

France's Professional Future Law Reduces Secondment Obligations and Increases Penalties for Secondment Fraud

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French law No. 2018-771 of September 5, 2018, which is a law "for the freedom to choose one's professional future," modified various subjects of interest to companies, including secondment and illegal work. Enforceable since September 7, 2018, unless specified otherwise, this legislation only applies to companies seconding employees in France. This Act reduces the employer's obligations in order to make secondment easier and strengthens protections for secondees by increasing administrative penalties for noncompliance with such obligations.

1. Relaxation of Formalities Related to Secondment

The law abolished the fixed contribution required for employers when declaring a secondment online.

Moreover, employers will not be required to submit prior declarations or appoint a representative in France in specific cases and under certain conditions, such as the following:

- Short-term secondments or one-time events
- Secondments on the employer's own behalf
- Recurring secondments

2. Heavier Penalties for Secondment Fraud

Administrative penalties doubled for employers committing secondment fraud to a fine of €4,000 per seconded employee (compared to €2,000 previously) and a fine of €8,000 for additional offences (compared to €4,000). The period during which an employee will be subject to heightened penalties for additional offenses also increased from one year to two years.

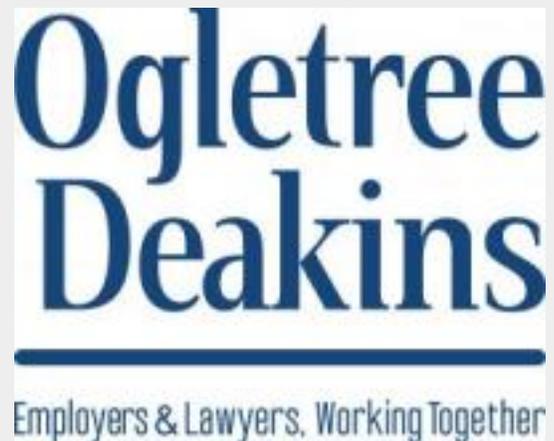
If the employer fails to pay the fine, the secondment can be prohibited for a renewable period of two months. An employer that does not comply with the prohibition will be liable for a fine of up to €10,000. Challenging the fines in court will no longer have a suspensory effect.

Finally, an employer's misuse of secondment provisions is now considered concealed work.

The "professional future" law also strengthens the fight against illegal work through different measures. For example, it requires compulsory posting on a "black list" if an employer is convicted for illegal work and increases the labor inspectorate's power to obtain documents and information from employers and third parties.

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Article By
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