

Opening up to business from new Europe 07/12/2004 00:00



The Dutch government is easing the bureaucratic burden on companies from the new EU member states in Central and Eastern Europe that want to set up business in the Netherlands. We look at how the changes will affect expats from these countries.



On 26 November 2004, the Dutch government decided companies from the new EU member states in Central and Eastern Europe will no longer require Dutch work permits for their employees if they intend to provide services in the Netherlands.

This applies not only to their employees who hold Polish, Estonian, Latvian, Hungarian, Lithuanian, Czech, Slovenian or Slovakian nationality, but also to their employees who hold non-EU nationalities. There is one exception though. Employment intermediaries service providers will still be required to arrange Dutch work permits.

The Dutch government's decision is a direct result of recent complaints filed by several entrepreneurs from the eight new EU member states with the European Commission. The complaints were based on the fact that mandatory Dutch work permits for staff of new EU member states was a violation of the EU principle of free movement of services.

Companies from the eight new EU member states however will be required to report to the [Central Organisation for Work and Income](#) (CWI) before commencing their activities in the Netherlands. The companies will also have to report the number of employees and the specific labour conditions involved. That way, illegal activities can be sifted out by the CWI, and on-site checks can be performed if needed.

The eight Central and Eastern countries are: Poland, Estonia, Latvia, Hungary, Lithuania, the Czech Republic, Slovenia, and Slovakia*. Malta and Cyprus are exempted from these requirements.

It is expected that this new policy regarding companies from the new EU member states will be implemented in the spring of 2005.

Since 1 May 2004 the Dutch MVV (special entry visa) requirement is no longer applicable, meaning that, in principle, citizens of the new EU member states can travel to the Netherlands with only a valid passport. If and when the citizen of one of the eight new EU member states intends to stay in the Netherlands for more than three months, than he or she may apply for a Dutch residence document.

Dutch employers of citizens of the eight new EU member states are still bound by the general work permit requirement.* For certain occupations however work permits can be quite easily obtained after a simplified work permit application procedure.

This applies to the following jobs: international lorry drivers (international transport), sailors and steersmen (inland navigation), radio-therapeutic laboratory workers, radio-diagnostic laboratory workers and operating room assistants (health care sector), and butchers and boners (slaughter houses and meat processing industry).

With regard to the battle against illegal employment in the Netherlands, the Dutch Upper House Of Parliament, or Eerste Kamer, recently approved a new law. Based on this new law, Dutch employers of illegal foreigners can be penalised with high administrative fines, and the competent agency known as the Employment Inspectorate, or Arbeidsinspectie, is allowed to fine the employer on the spot. The Arbeidsinspectie will expand its current workforce with 80 new officers, and aims to tackle 2200 cases in 2005.

It is expected that the new law will be implemented no later than 1 January 2005.

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