provisions of Directive 2008/104 have been transferred to Articles 72-80 of the Labour Code of the Republic of Lithuania governing temporary work (TW) contracts. They define the concept and types of TW contracts, the criteria to be met by temporary work agencies, the content of the TW contract, the assignment of temporary workers to a user enterprise, the application of the principle of non-discrimination, periods between assignments to work, compensation for damage caused by a temporary worker, the rights and obligations between the temporary worker and the user enterprise, the obligations of the TWA and the user enterprise, and termination of TW contracts.

It should be noted that in compliance with Article 62(6) of the Law on the Legal Status of Aliens, TWAs (registered in Lithuania) are prohibited from concluding TW contracts with third-country nationals as of 1 March 2019. A discussion on the abolition of this ban is currently underway in Lithuania. Currently national authorities are discussing the possibility to allow the conclusion of TW contracts with third-country nationals along with the establishment of stricter criteria to TWAs.

With regards to the roles and co-responsibilities for compliance when several employers are involved, it is of note that:

³ A business certificate is a document certifying that a person has paid a fixed fee for a business certificate and has the right to perform the activities indicated in the business certificate for a certain period of time, to sell the goods he/she has produced and to render services to residents and legal entities. Business certificates are issued only for certain types of activities.

⁴ Individual economic activity certificate is a document certifying that a person has registered his activities at the local State Tax Inspectorate and is entitled to perform the activities indicated in the certificate.

- When a TWA is involved, it alone is responsible for any undeclared work occurrences, as the TWA is the employer of the temporary worker.
- In the case of subcontracting, the Lithuanian legislation only provides for the liability of the contractor in respect of illegal employment of third-country nationals (provisions of Directive 2009/52 have been transferred to Chapter IV of the Law on Employment, Law on the Legal Status of Aliens and Criminal Code), though currently proposal to extend this provision to all employees (not only third-country nationals) is considered by the government.

According to the current legislation, in cases of subcontractors employing illegally third-country nationals, the direct contractor shall assume subsidiary liability for the discharge of the financial obligations for the worker and payment of fines set out in the law. An exception are cases where the contractor has requested employment documents from the subcontractor in writing and has taken measures to verify truthfulness thereof. If the contractor or other subcontractors were aware that the employer had illegally employed the third-country nationals, they shall also carry subsidiary liability.

It is currently proposed to amend Article 56(7) of the Law on Employment and to establish liability not only in the case of subcontracting relationships, but also in case of other civil relationships under a contract for the provision of services or performance of works. In Lithuania, contractors are usually associated with construction works, and the concept of a contractor is regulated by the Law on Construction. If posted workers work in other economic sectors, there are no legal grounds for imposing liability on the user enterprise. The duty to ascertain the lawfulness of third-country nationals' employment should however apply to all user enterprises irrespective of their business activity.

Regulation to ensure co-responsibility of letterbox companies

It should be noted that in Lithuania there are increasing cases of TWAs acting as letterbox companies. Due to difficulties in controlling such companies, the tightening of the requirements for the establishment and operation of TWAs is currently under discussion in the country, however more detailed information is not yet available.

In order to prevent unfair employment practices through bogus postings, the SLI Inspector's Procedure for Identification of a Genuine Posting was approved in Lithuania on 31 August 2016, setting out, inter alia, the steps and criteria for distinguishing between genuine and fictitious posting. This procedure applies to inspections carried out by the SLI inspector in economic entities employing workers posted from/to EU or EEA Member States.

In accordance with the Procedure, genuine posting to Lithuania is defined as cases when the sending employer is not an economic entity based in Lithuania and/or a posted worker has been employed abroad and performs job functions in Lithuania on a temporary basis. In determining whether a worker is posted to work in Lithuania while being permanently employed in a foreign country, the following criteria are assessed:

- whether work is performed in Lithuania for a limited period of time;
- whether a posted worker returns to the country where the posting employer is based after completing the work or providing the services for which the worker was posted;
- whether the sending employer reimburses travel, accommodation, meals or other posting-related costs.

If these criteria of a posted worker are not met, the worker is not subject to the regulations applicable in the country to govern the specifics of labour relations of posted

workers⁵ and it is recognised that such positing is fictitious (bogus) and the worker permanently works for an employer based in Lithuania.

Regulation in terms of differentiating between employment and provision of business services

Undeclared self-employment in Lithuania is defined as "activities by a natural person that meet the criteria for registered individual activities but the person is carrying out the activities:

1. without registration according to a procedure prescribed by the tax laws;
2. upon registration according to a procedure prescribed by the tax laws but without declaring his income or declaring income that is lower than the actual income earned by him from such individual activity"⁶.

The definitions of illegal and undeclared work (see above) and undeclared self-employment show that the Lithuanian legislation does not single out bogus self-employment as such. However, if the SLI receives a complaint about illegal work and establishes that there are signs of an employment contract, then the employee, as a rule, is considered to have worked illegally and liability under Article 95 of the CAO and Article 56 of the Law on Employment applies, including fines for violation thereof.

In order to at least partially reduce the spread of bogus self-employment and tax evasion, it is prohibited to provide services under a business certificate in Lithuania, if the activities under the business certificate and the activities of the company to which the services are provided coincide (STI, 2021). In this case, self-employment is allowed only on the basis of an individual economic activity certificate and income derived on this basis is taxed at a higher rate.

3.2 Current approaches to control and prevent undeclared work

Organisations carrying out inspections of undeclared work and cooperation mechanisms

According to legislation, prevention measures of illegal work, undeclared work and undeclared self-employment and inspections based on risk assessment are carried out by the State Labour Inspectorate (SLI), the State Tax Inspectorate (STI), the Financial Crimes Investigation Service under the Ministry of the Interior (FCIS), and the Police according to the legal acts governing their activities.

In case of **illegal work**:

- according to Article 95 of the CAO, protocols on administrative offences may be drawn up by the SLI, STI, FCIS and police; proceedings shall be heard in a court only;
- according to Article 56 of the Law on Employment, examination of administrative offence cases and imposition of fines fall within the discretion of the SLI, STI, FCIS and police.

In case of **violation of the employment procedure for third-country nationals**, protocols on administrative offences shall be drawn up and fines shall be imposed by the SLI.

In case of **undeclared self-employment**, protocols on administrative offences shall be drawn up and fines shall be imposed by the SLI, FCIS, police, Lithuanian Transport Safety Administration, STI, municipal administrations.

Regarding the responsibilities of Lithuanian institutions in the area of undeclared work, including complex chains, it is necessary to mention a strong and long-term

⁵Chapter VII Section Two "The specifics of labour relations with workers on secondment" of Labour Code.

⁶ Art. 59 "Undeclared self-employment and its legal consequences" of Law on Employment.

cooperation between all institutions involved. Although the SLI remains the key institution in the field of undeclared work prevention and control, there are also several multi-institutional collaboration structures in Lithuania functioning in the area of prevention, control and related areas:

- At the beginning of the 2000s, a **Commission for Coordinating the Reduction of the Shadow Economy** under the Government of the Republic of Lithuania was set up for the top-level coordination of all prevention and control activities tackling the shadow economy in Lithuania, including undeclared work.
- In 2001, a **Central Coordination Group** was set up for the establishment of a common strategy, actions and data collection and sharing for tackling undeclared work related issues. Coordinated by the SLI, the group includes representatives of Sodra, STI, FCIS and police. In accordance with the Regulation of the Coordination Group, it examines various forms of undeclared work phenomena, their conditions and causes, adopts decisions on the main prevention strategies and methods, analyses data related to liability regimes in specific cases, considers and approves proposals on the improvement of the legal framework related to undeclared work, analyses control practices in foreign countries and formulates proposals on their application in Lithuania, etc. Five control coordination groups in Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys counties were also set up to tackle undeclared work at regional level (SLI, 2020b).

At the beginning of 2019⁷, inspired by a Norwegian practice, a **Risk Analysis Centre (RAC)** and five **Joint Operation Centres (JOCs)** were established to operate even more efficiently. In addition to the aforementioned institutions (SLI, Sodra, STI, FCIS, and police), representatives of the Migration Service, the State Border Guard Service, the Customs Criminal Service and the State Food and Veterinary Service also joined the JOCs. Coordination of JOCs activities has been vested upon the STI. Representatives from the District Prosecutor's Office are also involved in the activities of the centres in an advisory capacity. The objectives of the JOC are to develop inter-institutional cooperation at the regional level to prevent and detect violations of tax laws and other legal acts, crimes against the financial system, economy and business practice, and other criminal offenses, as well as a general reduction of the shadow economy. In the area of undeclared work, the main focus of JOC inspections is on illegal and undeclared work, trafficking for labour exploitation and illegal work of third-country nationals. According to SLI representatives (SLI, 2020a), 'We have already seen from the first inspections that such an integrated approach brings very good results and the inspections were carried out very effectively'. JOC activities have proven to be particularly successful in cases of certain complex problems and when the approach and competencies of several institutions are needed.

- In addition, the SLI also has a number of cooperation agreements with different individual institutions and often organise one-off joint activities based on these cooperation agreements – with the Police Department, Migration Department, State Border Guard Service, State Road Transport Inspectorate, State Food and Veterinary Service.

Dealing with appeals or comments to the initial inspection protocols, application of a two-stage inspection

According to the SLI, the neutrality of the assessment of each individual case at SLI level is ensured by the fact that inspections are carried out and protocols are drawn up by the inspector, and cases are examined by the head or deputy head of SLI's unit.

⁷ Pilots were implemented in 2018.

According to the Order of the Chief State Labour Inspector of the Republic of Lithuania⁸, actions and decisions by civil servants in the SLI may be appealed against to the Chief State Labour Inspector of the Republic of Lithuania or to the Administrative Court. The complaint must be lodged within one month following the date of the delivery of the document under appeal or the delivery of the notification on the action (refusal to take any action) to the party involved.

In turn, the decision of the Chief State Labour Inspector may also be appealed against to the Administrative Court within one month following the receipt of the decision.

Publicly available registers of violators and sanctions

As a rule, upon detection of illegal work, the employer is obligated to conclude an employment contract with the worker (or to terminate it within three working days in the case of a third-country national, working without work/residency permit) and to pay the agreed remuneration for work to the worker (unless the payment has already been made). The employer is also imposed a fine between EUR 868 and EUR 2,896 for each illegal worker. If the employer has already been punished for the same violation during the past three years, they shall be liable to pay a fine between EUR 2,896 and EUR 5,792 for each illegal worker. In case of illegal employment of a third-country national, the employer is obligated to pay all the costs of international money transfers as well as the costs of return of the third-country nationals.

In addition to the imposition of direct administrative liability (fines), the company where the SLI or another government agency detects undeclared work-related violations may be subjected to the following consequences:

- exclusion (or removal) from the list of approved companies which can employ foreigners in the simplified procedure (the sanction applies for one year);
- refusal to issue residence permits to foreigners (the sanction applies from one to five years, depending on the severity of the violation);
- refusal to issue work permits to foreigners and/or decision on the job compliance with the needs of the Lithuanian labour market (the sanction applies from one to five years, depending on the severity of the violation);

Granting of the status of an unreliable taxpayer excludes a legal or natural person from the public procurement procedure⁹ and prevents such person from applying for the status of a recipient of sponsorship¹⁰ (the sanction applies from one to three years, depending on the severity of the violation).

According to the Law on Employment¹¹, employers may apply for employment support measures only in cases when the 'chief executive officer or another officer of the employer' has had no penalty imposed for violations related to undeclared work and/or administrative penalties imposed under the Administrative Code of the Republic of Lithuania for illegal work during the last 12 month.

In addition, having illegally employed third-country nationals, employers may be subject to forfeiture of the right to receive subsidies, benefits or other assistance from the State for the period of up to 5 years and to the obligation to repay all or part of the subsidies, benefits or other assistance received from the State during the 12 months preceding the establishment of the fact of illegal work¹².

⁸ Chapter 11 "Appeals against actions and decisions of the SLI inspectors" of Order No V-334.

⁹ Paragraph 4(8) of Art. 46 "Supplier's exclusion grounds" of the Law on Public Procurement

¹⁰ Paragraph 1(3) of Art. 13 "Status of Sponsorship Recipient" of the Law on Charity and Sponsorship

¹¹ Paragraph 4(4) of Art. 35 "Active labour market policy measures" of the Law on Employment.

¹² Paragraph 6 of Art. 56 "Illegal work and liability" of Law on Employment.

4 Considerations for future policies and initiatives

Comparing the situation in Lithuania and Slovakia, the following problematic aspects should be noted in respect of both countries:

1. Due to the free movement of services and labour, illegal/undeclared work of third-country nationals is becoming a growing problem both in Lithuania and Slovakia. Hence, there is an emerging need for more effective control and administrative cooperation (both at national and EU level) and its regulation.
2. Another problem closely related to the need for more effective regulation of third-country nationals' work is the need for stricter regulation of TWA activities in Lithuania.
3. Attention to the problem of bogus self-employment, its assessment and legal regulation is insufficient both in Lithuania and Slovakia.

In order to change the situation and ensure more effective prevention and control of undeclared work, Lithuania is considering the following measures, which are likely to be useful in the case of Slovakia as well:

- Introduction of a builder's ID card in the construction sector;
- In light of strengthening the employees' right to a transparent and fair remuneration for work, setting out that wages and other employment related payments be effected in the form of a payment order to the account specified by the employee;
- Considering the possibility of allowing Lithuanian-based TWAs to employ third-country nationals, concurrently tightening the requirements for TWAs.

In addition, with regards to control and prevention measures currently applied in Lithuania, it would be advisable for Slovakia to use Lithuania's experience in inter-institutional cooperation, including establishment of Risk Analysis Centre (RAC) and five Joint Operation Centres (JOCs) (for more details see Chapter 3.2 and Annex 2). In addition, Lithuania is planning to launch measures specifically designed for the control of work by third-country nationals. In 2021, the SLI intends to organise and carry out monitoring of the compliance of undertakings employing posted third-country workers, assessing their riskiness and applying preventive measures – warning letters and scheduled inspections – to those with the highest risk profile. It may be appropriate to share existing insights or first practical experiences from such activities with Slovak colleagues.

Given that the living standards in Lithuania and Slovakia are rather similar, from the perspective of Lithuania, we consider the maximum possible fine of up to EUR 200,000 applied in Slovakia as extremely high.

5 Questions

- Could more details on the operation of temporary work agencies exclusively upon a licence (requirements applicable, current practice, main sectors involved, lessons learned) be provided?
- Is there a practice of joint inspections of several authorities in complex chains? If yes – which authorities usually participate in such joint inspections?
- Has Slovakia practice of special inspections of work of third-country nationals?

6 List of references

Criminal Code of the Republic of Lithuania No VIII-1968 (26 09 2000)

Labour Code of the Republic of Lithuania No XII-2603 (14 09 2016)

Law on Administrative Proceedings of the Republic of Lithuania No XII-1869 (25 06 2015)

Law on Construction of the Republic of Lithuania No I-1240 (19 03 1996)

Law on Employment of the Republic of Lithuania No XII-2470 (21 06 2016)

Law on Public Procurement of the Republic of Lithuania No XIII-327 (02 05 2017)

Law on Tax Administration of the Republic of Lithuania No IX-2112 (13 04 2004)

Law on the Legal Status of Aliens of the Republic of Lithuania No IX-2206 (29 04 2004)

Order No V-334 Regarding approval of the rules for inspections of economic operators' activities by the State Labour Inspectorate of the Republic of Lithuania (29 07 2014)

SLI, 2020a. Jungtiniai operacijų centrai" plečia savo veiklą. Available at: https://www.vdi.lt/Forms/Tekstas1.aspx?Tekstai_ID=2176, accessed on 23 March, 2021.

SLI, 2020b. Nelegalaus darbo kontrolę bei prevenciją vykdančios institucijos ir jų atstovų sąrašas. Available at: https://www.vdi.lt/Forms/Tema.aspx?Tema_ID=57, accessed on 19 March, 2021.

STI, 2021. Kokie yra individualios veiklos pagal verslo liudijimą apribojimai? Available at: <https://www.vmi.lt/evmi/kokie-yra-individualios-veiklos-pagal-verslo-liudijim%C4%85-apribojimai->, accessed on 20 March, 2021.

Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- The Lithuanian legislation differentiates between illegal and undeclared work, undeclared self-employment and violations of the procedure for employing third-country nationals.
- The prevalence of undeclared work in Lithuania is not assessed nationwide. The main source of information on the prevalence of undeclared work are the prevention and control measures by the State Labour Inspectorate.
- One of the examples of undeclared work in complex chains encountered in Lithuania is the illegal employment of third-country nationals through companies registered abroad.
- Another increasingly common trend is that TWA are managed by third-country nationals, which makes it very difficult to impose liability on the directors of legal entities under the Code of Administrative Offences.
- There are also sectors in Lithuania where bogus self-employment is quite widespread; although there are no specific studies or assessments, it can be said that this problem has largely remained on the same scale for a decade.

National policies and measures

- TWAs registered in Lithuania are prohibited from concluding TW contracts with third-country nationals as of 1 March 2019. A discussion on the abolition of this ban is currently underway in Lithuania.
- When a TWA is involved, they are solely responsible for any undeclared work occurrences. In the case of subcontracting, the Lithuanian legislation provides for the liability of the contractor in respect of illegal employment of third-country nationals, though currently proposal to extend this provision to all employees (not only third-country nationals) is considered by the government.
- In order to prevent unfair employment practices through bogus postings, a procedure for the identification of genuine posting sets out the steps and criteria for distinguishing between genuine and fictitious postings.
- A high degree of cooperation is inherent for Lithuanian institutions tackling both undeclared work and the shadow economy. Recently a new, even more efficient, structure was established covering Risk Analysis Centre and five Joint Operation Centres.
- Even though violators are not included in any sort of publicly available registers, such information is available in SLI's databases and is forwarded to the responsible authorities.

Considerations for future policies and initiatives

- Due to the free movement of services and labour, illegal/undeclared work of third-country nationals is becoming a growing problem both in Lithuania and Slovakia; attention to the problem of bogus self-employment, its assessment and legal regulation is insufficient both in Lithuania and Slovakia.
- There is an emerging need for more effective control and administrative cooperation and regulation in the area illegal/undeclared work of third-country nationals.

- Another problem closely related to the need for more effective regulation of third-country nationals' work is the need for stricter regulation of TWA activities in Lithuania.
- Lithuania is currently considering the possibility to introduce a builder's ID card in the construction sector; to set out that wages and other employment related payments cannot be paid to an employee in cash; to allow Lithuanian-based TWAs to employ third-country nationals, concurrently tightening the requirements for TWAs.

Questions

- Could more details on the operation of temporary work agencies exclusively upon a licence (requirements applicable, current practice, main sectors involved, lessons learned) be provided?
 - Is there a practice of joint inspections of several authorities in complex chains? If yes – which authorities usually participate in such joint inspections?
 - Has Slovakia practice of special inspections of work of third-country nationals?
-

Annex 2 Example of relevant practice

Name of the practice:	Risk Assessment Centre (RAC) and Joint Operation Centres (JOCs)
Year of implementation:	Since 2019 (pilot in 2018)
Coordinating authority:	Initially – State Labour Inspectorate, currently – State Tax Inspectorate
Objectives:	The objectives of the RAC and JOCs are to develop inter-institutional cooperation to prevent and detect violations of tax laws and other legal acts, crimes against the financial system, economy and business practice, and other criminal offenses, as well as a reduction of the shadow economy.
Main activities:	<p>Main activities of the RAC are:</p> <p>1) planning and execution of joint activities (risk analysis carried by STI, identifying the most risky sectors; comparison of information provided by different control institutions; selection of particular economic activities for control; identifying the most risky entities; determining the most effective control actions) and</p> <p>2) analytical (planning) activities: agreements on analysis of particular economic activities; presentation of the results of analysis, conclusions, and proposals for joint activities).</p> <p>Main activities of the JOCs are: setting up rules of cooperation; execution of tasks set by the RAC; coordination of activities and mutual assistance for institutions; evaluation of results in accordance with the set goals and criteria.</p> <p>In the area of undeclared work, the main focus of JOC inspections is on illegal and undeclared work, trafficking for labour exploitation and illegal work of third-country nationals.</p>
Results so far:	<p>Although RAC and JOCs have only been recently in place, the cooperation of a large number of stakeholders has allowed identifying relatively complex cases of undeclared work. For example, a few months ago, the Vilnius JOC detected a fictitious scheme of posting third-country nationals to construction sites in Vilnius, where 20 Ukrainians were allegedly employed in Polish companies and posted to Lithuania to perform various construction works, although in reality these persons were not employed in Poland.</p> <p>In total during 2019-2020 RAC and JOCs: carried out almost 3200 joint inspections, recovered 620 thousand euros taxes, issued over 960 protocols of administrative offences, detected 200 illegal workers, initiated over 70 pre-trial investigations, identified 1,6 billion euros damage to the state budget.</p>

