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Sofia*

Tackling the Hidden Economy and UDW in Bulgaria: The Perspective of the Labour Inspectorate



Role of the Labour Inspectorate

The General Labour Inspectorate Executive Agency is the law enforcement body, whose performance has a direct impact on the prevention of hidden economy in relation to the labour market.



Forms of Manifestation of UDW

In view of the jurisdiction of the GLI EA in the area of labour law enforcement, most often the term **undeclared work** is related to the following forms of manifestation:

- ✓ Recruitment under an employment relationship without a written labour contract concluded in advance
- ✓ Failure to register a concluded or a terminated labour contract with the Territorial Directorate of the National Revenue Agency
- ✓ Submitting notification of the termination of a labour contract without any grounds for doing so.



Forms of Manifestation of UDW – continued

- ✓ Recruitment on an employment relationship of persons under 18 years of age, without prior permission by the Labour Inspectorate
- ✓ Payment of wages above the officially declared (payment of cash-in-hand) and the related payment of social and health insurance on lower income than the real
- ✓ Irregular payment of salaries
- ✓ Work beyond the working hours agreed with the labour contract, without any overtime work



Forms of Manifestation of UDW - continued

- ✓ Unlawful performance of overtime work
- ✓ Employment of foreigners or receipt of posted workers not complying with the respective administrative procedure
- ✓ Performance of employment mediation without registration with the National Employment Agency
- ✓ Performance of activities as a Temporary Work Agency without registration with the National Employment Agency



Administrative Cooperation: national aspect

To counteract undeclared work, the Labour Inspectorate puts into effect administrative cooperation and information exchange with a number of institutions in the Republic of Bulgaria, including the National Employment Agency, the National Revenue Agency, the National Social Security Institute, the National Commission for Combating Traffic in Human Beings, the Ministry of Foreign Affairs, the Ministry of Interior, and other.



Administrative Cooperation: cross-border aspect

In fulfillment of the obligation under article 4 of Directive 96/71/EC, the Labour Inspectorate functions as a Liaison Office and participates in the electronic data exchange through the Internal Market Information System (IMI), among the competent authorities of the EU Member States.



European Platform Tackling UDW

In May 2016 the Labour Inspectorate represented the Republic of Bulgaria at the Launch event of the European Platform tackling undeclared work and is to take part in its further activity.



New Initiatives

Presently, the Labour Inspectorate is in the process of approval of a project related to the practical application of the requirements of Directive 2014/67/EU of 15 May 2014, to build a system for registration of workers posted on the territory of the Republic of Bulgaria and an information website on the terms and conditions of employment, referred to in article 3 of Directive 96/71/EC, applicable according to the Bulgarian legislation



Thank you for your attention!

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