

# Cross-border service provision (EU/EFTA)

The Agreement on the Free Movement of Persons (AFMP) between Switzerland and the EU and its member states, does not include the full freedom to provide services, as applicable within the EU.

The following areas have not been liberalised:

- The provision of financial services in Switzerland if the person requires prior licensing and is subject to supervision by the authorities (e.g. financial activities subject to a licensing requirement).
- The provision of job placement services and staff leasing services by legal entities based in an EU/EFTA<sup>1</sup> member state. Additional information can be found on the following homepage: <u>www.work.swiss</u> > Employment agencies > Private employment agencies and temporary recruitment services > Weisungen AVG (available in German, French and Italian)

## Definition of provision of service under the AFMP

The liberalisation of services set forth in the AFMP includes the following:

- The provision of services by a self-employed citizen of an EU/EFTA member state for a limited period of time without establishing a presence in Switzerland;
- The posting of workers by a company based in an EU/EFTA member state, for the purpose of providing services in Switzerland for a limited period of time.

## General provisions applying to service providers

The AFMP does not grant citizens of an EU/EFTA member state a general right to enter and stay in Switzerland for the purpose of providing any type of service. Entry and stay requirements depend on the type of service to be rendered. Here, a distinction is drawn between two types of service provision:

### A. Provision of services falling within the scope of the AFMP

In service provision areas where an agreement exists between Switzerland and the EU (e.g. Agreement on Public Procurement or the Overland Transport Agreement), provisions on personal transport may not be applied in a way that hinders the provision of service by an individual entitled to provide services in Switzerland under the terms of the AFMP. Therefore, the said person may enter and stay in Switzerland for the entire period in which the service is being provided.

Generally speaking, a short-stay permit L EU/EFTA shall be issued in the case of a special service provision agreement whereby services are to be rendered for longer than three months or 90 days per calendar year. The period of validity of this permit shall match the period of time in which services will be rendered. In such case, the right to geographical mobility exists only within the framework of the approved (declared) provision of services.

<sup>&</sup>lt;sup>1</sup> Citizens of EFTA member states have the same rights as citizens of EU member states. Special rules apply to citizens of the Principality of Liechtenstein.

No permit is needed for the provision of services lasting no more than three consecutive months or 90 effective working days per calendar year. However, if services will be provided for longer than 8 days per calendar year, an online notification form needs to be sent to the local cantonal authorities. Click on the link to the *notification procedure* to register. The notification form must be submitted to the cantonal authorities <u>no later than eight days before commencement of work</u>.

### B. Provision of services falling outside the scope of the AFMP

### I. Provision of services for less than 90 days

In areas not covered by a service provision agreement between Switzerland and the EU, service providers have the right to provide services for no more than three months or 90 days per calendar year (e.g. to carry out assembly work in Switzerland). This 90-day per calendar year threshold applies per service provider (person) and per company. It does not matter how many workers a company posts to Switzerland per day – only one day will be subtracted from the company's 90-day limit.

Under the Posted Workers Act, the working conditions and salaries of posted workers must match labour standards in Switzerland.<sup>2</sup>

No permit is needed for the provision of services lasting no more than 90 effective working days per calendar year. However, an online notification form needs to be sent to the local cantonal authorities. Click on the link to register:

https://meweb.admin.ch/meldeverfahren/?request\_language=en

An online notification needs to be sent to the local cantonal authorities in the case of selfemployed service providers and posted workers wishing to provide services for longer than 8 days per calendar year. The notification must be submitted to the cantonal authorities no later than eight days before commencement of work. Click on the link to the <u>notification procedure</u> to register.

For the following economic branches, an online notification must be submitted on the first day of work, regardless of the duration of the provision of services:

- Building construction and civil engineering and secondary contract work
- Gardening and landscaping
- Hotel, restaurants and catering
- Cleaning in industry and private households
- Monitoring and security services
- Travelling professions<sup>3</sup>
- Sex industry

<sup>&</sup>lt;sup>2</sup> Posting - Welcome to posting.admin.ch

<sup>&</sup>lt;sup>3</sup> Exception: circus operators and market traders only have to submit a notification form if work lasts longer than eight days.

Workers who are citizens of a country that is not an EU/EFTA member state may only be posted to Switzerland if they have a standard work permit issued by an EU/EFTA member state. This criterion is deemed met if the individual has held a standard or permanent residence permit in that country for at least twelve months.

Visa-related information can be on the following site: <u>www.sem.admin.ch > Entry and Residence > Entry > Do I require a Visa?</u>

#### II. Provision of services for more than 90 days

In areas not covered by a service provision agreement between Switzerland and the EU, service providers have the right to provide services for no more than three months or 90 days per calendar year. Any provision of services beyond this threshold therefore does not fall within the scope of the AFMP. The issuance of permits is governed by the Foreign Nationals and Integration Act (FNIA). These services are subject to labour market verification (general economic interest of Switzerland, control of wages and working conditions, qualifications) as well as quotas.

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