



# Benelux Cross-border cooperation

<b>Title of the policy or measure (in English)</b>	Benelux cross-border cooperation in detecting and tackling social fraud and error – pilot project in the Construction sector
<ul style="list-style-type: none"> <li>Case study/good practice name</li> </ul>	Data sharing and matching within the framework of the Benelux cross-border cooperation to detect and tackle social fraud and error
<ul style="list-style-type: none"> <li>Country</li> </ul>	Benelux Union: Belgium, the Netherlands, Luxembourg
<ul style="list-style-type: none"> <li>Sectors</li> </ul>	Construction, temporary agency work, Migrant workers, frontier workers in various sectors.
<ul style="list-style-type: none"> <li>Target groups</li> </ul>	Federal Public Services (BE) and Ministries (NL&LUX), social security institutions, social inspection services, citizens involved in social fraud or error, companies involved in social fraud or error, tax administrations
<ul style="list-style-type: none"> <li>Type of measure</li> </ul>	Deterrence: improve detection
<ul style="list-style-type: none"> <li>Short sentence summarising the measure</li> </ul>	The Benelux countries have two working groups on ‘bogus construction’ and ‘benefit fraud’, which aim at improving the cross-border administrative cooperation within the countries concerned (and eventually beyond). As part of these working groups, pilot projects on cross-border data sharing and matching of relevant data have been set up to try to tackle cross-border fraud and error. The objectives of these pilot projects include assessing and testing the need for, relevance and feasibility of (automated) cross-border data sharing, matching and mining (number of cases of fraud and error detected), and identifying technical and legal issues and possible solutions.
<b>Background</b>	
<ul style="list-style-type: none"> <li>Background context driving the implementation of the measure</li> </ul>	The Benelux has been a forerunner in cross-border cooperation in fiscal matters and in tackling cross-border VAT-fraud. On <b>July 2011</b> , at the inauguration of IRIS (International Research Institute on Social fraud), the Belgian State Secretary for the coordination of the fight against social fraud, handed over the Solemn Declaration of Ghent, a letter of intent concerning the research on and the elaboration of a Benelux Framework Agreement on administrative cooperation in the fight against cross-border social fraud. This was the official start of the Benelux fight against social fraud and as a direct result thereof, on <b>30 September 2011</b> the Dutch Minister of Social Affairs and Employment and the Flemish Minister for Work signed a declaration stating the intent to cooperate on tackling posting and benefit fraud. On <b>28 November 2012</b> it was decided to tackle a variety of phenomena in a cross-border context resulting in the creation of three working groups at the end of 2013, dedicated to fraudulent temporary work agencies (SOC-AIFU), bogus constructions (SOC-SSOF) and benefit fraud (SOC-UFA) and aimed at the cooperation between competent institutions, the cross-border sharing of data and a common approach. In <b>March 2015</b> the members of the Benelux working group on bogus constructions decided to launch two pilot projects (one pilot project on sharing and matching data on posted workers and one on benefit fraud).

<ul style="list-style-type: none"> <li>When was the measure implemented? (including start date and end date/ongoing)</li> </ul>	The pilot project started in March 2015 and is ongoing
<ul style="list-style-type: none"> <li>Names(s) of authorities/bodies/organisations involved</li> </ul>	Social security institutions, social inspection services, competent Federal Public Services (BE) and Ministries (NL&L). For the pilot project relating to the working group on bogus constructions, the key organisations include the NSSO (Belgium) and SVB (Netherlands) in particular; for the pilot project linked to the working group on benefit fraud, the key organisations are the National Employment office (NEO, Belgium) and UWV (Netherlands) in particular.
<ul style="list-style-type: none"> <li>Scope of the measure (a pilot project, nationwide, regional wide)</li> </ul>	This fiche describes the activities of the pilot project, in the framework of the Benelux working group on bogus constructions, on sharing and matching data on posted workers between Belgium and the Netherlands, with participants from the national level social security institutions and inspection services.
<ul style="list-style-type: none"> <li>Type of (policy) measure</li> </ul>	Pilot project with the aim of detecting cases of cross-border fraud and error (with regard to the posting of workers).
<ul style="list-style-type: none"> <li>Key objectives of the measure</li> </ul>	<ul style="list-style-type: none"> <li><b>General objective:</b> <ul style="list-style-type: none"> <li>To improve cross-border administrative cooperation within the Benelux countries (and eventually beyond) in order to enhance the tackling of cross-border social fraud and error through the cross-border sharing and matching of relevant data.</li> </ul> </li> <li><b>Specific objectives:</b> <ul style="list-style-type: none"> <li>Assess and test the need for and relevance of cross-border data sharing, matching and mining (number of cases of fraud and error detected),</li> <li>Assess the feasibility of cross-border data sharing, matching and mining,</li> <li>Assess the feasibility of automated forms of cross-border data sharing, matching and mining,</li> <li>Identify technical issues therewith,</li> <li>Identify issues with regard to (semantic) interoperability,</li> <li>Identify legal issues,</li> <li>Find and propose solutions to the issues above.</li> </ul> </li> </ul>
<b>Specific measure</b>	
<ul style="list-style-type: none"> <li>Description of how the measure operates in practice</li> </ul>	The NSSO (Belgium) and the SVB (the Netherlands) exchanged data. SVB checked the social security of workers who had filed a LIMOSA declaration <sup>1</sup> in Belgium but had not applied for an A1-form <sup>2</sup> in the Netherlands. SVB issues approximately 100 000 A1 forms yearly. (NSSO: approximately 85 000/year). 414 files were exchanged. All data was on employees in the construction or temporary work agencies sector. Companies involved were both small and large enterprises. A first check of 100 files resulted in 80 anomalies (declaration or application denied or no longer being processed, employee unknown, insufficient data provided) indicating clearly the level of legal uncertainty of a large number of employees working in Belgium without an A1 form. Subsequently, the data was matched with the data contained in SVB's databases.
<ul style="list-style-type: none"> <li>Which groups are targeted by the measure?</li> </ul>	<b>Direct:</b> Federal Public Services (BE) and Ministries (NL&L); Social security institutions; Social inspection services

<sup>1</sup> A LIMOSA declaration is a prior declaration mechanism for foreign service providers

<sup>2</sup> The PD A1 form (formerly E101 or E103) states the applicable social security legislation. "Useful to prove that you pay social contributions in another EU country – if you are a posted worker or work in several countries at the same time" (cf. [http://europa.eu/youreurope/citizens/work/social-security-forms/index\\_en.htm](http://europa.eu/youreurope/citizens/work/social-security-forms/index_en.htm))

	<b>Indirect:</b> Workers involved in social fraud or error; Companies involved in social fraud or error; Tax administrations
<ul style="list-style-type: none"> <li>What resources and other relevant organisational aspects are involved?</li> </ul>	Time and technical resources are provided by all stakeholders involved. On top of the latter, organisation, accommodation, interpretation, translation and catering are provided by the General Secretariat of the Benelux. Travel expenses to Brussels to attend Benelux working group meetings are mostly covered by Member States' stakeholders. There are some additional costs for printing materials.
<ul style="list-style-type: none"> <li>What are the source(s) of funding?</li> </ul>	Resources allocated by the General Secretariat of the Benelux and the stakeholders of the Member States involved.
<b>Evaluation and outcome</b>	
<ul style="list-style-type: none"> <li>Has the measure achieved its objectives?</li> </ul>	<p>The results of the pilot project within the working group on bogus constructions were significant. Of the data shared between NSSO and SVB and matched for this pilot project, the results were as follows:</p> <ul style="list-style-type: none"> <li>it turned out that an A1 form was issued for only 28% of the cases;</li> <li>25 % of the cases were unknown to the SVB prior to the sharing of the data (no A1 issued or applied for);</li> <li>of those 25 %, four employers each made 10 or more LIMOSA declarations for workers posted in Belgium</li> <li>it also became clear that data on cases where an application for an A1 form was either denied or no longer being processed was not always shared;</li> <li>for at least 40% of the cases there is a medium to high risk the workers concerned were either socially insured in the wrong country or had no social security coverage at all.</li> </ul>
<ul style="list-style-type: none"> <li>Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved</li> </ul>	The pilot project on the sharing and matching of data within the Benelux working group on bogus constructions was deemed very successful as indicated by outcomes of the measure's operation (see above). Several follow-up measures and steps are foreseen. Furthermore, although not related to the sharing and matching of data, the handling of applications for A1 forms will be revised and synchronised between Belgium the Netherlands and Luxembourg. As already mentioned, as a result of the pilot project involving Belgium and the Netherlands, another pilot project in the same domain between Belgium and Luxembourg will be set up.
<ul style="list-style-type: none"> <li>What are lessons learnt and the key conditions for success?</li> </ul>	<p>The first results of the pilot project of the Benelux working group on bogus constructions learned that no anomalies were detected in only 28 % of the cases on which data was shared and matched. In all other cases (72%), anomalies detected ranged in severity from minor to severe. These results clearly proved the relevance of the pilot project and had an instant awareness raising effect within the institutions and services involved. The need for more and a more structured sharing of data has been clearly established. New processes will be set up and existing processes will be revised and improved (see above).</p> <p>Key conditions for success of the pilot have been:</p> <ul style="list-style-type: none"> <li>willingness for cross-border cooperation at the political level</li> <li>willingness for cross-border cooperation at the administrative level</li> <li>sufficient capacity and technical resources access to the data required,</li> <li>goodwill and open-mindedness in a dedicated team.</li> </ul>
<ul style="list-style-type: none"> <li>Level of transferability (e.g. other countries/groups/sectors)</li> </ul>	The potential for transferability is high. A pilot project will repeat the same exercise between Belgium and Luxembourg. France has also shown great interest in joining the project, which proves that the idea of a Benelux Plus

	<p>initiative, a multilateral approach open to non-Benelux Member States, is proving successful. Given the long and good relations between Belgium and the Netherlands, the outcome of the pilot project leaves room for improvement of the administrative cooperation in this domain. It can be expected that implementing these pilot projects on data sharing and matching between other EU Member States will return similar or comparable results.</p>
<p><b>Additional information</b></p>	
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<ul style="list-style-type: none"> <li>• Sources</li> </ul>	<p>Benelux Union website: <a href="http://www.benelux.int/nl/">http://www.benelux.int/nl/</a>  Benelux internal documents by Yvonne Havenga  Personal memos of the author of this fiche (Dirk Gillis)</p>
<ul style="list-style-type: none"> <li>• Metadata and key words for online search</li> </ul>	<p>Belgium; France; Luxembourg; the Netherlands; social fraud; fraud and error; undeclared work; bogus constructions; posting fraud; benefit fraud; cross-border collaboration; administrative cooperation; information exchange; data sharing; data matching; data mining; pilot project; Benelux; Benelux Union; Benelux working group; General Secretariat of the Benelux Union; regional cooperation; LIMOSA declaration</p>