



crowncopyright

## THE EUROPEAN OVERSEAS EMPLOYMENT GUIDE

THE GUIDE IS PRODUCED BY THE BRITISH CHAMBERS  
OF COMMERCE IN PARTNERSHIP WITH PEWG CIC

WHERE  
BUSINESS  
— BELONGS





# CONTENTS

INTRODUCTION	4
BELGIUM	5
CYPRUS	9
GERMANY	12
ITALY	26
NETHERLANDS	34
CONTRIBUTING CHAMBERS OF COMMERCE	40
ABOUT THE BRITISH CHAMBERS OF COMMERCE	41

# INTRODUCTION

**The Partner Employment Working Group European Overseas Guide is for UK Armed Forces families considering or having accepted an overseas posting. The aim is to help families gain access to, and an understanding of, the requirements of being able to work in their new location – either working for themselves, their current UK employer or for a host nation company.**

This guide focuses on key overseas assignment locations for the three UK military services and provides essential information for Armed Forces partners to help them continue their professional pursuits while abroad. Specifically, covering Cyprus, the Netherlands, Belgium, Italy, and Germany, it offers a roadmap for working overseas.

It includes procedures for UK families to continue to work whilst on posting, to work for a UK employer, and to continue UK business, both limited and self-employed. Additionally, where possible, it provides insights into UK employers' requirements to support their employees abroad, business obligations, insurance and tax implications, and offers information regarding country-specific registration requirements. Finally, accessible points of contact for assistance in each location and further support are provided. This guide is an indispensable tool for Armed Forces families posted overseas, ensuring they can integrate into the workforce while fulfilling their military commitments.

## Disclaimer

This guide is accurate at the date of publication. However, individuals are advised to consider their own personal circumstances and seek legal advice accordingly.

The Partner Employment Working Group (PWEG) CIC understands that Armed Forces families experience unique challenges linked with military life. Through the working group our primary aim is to improve the employment landscape for the families of UK Armed Forces personnel, by supporting their employment pathways and sharing of ideas and understanding that will benefit the families.

The Partner Employment Working Group European Overseas Guide has been developed in partnership with the British Chambers of Commerce (BCC) and funded by the Armed Forces Covenant Fund Trust (AFCFT).



crowncopyright





## BELGIUM

### PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING

UK nationals who wish to work in the local economy in Belgium require a work permit. While residence permits are delivered through embassies and communes by the IBZ, work permits are delivered through the three regions. Employment law and the requirements for work permits differ between the regions. Each region delivers work permits for stays of under 90 days and over 90 days. For Non-EEA nationals, there are two types of work permit. For a period under 90 days, a Work Permit B is required and for a period over 90 days a “single permit” is required. The “single permit” is a combined work and residence permit.

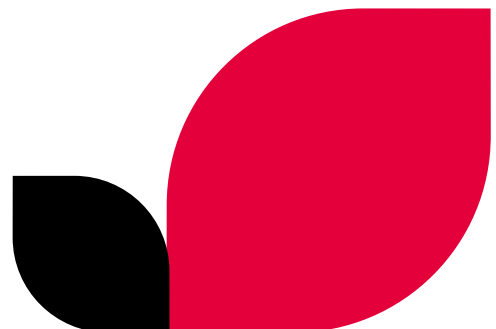
Generally, applications for a single permit are done by the employer at the time of hiring – not by the employee. It is the employer who will undertake the entire process and the employee will just provide the required documents. The processing time for a single permit is around four months, though this time can be extended depending on the complexity of the request. For a work permit request for a person already established in Belgium, processing time currently stands at 2-3 months.

One thing to keep in mind is that any work carried out from within the borders of the Kingdom of Belgium generally requires a valid work permit and there is no differentiation between remote or on-site work for these purposes. This means that even when working for an organisation that has no Belgian base in a remote format there are both legal and tax implications for the employee and in some cases even for the employer.

Work permits for non-EU citizens are commonly delivered in all three regions to specific “attractive profiles” that include highly skilled employees or medium skilled workers (with certain educational and salary requirements), as well as trainees (with conditions) and shortage occupations. These requirements are subject to change and should be consulted on the regional website at the time of application. Shortage occupations are also subject to change and the updated lists can be found on the website for each region.

### CONTINUING TO WORK FOR A UK EMPLOYER

Any UK national that comes to Belgium and carries out work on Belgian territory for a UK employer will still have to be in possession of a valid Belgian work permit. There is a possibility to carry out a maximum of 34 days of work without this requirement, however partial days count as full days in this calculation. For non-residents of Belgium, UK workdays that are physically worked in the UK will be taxable in the UK, but for residents this is most often not the case.



## **CONTINUING UK BUSINESS, BOTH LIMITED AND SELF-EMPLOYED**

UK nationals coming to stay and work in Belgium in a self-employed capacity will require a residence permit and a professional card. A professional card is a work permit designed uniquely for self-employed non-EU nationals. This card requires specific criteria to be met that vary from one region to another – though a residence permit is always a part of this criteria and must be sorted either before or at the same time as the application for a professional card.

Requirements for the professional card can include proof of compliance with regulatory requirements, proof of relevance of your activity in the region the application is being made and a motivational letter. In Brussels and Wallonia, this application can be done at an accredited business counter of choice whereas in Flanders it can only be done on the online WSE counter.

Self-employed workers would be able to work a maximum of 34 whole or partial days in Belgium per year without having to declare their income here, anything beyond this and it must be reported to the Belgian tax authorities.

## **WHAT ARE UK EMPLOYERS' REQUIREMENTS FOR EMPLOYEES TO CONTINUE WORKING WHILST OVERSEAS?**

The tax, social security and other implications of a British worker becoming a tax resident in Belgium may be considered undesirable by most UK companies. The engagement of a sole worker in Belgium could result in the presence of a so-called Belgian fixed-base under Belgian domestic law, triggering tax filing obligations for the UK employer (even in the absence of a permanent establishment).

## **BUSINESS OBLIGATIONS, INSURANCE ETC**

All employers – including UK employers – are required to electronically inform the Belgian National Social Security Office (NSSO) of any workers (temporarily or permanently) employed in Belgium. Furthermore, they must register with a certain number of agencies, e.g. Belgium's NSSO, a payroll office, an insurance company to take out industrial accident insurance, an external service provider for health and safety in the workplace (as the case may be), etc. As all employers are required to inform the NSSO of any workers employed in Belgium, this applied to independent activities as well. A UK employer with an employee in Belgium must apply Belgian withholding taxes.



## TAX IMPLICATIONS

Tax implications are wide reaching and to be considered on an individual basis. Workers should consider what their tax residence position is going to be before proceeding with work in Belgium. HMRC guidance is rather unclear about tax implications for some categories of workers abroad, however there is a double taxation treaty between the UK and Belgium to avoid issues with double taxation. One should apply in advance for this treaty to be applied to avoid being double taxed upfront.

In the event the worker performs their activities in both the UK and Belgium, the remuneration relating to their employment activities exercised in Belgium will be taxable in Belgium in accordance with the applicable provisions in the UK/Belgium double taxation treaty.

If the worker engaged is resident in Belgium and exercises activities in Belgium (including remote work), they will be subject to Belgian personal income tax (progressive income tax rates from 25% to 50%, increased by local surcharges of on average 7%) and employer and employee social security contributions (currently around 27% and 13.07% respectively) on their earnings, even though these are derived from a UK employer. The Belgian tax year runs from 1 January to 31 December with filings for the previous year submitted in June. Taxes are generally withheld by the employer, with a calculation after filing to decide if a refund is needed, or if there is an additional amount to pay.

## COUNTRY REGISTRATION REQUIREMENT

Information for registration of individuals has been covered [previously](#).

## POINTS OF CONTACT

### UKMis

UKMisBrussels@fcdo.gov.uk  
 +32 (0)2 287 82 11

### BritCham

philippe.gauthier@britcham.eu  
 +32 (0)2 540 90 30

### SHAPE2DAY

info@shape2day.com

BritCham members  
 who can provide advice:

### Claeys & Engels

www.claeysengels.be/en-gb  
 info@claeysengels.be +32 (0)2 761 46 00

### SD Worx

www.sdworx.com/en-en  
 info@sdworx.com +32 (0)3 220 22 46

## FURTHER SUPPORT

<https://www.gov.uk/guidance/living-in-belgium#working-in-belgium>

<https://www.gov.uk/topic/personal-tax/living-working-abroad-offshore>

[www.belgium.be/en](http://www.belgium.be/en)

[www.diplomatie.belgium.be/en/embassies-and-consulates](http://www.diplomatie.belgium.be/en/embassies-and-consulates)

[www.belgium.be/en/about\\_belgium/government/regions](http://www.belgium.be/en/about_belgium/government/regions)

[www.be.brussels/brussels](http://www.be.brussels/brussels)

[www.vlaanderen.be/en](http://www.vlaanderen.be/en)

[www.wallonie.be/en](http://www.wallonie.be/en)

[www.belgium.be/en/about\\_belgium/government/communities](http://www.belgium.be/en/about_belgium/government/communities)

[www.federation-wallonie-bruxelles.be/](http://www.federation-wallonie-bruxelles.be/)

[www.britcham.eu](http://www.britcham.eu)

[www.finances.belgium.be](http://www.finances.belgium.be)

[www.liantis.be](http://www.liantis.be)

[www.shape2day.com](http://www.shape2day.com)

[www.taxpatria.be](http://www.taxpatria.be)







## CYPRUS

### PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING

UK nationals who wish to be employed within the Sovereign Base Areas (SBA) and reside outside the grounds of the SBA and their family members, will need to obtain Temporary Residence Permits as Visitors. For rules about trading within the SBA please see support information on [pewg.co.uk](http://pewg.co.uk)

#### PROCESS

A pre-approval for this is required from the Migration authorities. Upon submission of the permit for first issuance the applicants will need to evidence sources of income amounting to €10k (to be transferred to their local bank account in Cyprus from abroad). Throughout the year the applicant must transfer a total amount of €24k and to show movement of these funds i.e. using them for their day to day activities. The aforementioned amount that needs to flow into Cyprus is increased in case there are family members. For the renewal process, the applicant will need to have a minimum available balance of €6k in his/her local bank account. This permit is issued for a period of 1 year and is renewable. The issuance of the permit takes approximately 6 months. Spouses/partners and underage children of the main applicant can also apply for this type of permit provided that the relevant conditions are met. Under the said status no employment can be exercised in Cyprus.

In addition, spouses/partners/adult children who wish to be employed in a company within the SBA (and reside out of the SBA), can do so by submitting a separate application for a Temporary Residence Permit as Visitors and fulfilling the required conditions. Alternatively, if a suitable employer outside the SBA is identified by a relevant family member, an application for a Temporary Work and Residence Permit can be filed upon fulfilling all requirements.

For UK nationals working and residing in the grounds of the SBA, a relevant permit/card will need to be issued by the SBA authorities.

### CONTINUING TO WORK FOR A UK EMPLOYER

The employment of a person who is not ordinarily resident on the island of Cyprus is exempt from the Social Insurance Ordinance if the employer of that person is not ordinarily resident on the island and has no place of business on the island.

UK Family Members (UKFMs) who work remotely in the SBA for a UK-based employer are expected to fall within the above exemption, as UKFMs are not considered by the Fiscal Office to be ordinarily resident in the SBA.

### CONTINUING UK BUSINESS, BOTH LIMITED AND SELF-EMPLOYED.

We recommend you seek legal advice dependent upon your individual circumstances.

### WHAT ARE UK EMPLOYERS' REQUIREMENTS FOR EMPLOYEES TO CONTINUE WORKING WHILST OVERSEAS?

We recommend you seek legal advice dependent upon your individual circumstances.

### BUSINESS OBLIGATIONS, INSURANCE ETC

We recommend you seek legal advice dependent upon your individual circumstances.

## TAX IMPLICATIONS

The purpose of the Social Insurance Ordinance (“SI Ordinance”) is to facilitate the Republic’s social insurance scheme in the Sovereign Base Areas by making provision for payment of social insurance contributions by employers, employees and self-employed persons employed or resident in the Areas. Section 4 of the SI Ordinance provides that the Ordinance binds the Crown, except in relation to members of HM forces, the civilian component and persons on the island of Cyprus performing official duties. These categories of persons pay national insurance under the UK law in respect of service under or employment by the Crown. In addition members of the civilian component employed by Authorised Service Organisations (ASOs) are exempt from social insurance contributions. It is also noted that employees of the Crown and ASOs engaged on the island of Cyprus are required to contribute to the Republic’s social insurance fund. Work permits for non-EU citizens are commonly delivered in all three regions to specific “attractive profiles” that include highly skilled employees or medium skilled workers (with certain educational and salary requirements), as well as trainees (with conditions) and shortage occupations. These requirements are subject to change and should be consulted on the regional website at the time of application. Shortage occupations are also subject to change and the updated lists can be found on the website for each region.

## COUNTRY REGISTRATION REQUIREMENT

We recommend you seek legal advice dependent upon your individual circumstances

## POINTS OF CONTACT

**The Cyprus Chamber  
of Commerce and Industry**  
chamber@ccci.org.cy

## FURTHER SUPPORT

<https://www.gov.uk/guidance/living-in-cyprus#working-in-cyprus>

<https://www.gov.uk/topic/personal-tax/living-working-abroad-offshore>

**The Cyprus Chamber  
of Commerce and Industry**  
chamber@ccci.org.cy

## SOURCES

**The Cyprus Chamber  
of Commerce and Industry**  
chamber@ccci.org.cy









# GERMANY

## PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING

In principle, the residence status and the associated work permit for foreign citizens in Germany must first be clarified before they can take up or continue their work from Germany. The applicable rules are explained in the section “Country registration requirement” but in short, through the SOFA, dependants are exempt from a visa application process and therefore keep working from German territory by the decision of the UK who qualifies as dependant rather than German authorities, who accept interference with their national laws in respect to this specific group of people. Therefore, dependants do have a work permit if they get the corresponding documents and stamps in their passport from the British authorities, identifying them as dependants of British Armed Forces deployed to Germany.

Article 13 of the SOFA exempts dependants from the obligation to join the German social security system, even though they reside on German territory: It is inappropriate to establish rights and obligations under German social security and welfare provisions solely because of their actual residence in the Federal Republic of Germany; as a matter of principle, the social security of these persons should be the responsibility of the sending countries and not of the German authorities.

However, “the preceding sentences shall not preclude the possibility of his paying contributions to the German social security (soziale Kranken- und Rentenversicherung) for the purpose of continuing insurance on a voluntary basis (Weiterversicherung) nor the possibility of his acquiring and asserting rights deriving from existing insurance. Nothing in this Article shall affect the obligations of a member of a force or of a civilian component or of a dependant in the capacity of an employer.” (SOFA Art. 13)

Since this possibility exists for dependants as employees and, in the event that they should act as employers in Germany, there is even an obligation to do so, we provide an overview of the German social security system in the following.

The UK has social security agreements with the EU. That means, if you leave the UK to work in the EU, you will only pay into one country’s social security scheme at a time. You will usually pay social security contributions in the country you are working in. If you’re an employer, your liability to pay social security contributions will follow the liability of the employee concerned.

You only need to pay National Insurance in the UK if HMRC has issued you with the relevant certificate. The certificate can be used as evidence that you do not need to pay social security contributions in the country you are working in. You, or your employer, should apply for a certificate if any of the following apply, you’re:

- employed in the UK by an employer who normally carries out their activities in the UK, and you’re going to work temporarily in an EU country for up to 2 years
- self-employed in the UK and you’re going to carry out a similar activity temporarily in an EU country for up to 2 years
- working in the UK and one or more EU countries, at the same time
- a civil servant working for the UK government in an EU country

## PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING (CONTINUED)

Whether you are employed or self-employed, if your situation changes then write to HMRC at the following address because a change in your situation may stop the existing social security rules from applying to you:

*PT Operations North East England  
HM Revenue and Customs  
BX9 1AN*

- You should include the following in your letter:
- what your circumstances were before the changes
- what has changed, for example:
- your work, employment or self-employment has ended earlier than expected,
- you change your employer.
- when the changes happened or are due to happen.

## CONTINUING TO WORK FOR A UK EMPLOYER

Dependants receive a special status whilst accompanying their military spouses in Germany, which exempts them from having to apply for a German work permit or to pay social security contributions in Germany.

Their British employer should get in contact with the British Ministry of Defence since they are in charge of sending the dependants to Germany. The German state is accepting of the interference their status is causing with national law in this special case. So there doesn't need to be a formal process with German authorities.

### TIMESCALE

You should inform your employer about the deployment of you and your family as soon as you know about it and advise them to get in touch with the sending body. Other than that, there are no deadlines to keep in mind.

If you are an employee of a British company and continue to work in Germany and have become obliged to pay into the German social security system, you find below the contributions that must be made:

### COMPULSORY HEALTH INSURANCE

The insurance covers employees and their families. The general contribution percentage is 14.6 % plus an additional contribution if implemented by the respective insurance institution – on average 1.6 % of the monthly gross pay up to 4,687,50 € (payable half by employer and employee each).

All employees with regular annual salaries lower than 62,550, - € must be enrolled in the compulsory scheme.

### PRIVATE HEALTH INSURANCE

Salaried workers whose wages exceed the ceiling may opt out of the compulsory scheme and choose private health insurance. Privately insured persons may claim a contribution toward their premium from their employer equal to that required for compulsory health insurance.



### **LONG-TERM NURSING CARE/DISABILITY INSURANCE**

This scheme is compulsory. Contributions are 3.4 % of the monthly gross salary up to 4,687.50 €, payable half by employer and employee each. Additionally, since January 1, 2005, employees without children have to pay a supplemental 0.6% of their contribution base. This does not apply to persons under the age of 23, born before January 1, 1940, or currently drafted in the German military or civil service. If the employee has opted for private health insurance, he/she must still enrol in the compulsory long-term insurance, but the account will be administered by the private carrier.

### **ACCIDENT INSURANCE**

The insurance covers work-related accidents and occupational diseases and is financed entirely by employer contributions. These are calculated at year-end based on the actual wage base and occupational risk categories.

### **UNEMPLOYMENT INSURANCE**

The compulsory unemployment insurance scheme is financed by contributions of 2.6 % of the gross monthly salary up to 6,900 € (6,450 € in the former Eastern states), payable half by employer and employee each.

### **PENSION INSURANCE**

The statutory pension scheme calls for contributions of 18.6 % of gross monthly salary up to 6,900 € (6,450 € in the former Eastern states), payable half by employer and employee each.

### **SOCIAL SECURITY ADMINISTRATION**

Mandatory social insurance contributions for employers and employees combined reach on average 40% of gross wages below annually defined ceilings. Employers and employees split most of these charges in a variety of ways. The employee's portion of the social security is withheld directly from the employer from the employee's gross salary. The employer is obliged to remit the total contributions to the health insurance carrier on a monthly basis.

### **PARENTAL BENEFIT**

Employed parents are entitled to apply for parental benefit (Elterngeld) if they reside in Germany and one parent interrupts his/her employment (or reduces his/her working time to a maximum of 30 hours per week) for the child's care and education. Parents with an annual income of more than 500,000 € (250,000 € for single parents) are not entitled to parental benefits.

The parental benefit amounts to 65 % - 67 % of the parent's last net income but not more than 1,800 € per month. However, entitled parents receive at least a basic allowance of 300 € per month. Parental benefit is paid basically for a period of 12 months. If the other parent also interrupts or reduces his/her employment for childcare and education, the parental benefit is paid for an additional 2 months.

## CONTINUING UK BUSINESS, BOTH LIMITED AND SELF-EMPLOYED

If you have an existing business in the UK as a dependant, you will receive your residence and work permit through the British Ministry of Defence and only have to obtain German company law.

The legal form of a British Limited is not recognised in Germany anymore. If you want to make business in Germany and hire employees as well as getting new contracts here, you need to transfer your company into a German legal entity.

The “Unternehmergeellschaft (haftungsbeschränkt)”, short UG (haftungsbeschränkt), is recommended. This legal form is closest to the British Limited, you only have to pay in 1€ as share capital and it’s particularly low-risk.

For certain professions, like doctors, tax consultants, and designers, German law offers the option to have your own business as a freelancer (Freiberufler). You can still hire employees and benefit from exceptions to legal obligations.

### TIMESCALE

To set up a German UG you need 1-2 weeks if you have the necessary documents together and an appointment with a solicitor. You can hire specialised advisory firms to speed up the process to only a few days.

If you want to transfer your existing Limited to German company law, it will take up to 3 months.

For starting or continuing your self-employed business in Germany you need to prove your qualifications, bank account and social securities. Registration can be done by sending an informal letter to the local tax office. This is possible up to four weeks after the start of business activities in Germany.

## LIMITED COMPANY

Firstly, in this section we look at the scenario where the dependant owns their own company in the UK’s legal form of a “Limited” and wishes to continue the company’s activities in Germany. In this context, a whole series of further questions arise regarding social security, taxes and the residence permit, which we will explain in the following sections. For a start, we are referring here only to the continuation of your own business activities in Germany.

It should first be noted that the status as a member of the military has no effect here, but solely German company law must be observed for this purpose. Since Brexit, it is no longer possible for a British Limited to invoke freedom of establishment if it plans on continuing its business activities from Germany as before. Under German company law, all assets and liabilities of the business are attributed to the shareholder of the Ltd. This has the following consequences:

- If the limited company has a natural person as a proprietor, then this person becomes a sole proprietor.
- If the Limited has several persons as proprietors, they become a partnership under civil law (Gesellschaft des bürgerlichen Rechts (GbR)) or, if commercial, a general partnership (offene Handelsgesellschaft (OHG)). The latter must be registered with the commercial register (Handelsregister).
- If the limited company has a legal entity as its sole shareholder (e.g. an Irish holding limited company), then the assets and liabilities are transferred to this holding limited company. This also applies to the branch of the English limited company; the holding limited company must then register a new branch.



A Ltd. & Co. KG with an English limited general partner became a KG on 01.01.2021, of which the limited partner is the general partner. If he is also a limited partner, the KG also automatically ceases to exist because the identity of limited partner and general partner is not possible under the HGB. A one-man Ltd & Co. KG thus becomes a sole proprietorship; if there are several proprietors, a GbR or OHG is created.

In simple terms, the formation of a UG proceeds as follows:

- Preliminary considerations by the proprietor(s) on the company name and registered office
- Drawing up a memorandum of association or model protocol
- Notarisation
- Pay the share capital into the business account
- Application for entry in the commercial register
- Examination procedure by the registry court and authorities
- Entry of the UG in the commercial register & announcement of the entry
- Business registration.

For a transfer of your existing British company in German legal form, it is in any case recommended to seek advice from a lawyer or an expert in the field of company establishment in Germany. At the end of this overview, you will find a selection of contacts to these experts in German law. All the mentioned experts will advise you in English.

## SELF-EMPLOYED

If you are working self-employed in the UK, you will need to adapt your professional activities to German law to be able to accept contracts and issue invoices here.

A first option is to set up a business in a German legal form, even if you are self-employed and do not plan to take on additional staff. Again, the simplest form is a UG (haftungsbeschränkt), but the choice depends on your specific business and should be planned with a German expert, e.g., a tax advisor.

In addition to this option, German company law also offers the option of working as a freelancer (Freiberufler). Many things are regulated differently for freelancers than for traditional companies - but in principle, the following also applies to them: they are independent entrepreneurs who operate on their own account and under their own responsibility. They alone decide and bear the entrepreneurial risk. In return, they don't have to share their profits with anyone - except the tax office.

If you become self-employed and register as a Freiberufler (freelancer), you are generally exempt from trade tax (Gewerbesteuer) and a simple bookkeeping system is sufficient for your tax return (Steuererklärung).

Freelancers can also waive the registration of a trade (Gewerbeanmeldung) and accordingly do not pay a trade tax. If they belong to a "chambered" profession subject to licensing, they must be a member of their respective professional chamber. Whether a professional activity is commercial or freelance therefore primarily has tax implications.

## CONTINUING UK BUSINESS, BOTH LIMITED AND SELF-EMPLOYED (CONTINUED)

However, German law only allows the possibility of working as a freelancer for certain professional groups that are not subject to the Trade, Commerce and Industry Regulation Act (Gewerbeordnung). These are divided into four areas:

- medical profession: e.g., doctors, dentists, physiotherapists, veterinarians, and psychotherapists
- legal, business, and tax consultancy: e.g., lawyers, notaries, tax consultants, auditors, and management consultants
- Technical and natural sciences: e.g., architects, engineers, scientists, and computer scientists.
- Cultural and artistic fields: e.g., authors, editors, directors, artists, and designers.

Your first step in registering as a freelancer is to contact the tax office. You must register with the tax office no more than four weeks after you start working. Theoretically, you can register informally, but you usually have to fill out the tax registration questionnaire via ELSTER (electronic tax return form). Once you have submitted this, you will receive a tax number from the tax office. The tax office checks whether your freelance activity is subject to registration. If it is, you must show the relevant qualification certificates at the Chamber of Professional Associations. Freelancers who are not required to work in a chamber must submit their qualification certificates to the tax office.

As a freelancer, you are also allowed to hire employees. However, special rules apply here. For example, how many professionals you can hire depends on your industry. There is always the question of whether you are still personally and autonomously active and have a managerial function for your employees. If you hand over all responsibility for your business to your employees, you can lose your status as a freelancer.

You can find more information on all questions concerning setting up a business in Germany on the following website, which is funded and approved by the German Ministry of Economics: <https://gruenderplattform.de/>. (The texts are only available in German but can be translated automatically in the browser.)

In addition, you can contact the British Chamber of Commerce in Germany (BCCG) for contacts to experts for business founding in Germany, who will advise you on your specific situation in English.

## WHAT ARE UK EMPLOYERS' REQUIREMENTS FOR EMPLOYEES TO CONTINUE WORKING WHILST OVERSEAS?

We recommend you take legal advice dependent upon your individual circumstances.

## BUSINESS OBLIGATIONS, INSURANCE ETC

There are no generally compulsory insurance policies in Germany. Only a third-party liability insurance is recommended.

For different forms of business or self-employment, there are specific requirements that depend on the legal form chosen and must be observed in the specific case. An advisor or the German authorities will explain these to you. For every private individual living in Germany, a third-party liability insurance valid in Germany is strongly recommended, as these do not entail great costs, but are effective in a large number of cases and cover any costs. The conclusion of such insurance is unaffected by the special status of the SOFA and other agreements.

If dependants of the deployed Armed Forces have their own company converted into German law, this results in different business obligations, which basically depend on the legal form chosen for the company. These rights and obligations will be explained to you in the process of registering a company. If

you have specific questions about this, please refer to the offer of contacting the relevant experts through BCCG in the last section of this chapter.

For dependants who want to work as self-employed entrepreneurs in Germany, there are special obligations arising from self-employment under German law. We provide a brief overview of these in the following:

It is essential for all self-employed people to have business and/or professional indemnity insurance to cover any personal injury or financial loss that you (or someone in your team) cause to others. Make sure that the amount of damages covered is sufficient.

It is also essential to register your business with the relevant professional guild. You only have one week after registering your business to do this. The professional guild will take care of your business's accident insurance for you and your employees.

Inventory insurance protects your property against damage caused by storms, fire, burglary, or vandalism. It always kicks in if your business (your workshop, your office, your practice, etc.) or the inventory it contains is damaged, and is always useful if you have invested a lot of money.

Under no circumstances should you forget to insure yourself against the most serious risks in life. As a self-employed person, you usually have the choice of taking out private or public health insurance. In the case of public health insurance, the monthly contribution is based on your income; in the case of private health insurance, it is based solely on your personal risk.

As far as pensions are concerned, some professions are subject to compulsory insurance in the public pension scheme. These include, for example, self-employed craftspeople who are registered in the craftsmen's register (registration with the social insurance is usually automatic, but to be on the safe side, ask). But all other self-employed people are also well advised to take care of their old-age provision in good time. Freelancers who work in the artistic-creative field can benefit from a public pension scheme

through the Künstlersozialkasse (KSK). You should submit your application to the KSK in good time, as it can take several weeks for the application to be processed and you also need health insurance during this time.



## TAX IMPLICATIONS

If dependants are in Germany solely because of their family connection to deployed military personnel, their time in Germany is not legally considered a residence. Therefore, they are exempt from any tax in the host country on remuneration and income earned within the scope of their employment.

However, this does not affect the taxation of profit-making activities. Furthermore, their special status regarding income tax shall not mean that dependants are to be regarded as foreign purchasers within the meaning of the turnover tax legislation.

If the dependants have German citizenship, the tax liability restrictions do not apply.

In case you are required to pay taxes in Germany, there is a double taxation agreement with the UK in place, that prevents you from paying the same taxes in both countries.

## TIMESCALE

If registration with the German tax office is necessary, the personal and lifelong valid tax ID (Steuer-ID) will be issued automatically after registration of the address. You will then receive the tax ID from the local tax office by post within 2-4 weeks.

Article 68 of the SOFA Agreement regulates the tax treatment of dependants of deployed Armed Forces:

1. Members of a force or of a civilian component and dependants shall not be deprived of any tax benefits which they enjoy by virtue of any international agreement with the Federal Republic.
2. The insurance tax (Versicherungsteuer) is to be paid in those cases where the insurance premium is paid to an inland insurer or an authorized inland representative of a foreign insurer, but not where the premium is paid directly to a foreign insurer. With respect to insurance for private motor vehicles of members of a force or of a civilian component or of dependants, payment of the insurance tax is also not required where in individual cases the insurance premium, which is payable directly to the foreign insurer, is exceptionally paid to the authorized inland representative of such foreign insurer.
3. The fact that no residence is established in the Federal territory in accordance with paragraph 1 of Article X of the NATO Status of Forces Agreement shall not mean that members of a force or of a civilian component and dependants are to be regarded as foreign purchasers within the meaning of the turnover tax legislation.
4. Dependants shall be treated for the purposes of Article X of the NATO Status of Forces Agreement in the same manner as members of a force or of a civilian component.

According to the wording of Art. X, para. 1, sentence 1 of the NATO SOFA the fiction of non-residence only applies if a member of the Armed Forces or their dependants is in Germany exclusively in this capacity. According to the supreme court case law of the Federal Fiscal Court (Bundesfinanzhof), a member of





the Armed Forces or their dependants is only ever in the territory of the Federal Republic of Germany exclusively in this capacity if it can be assumed on the basis of the overall circumstances of life that this person is firmly resolved in the relevant tax period to return to his or her country of assignment or home country after termination of his or her employment relationship.

The necessary firm resolve to return to the country of origin requires a temporal decision on the part of the person to return to the country of origin. The required firm decision to return to the home state requires a fixed period of time fixed with regard to the return after the end of the service. The mere intention to return after the end of the service is the end of the period of service is not sufficient. Whether the members of the Armed Forces or their civilian following is likewise irrelevant for the assessment of the will to return, since it cannot be ruled out that a further stay in the home country was initially considered.

However, the subsequent behaviour can be used as an indication of the will to return. In this case, the burden of proof is on the taxpayer. Consequently, the return can also take place on the basis of a decision made subsequently, i.e. after the relevant tax period. If this is the case, it must be assumed - according to the Bundesfinanzhof - that the stay in Germany is not exclusively due to the employment relationship.

Are the prerequisites of the non-residence fiction of Art. X, para. 1, sentence 1 of the NATO SOFA fulfilled, the members of the troops or the civilian entourage are exempt from any tax in the host country on remuneration and income earned within the scope of their employment. X para. 1 p. 2 NATO SOFA, members of the force or the civilian entourage are exempt from any tax in the receiving state on remuneration and income earned in the course of their employment and paid by the sending state.

To sum it up, unlimited tax liability applies in Germany pursuant to Section 1 paragraph 1 sentence 1 Income Tax Act (EstG) if the taxpayer establishes a domicile or habitual residence in Germany. As a result of the

stationing in Germany ordered by the UK, the members of the NATO troops and their dependants establish such a domicile, or at least their habitual place of residence, in Germany, so that they thus actually meet the requirements for unrestricted tax liability. In order to prevent members of the troops or the civilian entourage and their dependants from becoming subject to unlimited tax liability in the host country on the basis of a residence justified by service and their membership in the NATO military unit, and thereby suffering a disadvantageous position in relation to their comrades remaining in the UK and with regard to their tax circumstances, Art. X provides that periods of time during which a member of a troop or civilian entourage is in Germany only in this capacity are not deemed to be periods of residence in this territory or a change of residence or domicile within the meaning of Section 1, para. 1, sentence 1 of the Income Tax Act. Thus, only a limited tax liability applies to the troop members.

In addition, Art. X, para. 1, sentence 2 provides for the exemption from taxation of remuneration and income earned by members of the Armed Forces or the civilian entourage in this capacity. However, this does not affect the taxation of profit-making activities.

These restrictions on German tax liability also apply to the dependants of members of the troops. Pursuant to Art. 68, para. 4 of the NATO Status of Forces Supplementary Agreement, the dependants are to be treated in the same way as members of the Armed Forces with regard to the application of Art. X, the dependants are to be treated in the same way as the members of the troops or the civilian entourage themselves and are thus also covered by the scope of application of the norm. However, if the dependants have German citizenship, the tax liability restrictions do not apply. Consequently, a member of a troop or civilian entourage may have no or only limited tax liability in Germany, while his or her relative with German citizenship has unlimited tax liability. (Prof. Dr. Heinz Kußmaul/Melanie Nothof, 2018: Die Besteuerung nach dem NATO-Truppenstatut und seinem Zusatzabkommen).

## TAX IMPLICATIONS (CONTINUED)

Since the legal situation is very complex and the SOFA ranks equally with national tax laws in this respect, it is not possible to clearly clarify which legal norm takes precedence in every situation. The situation is only clear for stationed troops, their dependants who are also employed by British state institutions and dependants with German citizenship. In all other cases, we advise close consultation with the troop's superiors or with a tax advisor. Contacts to experts can be obtained through the BCCG, as stated in the last section. Again, we add a brief overview of the German tax situation in the event that the exemption from tax liability through SOFA does not apply to all dependants in the respective situation:

The UK has a double taxation agreement with Germany, so you do not pay tax on the same income in both countries. You can claim for income including most pensions - most UK government (such as civil service) pensions are only taxed in the UK, wages and other pay (including self-employment), bank interest as well as dividends. If the tax rates in the two countries are different, you'll pay the higher rate of tax. The tax year may start on different days in different countries. You find the link to the correct form, with which you can claim your tax relief if you're residing in Germany in section 5 of this chapter. When you've filled in the form, send it to the tax authority in the country where you're resident. They'll confirm your eligibility and either send the form to HMRC or return it to you to send on (use the address on the form).

You will get an income tax ID number (Steueridentifikationsnummer) by post from the Federal Central Tax Office after you register your address at the local registration office (Einwohnermeldeamt). Your employer will need your tax ID number. You may also be asked to provide it to your local finance authority (Finanzamt).

The following taxes basically apply if your status is considered a residency on German territory:

### TAX LIABILITY

Germany has a progressive tax rate currently ranging from 14% to 42%. If a taxpayer receives income above the ceiling of 277,826 € (555,652 € for married couples), a special tax rate of 45 %, the so-called "rich tax" applies. In addition, Germany levies a solidarity surcharge amounting to 5.5 % of the income tax liability and a church tax of 8 % or 9 % if the taxpayer registers with a German church.

### EMPLOYMENT INCOME

All types of remuneration and most of the benefits received for services performed in Germany, regardless of who pays it and where or when it is paid, constitute taxable employment income.

As mentioned before, employment income may be exempt from German taxation according to a Double Tax Treaty, if applicable. Employment income is subject to German wage tax which is withheld and paid by the employer through a monthly payroll.

### BUSINESS EXPENSES

Employment-related expenses are deductible from gross income if they are directly related to employment in Germany, not reimbursed tax-free by the employer, and if they incur during the period of German residency. Please note that expenses must be proven by documentation, e. g. invoices.

- Examples (if not reimbursed by the employer):
- Moving expenses
- Double household expenses
- Lump sum deduction for literature of 110 € (if actual expenses incurred are higher, then actual expenses are applied) and for banking fees of 16 €
- A standard deduction of € 1,230 is granted if the actual expenses are not higher.

## INTEREST AND DIVIDEND INCOME

According to German domestic law and the respective Double Tax Treaty, interest and dividend income from German and non-German sources received by a German tax resident are usually taxable in Germany. Under certain conditions, taxes withheld at source in a foreign state may be credited against the German tax liability for this income.

Germany generally applies a lump sum taxation, the so-called “Abgeltungssteuer”. This is a withholding tax amounting to 25% (plus solidarity surcharge and – if applicable – church tax) which will be withheld by the bank (usually) and compensates the tax liability for income from capital investment. The withholding obligation, however, only applies to German bank accounts.



Income from foreign bank accounts will be declared in the tax return further on and will in general be taxed with the flat tax rate of 25%. Only if the taxpayer's personal tax rate is lower than 25%, he or she can opt to taxation at personal rates.

In case a taxpayer moving to Germany owns investment funds it is highly recommended to have these investments reviewed before arrival in Germany. There may be different reporting and taxation requirements of investment funds in Germany compared to the home country regulations. Interest and dividend income is excluded from German taxation up to an annual lump sum amount of € 1,000 (€ 2,000 for married couples filing jointly).

## TAX RETURNS AND COMPLIANCE

The tax year is the same as the calendar year. In general, a German tax resident must file an annual tax return with the local tax office by July 31 (for the tax year 2023 a Covid-related extension is granted to August 31, 2024) of the year following the tax year. In case the tax return is prepared by a professional tax advisor, the deadline is usually extended until the end of February of the second year following the respective tax year (upon application). For the tax year 2023, an extension was granted until the end of May 2025. If the return is not filed on time the tax authorities automatically assess penalties amounting to 0.25% of the assessed tax, at a minimum of € 25 for each started month of delay.

The income tax is not payable at the time the tax return is filed. The tax authorities will review the tax return and issue a separate assessment notice (this may take 2 – 6 months depending on the tax authorities). Usually, any payment will become due within one month after receipt of the assessment notice unless separate instructions for payment have been received from the tax authorities. Penalties for late payment are 1 % per month of the amount due. Interest is charged or credited on final tax payments if the assessment notice is not issued within 15 months after the end of the tax year. The interest rate amounts to 0.15% per month.

## COUNTRY REGISTRATION REQUIREMENT

Dependants of British military personnel are exempt from the requirement of a residence permit (which includes a German work permit). German aliens law regulations are not applicable in this respect.

The corresponding identification documents in the passports of the troop members or their dependants are also not administered by Germany, but by the authorities of the sending state, which merely inform the German authorities.

### TIMESCALE

There are no deadlines to observe with German authorities in this regard. Only the British institutions that decide and are responsible for the deployment must complete all internal processes in advance and make the corresponding notes in the passports of the dependants.

The exception of deployed British Armed Forces and their dependants from the German registration process is declared in Article 6 of NATO SOFA:

1. Members of a force, of a civilian component and dependants shall be exempt from German regulations in the field of registration of residence (Meldewesen) and aliens control (Ausländerpolizei), except with respect to registration in hotels and similar establishments (Beherbergungsstätten).
2. The authorities of a force shall keep up-to-date records of all members of the civilian component and of all dependants. At the request of the German authorities, the reasons for which shall be explained, the authorities of the force shall, in individual cases, supply the information required under the regulations referred to in paragraph 1 of this Article.
3. At the request of the German authorities, the authorities of the force shall inform them of the number of members of the civilian component and of dependants.

Dependants who do not carry with them a passport or a document acknowledged as equivalent under German law shall give proof of their identity by means of an identity

document issued by the authorities of the sending State, showing name, date of birth and photograph of the holder, a serial number or the name of the issuing authority and the capacity in which the holder is present in the Federal territory.

In exceptional cases where (a member of a force or of a civilian component or) a dependant is not in possession of these documents, the German authorities accept temporary certification by the authorities of the force that the person concerned is a member of the force or of the civilian component or a dependant. The authorities of the force shall, as soon as possible, replace such certification with the needed documents.

According to Article 7, troop members, members of the civilian entourage and their dependants are exempt from the requirement of a residence permit (which includes a German work permit). Thus, Germany, as the receiving state, allows interference with its sovereignty in terms of residence law, because ultimately the sending state (UK) can determine who may reside on German territory as a member of its troops or as a dependant of these members. German aliens law regulations are not applicable in this respect. The corresponding identification documents in the passports of the troop members or their dependants are also not administered by Germany, but by the authorities of the sending state, which merely inform the German authorities (Art. 5).

This exception to the normal registration process for foreigners living in Germany is clear. However, in the event that dependants of deployed Armed Forces wish to carry out their own business activities in Germany, particularly a transfer of their UK company to German company law, they will come into contact with many different German authorities. Officers from these authorities are used to a residence permit as well as a registration certificate for UK citizens since Brexit and will not be aware of the SOFA exemption in all cases. Therefore, in the case of contact with various authorities, we advise the support of local supervisors or a specialised lawyer so that there can be a smooth process in these procedures, despite the seemingly missing documents. Contacts to proven national experts in the field can be obtained by getting in touch with BCCG.



## POINTS OF CONTACT

### **NATO SOFA Supplementary Agreement:**

<https://www.pref.okinawa.jp/site/chijiko/kichitai/sofa/documents/germany02-2.pdf>

### **Overview on living in Germany:**

#### **Living in Germany**

GOV.UK ([www.gov.uk](http://www.gov.uk))

### **General tax information: Tax on your UK income if you live abroad: Overview**

GOV.UK ([www.gov.uk](http://www.gov.uk))

### **Application for relief at source from UK Income Tax. Double Taxation treaty relief - Germany**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/969152/DT-Ind-Germany.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/969152/DT-Ind-Germany.pdf)

### **German Federal Office for Migration and Refugees**

<https://bamf-navi.bamf.de/en/>

## FURTHER SUPPORT

<https://www.gov.uk/guidance/living-in-germany#working-in-germany>

<https://www.gov.uk/topic/personal-tax/living-working-abroad-offshore>

For further support and specific questions, Armed Forces deployed to Germany and their dependants can always contact the British Chamber of Commerce in Germany (BCCG). We will provide contacts to all in this chapter mentioned and potentially required services in Germany (in English language), such as tax experts, lawyers for migration, tax, and working law, as well as experts on setting up a business in Germany or transferring your existing business activities from the UK to Germany. Just write an e-Mail to [info@bccg.de](mailto:info@bccg.de) with a short description of your questions or inquiry and we will direct you to the right expert within our network or the corresponding national authorities.

## SOURCES

### **British Chamber of Commerce in Germany (BCCG)**

[info@bccg.de](mailto:info@bccg.de)







## ITALY

### PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING

Citizens of the United Kingdom are considered non-EU citizens and, therefore, they must apply for a visa if they want to live and travel in Italy for more than 90 days. British citizens living in Italy before the 1st of January 2021 are allowed to remain in Italy without a visa or residence permit. Family members of these UK nationals are also covered by the Withdrawal Agreement if their relationship existed before the 1st of January 2021.

Regulatory provisions vary depending on whether the stay is for a period of less than 90 days: (over a total period of 180 days) an entry visa will not be required if you do not carry out subordinate work but only the following permitted activities, including: running or attending job interviews; going to court as a witness; attending trade fairs; board meetings; meeting clients or customers (including entertainment like eating at a restaurant); meeting colleagues, contractors or sellers; fact-finding visits; negotiating, signing and executing deals or contracts; attending, speaking or presenting at a conference if you aren't being paid; team building activities; installing, upgrading and troubleshooting software or machinery where there's an after-sales contract in place; taking part in technical training; consulting; completing an after-sales service; leisure travel, such as holidays, or visiting friends or family.

The regulatory provisions vary depending on whether the stay is for a period exceeding 180 days: a work authorization (*nullaosta*), obtaining a work visa from the Italian embassy of the country of origin, and the declaration of presence at the territorially competent Police Headquarters may be required by the border police and the residence permit in Italy. Italy grants visa applications to spouses and dependents. To apply, you must have these documents:

- Completed visa application form (in Italian), which can be accessed here: <https://vistoperitalia.esteri.it/Moduli/it/Formulario%20Visto%20Nazionale.pdf>
- One recent passport photo
- A valid passport or travel document that is valid for at least three months longer than the requested visa
- Declaration file from you (the sponsor) that includes:
  1. formal invitation for your relative to join you in Italy;
  2. your valid passport or ID;
  3. your residence permit;
  4. proof of relationship (e.g., marriage certificate);
  5. if necessary, a certificate of health from your relative or a dependent family member;
  6. proof of employment or study (e.g., a job contract);
  7. proof of sufficient income;
  8. in the case of minor children, a letter of consent from the other parent.





## PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING (CONTINUED)

Following Brexit, Italy and the United Kingdom have amended the following agreement “Trade and Cooperation Agreement (TCA) between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part (TCA)”, which contains the “Protocol on Social Security Coordination”.

The Protocol on Social Security Coordination provides that if the posting of a British worker to Italy does not exceed 24 months and this person is not sent to Italy to replace another worker, then the worker will still be subject to British legislation. After 24 months period, the Italian legislation will apply.

The previous provision also applies to the self-employed worker, in fact the Protocol provides that if the self-employed worker in the United Kingdom goes to Italy to carry out an activity similar to that carried out in his or her country of origin, British law will continue to apply provided such activity does not exceed 24 months.

The Italian or foreign employer regularly residing in Italy who intends to establish a relationship in Italy of fixed-term or open-ended employment with a foreigner living abroad must submit, subject to verification, at the competent employment center of the unavailability of a worker present in the national territory, suitably documented, to the Immigration Desk of the province of residence or of the one in which the company has its registered office, or of the one where the work performance will take place:

- nominative request for authorization to work;
- suitable documentation relating to the accommodation arrangements for the foreign worker;
- the residence contract proposal with a specification of the relative conditions, including the employer’s commitment to pay the foreigner’s return expenses to his country of origin;
- declaration of commitment to communicate any changes concerning the employment relationship.
- certification refers to ensuring that the employer guarantees the minimum working conditions established by Italian law.

Within eight days of entry, the foreigner goes to the Immigration Desk which issues the authorization for signing the residence contract, which remains stored there and a copy is sent to the competent consular authority and the qualified employment center.

## CONTINUING TO WORK FOR A UK EMPLOYER

We recommend you take legal advice depending upon your individual circumstances



## CONTINUING UK BUSINESS, BOTH LIMITED AND SELF- EMPLOYED

We recommend you take legal advice depending upon your individual circumstances

## WHAT ARE UK EMPLOYERS' REQUIREMENTS FOR EMPLOYEES TO CONTINUE WORKING WHILST OVERSEAS?

Digital nomads and remote workers, who are subjects from a third country and carry out highly skilled work activities using technological tools that allow them to work remotely, independently, or for a company even if it is not resident in the territory of the Italian state. For these subjects, if they carry out their activity in Italy, no impediment document to work is required, and the residence permit, upon acquisition of an entry visa, is issued for a period not exceeding one year, on condition that the holder has the availability of health insurance, to cover all risks in the national territory, and that the tax and social security provisions in force in the national legal system are complied with.

UK workers carrying out their work remotely from Italy will be subject to Italian social security legislation.

## BUSINESS OBLIGATIONS, INSURANCE ETC

If you are temporarily present for a period not exceeding 90 days (e.g., tourist), you can take advantage of urgent and elective health services upon payment of the relative regional rates. If you have a regular residence permit, you can register with the National Health Service (SSN) by contacting the Azienda Sanitaria Locale - Local Health Unit (ASL) of your municipality of residence, or, if you are not yet a resident, the municipality of actual domicile indicated in the residence permit. Health assistance is extended to your

dependent family members who regularly reside in Italy.

Registration can be obligatory: all non-EU foreign citizens legally residing in Italy and regularly employed or self-employed are entitled to compulsory registration with the National Health Service.





## TAX IMPLICATIONS

The Legislative Decree 147/2015, in art. 16 provides for a particular tax regime for the so-called workers “Impatriates”. This regime also applies to citizens of States other than those belonging to the European Union with which a convention is in force for the avoidance of double taxation about taxes on income or an agreement on the exchange of information on tax matters in possession of a university degree, who have continuously carried out an employment, self-employment or business activity outside Italy in the last twenty-four months or who have continually carried out a study activity outside Italy in the previous twenty-four months or more, earning a bachelor’s degree or a post-graduate specialization. The Law 329/1990 agreement against double taxation is in force between Italy and the United Kingdom. Therefore, this provision also applies to English citizens who want to enter Italy for work.

These are the requirements to have special tax treatment:

1. the workers have not been resident in Italy in the five tax periods preceding the transfer above and undertake to remain in Italy for at least two years;
2. the working activity is mainly carried out in the Italian territory.

In these cases, the income from employment (or assimilated to it) and from self-employment produced in Italy contributes to the formation of the total revenue, limited to 30% of the amount or 10% if the residence is taken in one of the regions of Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sardinia, Sicily. This tax provision is applied to start from when the transfer of residence to the Italian territory took place and for the following four periods. The benefits apply for a further five tax periods to workers with at least one minor or dependent child and to those who become owners of at least one residential real estate unit in Italy after the transfer or in the previous 12 months. For the extension period, the subsidized income contributes to the formation of the taxable amount for 50% of their amount

or 10% for workers with at least three minor or dependent children.

Therefore, Italian taxation will apply for the taxed part, and Imposta sui Redditi sulle Persone Fisiche (IRPEF) will apply. IRPEF is the Italian tax on the income of natural persons who reside in Italy or receive income in Italy. It’s a progressive tax with the following rates in 2023:

- 23% up to €15,000,
- 25% from €15,001-28,000,
- 35% from €28,001-50,000,
- 43% for incomes above €50,000.

For workers who do not meet the requirements described above, their income produced in Italy will be subject to IRPEF taxation. In any case, UK workers carrying out their work remotely from Italy will be subject to Italian social security legislation. Suppose workers are posted to Italy by a UK employer. In that case, the Protocol allows for the application of the social security system of the country of origin, provided that the duration of the posting does not exceed 24 months and that the worker does not is sent to replace another worker already posted. Workers who work in two or more countries (i.e., multi-status workers) will be subject to the social security system of the country where they reside and carry out a substantial part of their activity.



## COUNTRY REGISTRATION REQUIREMENT

### RESIDENCE PERMIT FOR SELF-EMPLOYED WORKERS

The foreigner who intends to practice in Italy an industrial, professional, artisanal or commercial activity, i.e. set up companies of capital or persons or access to corporate offices, must also demonstrate that he has the resources adequate for the exercise of the activity that he intends to undertake Italy; to be in possession of the requirements established by law Italian for the exercise of the individual activity, including, where required, the requirements for enrollment in rolls and registers; to be in possession of a certificate from the competent authority dated no older than three months who declares that there are no impediments to the issuance of the authorization or license foreseen for the exercise of the activity that the foreigner intends to carry out.

The worker who does not belong to the European Union must in any case demonstrate that they have suitable accommodation and an annual income, from lawful sources, of an amount exceeding, the minimum level required by law for exemption from participation in health care costs (8.500,00 €).

The entry visa for self-employment must be issued or denied within one hundred and twenty days from the date of presentation of the application and related documentation and must be used within one hundred and eighty days from the date of issue. The no impediment document for self-employed work is valid for a period not more than two years from the date of issue and can be converted into a residence permit for subordinate work if the requirements are met.

### SPECIALIZED WORKER - INTRA-COMPANY TRANSFER (ICT)

You need an intra-company transfer permit (ICT) if your UK-based company moves you to a branch in Italy to work for more than 3 months. You must be an executive, a skilled worker, or a worker in training. The host entity presents the nominative request for nothing impediment to intra-company transfer at the Immigration Desk at the Prefecture-Territorial Office of the Government of the province in which the host entity has its registered office. Their request, under penalty of rejection, indicates:

- that the host entity is the company established in the third country they belong to the same enterprise or the same group of enterprises;
- that the worker has worked for the same company or a company belonging to the same group for a minimum period of three uninterrupted months immediately preceding the date of the intra-company transfer;
- from the employment contract and, if necessary, from a letter of assignment results:
  1. the duration of the transfer and the location of the entity host or host entities;
  2. that the worker will cover the position of manager, skilled worker or worker in training in the entity host;
  3. salary, as well as other working conditions and conditions employment during intra-corporate transfer;
  4. that, at the end of the intra-company transfer, the foreigner will return to an entity belonging to the same company or a company of the same group established in a country third;
- possession of qualifications, professional experience, and the capability;
- possession by the foreigner of the foreseen requisites by the legislative decree 9 November 2007, n. 206, in the hypothesis of exercise of the regulated profession to which the request;



## COUNTRY REGISTRATION REQUIREMENT (CONTINUED)

- the details of a valid passport or equivalent document of the foreigner;
- for workers in training, the individual training plan containing the duration, learning objectives and conditions of carrying out the activity;
- the commitment to fulfil social security obligations and assistance envisaged by Italian law, unless there are social security agreements with the country of origin.

Within a maximum of forty-five days from the presentation of the request, the Immigration Desk issues the no impediment document or, within the same term, notifies the applicant of the rejection. The maximum duration of the intra-company transfer is three years for managers and skilled workers and one year for the trainee. Between the end of the maximum period of the intra-corporate transfer and submitting another application of entry into the national territory for transfer intra-company for the same foreigner, there must be at least three months.

Within eight working days of entering the national territory, the foreigner declares his presence at the Immigration Desk and issues the no impediment document for the issue of the residence permit.

Work for an Italian company with an Italian employment contract - EU Blue Card

You must be a highly qualified worker. You must have a role that's in level 1, 2 or 3 of the Italian National Institute of Statistics (ISTAT) occupation list; The application for authorization to work for highly qualified foreign workers is presented by the employer to the Immigration Desk at the prefecture-office territory of the Government. The employer, when applying, must indicate the following:

1. the employment contract proposal or the job offer binding with a duration of at least one year, for carrying out a work activity that requires the possession of a highly qualified professional qualification;
2. the educational title and professional qualification superior owned by the foreigner;
3. the gross annual salary amount derived from the employment contract, or the binding offer, must not be less than three times the minimum level envisaged for the exemption from participation in health care costs.

To the highly qualified foreign worker authorized to performance of work activities is issued by the Quaestor a residence permit with the wording 'EU Blue Card' in the 'type of permit' section. Within a maximum of ninety days from the presentation of the request, the Immigration Desk issues the no impediment document or, within the same term, notifies the applicant of the rejection.

The residence permit is issued, following the stipulation of the residence contract for work and the communication of the establishment of the employment relationship with a two-year duration, in the case of an open-ended employment contract, or with a period equal to that of the employment relationship plus three months, in other cases.



## POINTS OF CONTACT

**British Chamber of Commerce for Italy**

<https://britishchamber.it/>

## FURTHER SUPPORT

<https://www.gov.uk/guidance/living-in-italy#working-in-italy>

<https://www.gov.uk/topic/personal-tax/living-working-abroad-offshore>

**Check what visa permit you need**

<https://vistoperitalia.esteri.it/home/en>

**A families' guide to living  
in EJSU supported locations**

<https://aff.org.uk/your-posting/your-ejsu-posting/>

**SBA**

[https://sbaadministration.org/images/Cus-fis/guides/202210\\_Fiscal\\_Notice\\_SBA\\_working\\_from\\_home.pdf](https://sbaadministration.org/images/Cus-fis/guides/202210_Fiscal_Notice_SBA_working_from_home.pdf)







## NETHERLANDS

### PROCEDURES FOR UK FAMILIES TO CONTINUE TO WORK WHILST ON POSTING

A Visa is necessary to stay for a period of 90 days or more: British national and/or his spouse and dependents can apply directly for a residence permit. The Provisional Residence Permit (MVV) is not needed for British nationals. Depending on your situation you may also be eligible to work in the Netherlands under national legislation. In most cases, you or your employer will have to apply for a residence work permit for you. If you have a host in the Netherlands, in most cases your host will have to submit the application to the Dutch Immigration and Naturalization Services (IND). You can travel to the Netherlands without a visa. You (or your host) must apply to the IND for your residence permit within 90 days of your arrival. You can await the outcome of your application in the Netherlands, even if that means you exceed the 90-day limit. If the IND approves your application, you can collect your residence permit from the IND.

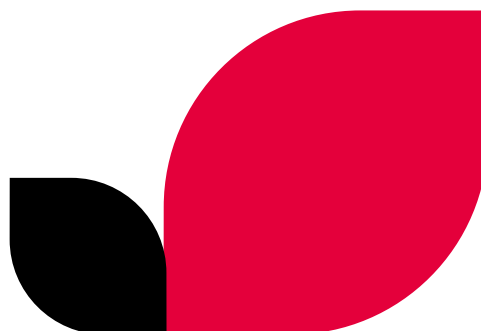
Regarding employment, from the first day of work in the Netherlands, a British citizen will need a work permit, obtained by the Dutch employer on their behalf. The requirement applies to all non-EU/EEA/Swiss workforce members. Therefore, a British citizen seeking employment in the Netherlands will generally need to be temporarily assigned to or employed by a Dutch company to receive work and/or residence authorisation. Depending on the length of stay, the company can sponsor a work permit application or a combined residence permit with a work authorisation application.

The type of work permit required may also depend on the skill level of the worker, with specific salary thresholds and qualification requirements attached to each permit category. Special rules apply to British citizens based on the Trade and Cooperation Agreement (TCA) between the UK and EU, but their practical implementation details by Dutch authorities are yet to be published. It is also relevant to note that in principle all

British citizens are subject to the work permit requirement as outlined below, including those who are self-employed in the UK and (temporarily) work in the Netherlands or military personnel.

Family members of military personnel are subject to the same rules in respect of work authorisation as other individuals. This means that work authorisation is required from day 1 of any work activities if they are a non-EU/EEA/Swiss national, be that in a self-employed or a paid employment capacity. There is only a very limited set of exceptions to this rule based on Dutch national law or, in some cases, based on a Status of Forces Agreement (SOFA). We advise you to reach out to the HR contact of the Dutch company/organisation to review whether immigration concessions apply (as the organisation will need to be involved in securing the paperwork for the individual under the concession) or otherwise to contact an immigration specialist for a detailed assessment.

While military personnel under the NATO SOFA are exempted from general immigration rules, visa requirements (for travelling on official duty) and the registration of aliens, civilians or dependents are to comply with such regulations. This implies for civilians and dependents the obligation to obtain a visa or a residence permit for individuals from countries outside of the EU/EEA area.





## CONTINUING TO WORK FOR A UK EMPLOYER

### INTRA-CORPORATE TRANSFEREE

You are employed as a manager, specialist or trainee by a legal person in the UK and temporarily transferred to an enterprise of that same legal person in the Netherlands. If you meet the conditions set out in the agreement, you or your employer can apply to the Immigration and Naturalisation Service (IND) for a combined residence and work permit (GVVA) or to the Employee Insurance Agency (UWV) for an Employment Permit (TWV), depending on the duration of the work. A more lenient labour market test is carried out during the assessment of the application, however, the application procedure and the conditions to be met by applicants are the same as for other third-country nationals.

### CONTRACTUAL SERVICE SUPPLIER

You are coming to the Netherlands temporarily as a contractual service supplier in one of the sectors opened for this purpose. If you meet the conditions, you can perform work in the Netherlands for up to 12 months or until the contract expires (if this period is shorter than 12 months). Your employer must, however, apply for a work permit for you (either an employment permit from the UWV or a combined residence and work permit from the IND, depending on the duration of the work). In addition to the above conditions regarding duration and sector, the following conditions apply if you want to make use of this provision:

- You are employed by an employer established in the UK that is not established in the territory of the Netherlands and is not an agency for placement and supply services of personnel.
- A contract not exceeding 12 months has been concluded to supply services to a final consumer requiring your temporary presence in the Netherlands.
- You possess, on the date of your application for entry and temporary stay, a university degree or a qualification demonstrating knowledge of an equivalent level and the professional

qualifications legally required to exercise that activity in the Netherlands.

- You possess, on the date of your application for entry and temporary stay, at least three years' professional experience, obtained after having reached the age of majority, in the sector of activity that is the object of the contract.
- You do not receive remuneration from a source located in the Netherlands.

### INDEPENDENT PROFESSIONAL

You are coming to the Netherlands temporarily as an independent professional in one of the sectors opened for this purpose. If you meet the conditions, you can perform work in the Netherlands for up to 12 months or until the contract expires (if this period is shorter than 12 months). Your client must, however, apply for a work permit for you (either an employment permit from the UWV or a combined residence and work permit from the IND, depending on the duration of the work). A more lenient labour market test is carried out during the assessment of the application if the relevant conditions are met. In addition to the above conditions regarding duration and sector, the following conditions apply if you want to make use of this provision:

- You are established as self-employed in the UK and do not have an establishment in the territory of the Netherlands.
- You have concluded a contract (other than through an agency for placement and supply services of personnel) for a period not exceeding 12 months to supply services to a final consumer, requiring your temporary presence in the Netherlands.
- You possess, on the date of your application for entry and temporary stay, a university degree or a qualification demonstrating knowledge of an equivalent level and the professional qualifications legally required to exercise that activity in the Netherlands.
- You possess, on the date of your application, at least six years' professional experience, obtained after having reached the age of majority, in the sector of activity that is the object of the contract.



## CONTINUING UK BUSINESS, BOTH LIMITED AND SELF-EMPLOYED

Unless you're self-employed, you can only work in the Netherlands with a Dutch employment contract, your UK company can't do that. The moment a British national starts to use their UK Ltd in the Netherlands for activities, either by starting a contract in the Netherlands via the UK Ltd or setting up an office in the Netherlands and this British national, the director of the UK Ltd operates in the Netherlands, the UK Ltd becomes subject to corporate income tax and value-added tax rules in the Netherlands. The UK Ltd becomes a Dutch resident company and, therefore, subject to Dutch corporate income tax the moment the director is a tax resident in the Netherlands. When that is the case, the Dutch rules towards the minimum salary requirements apply.

## WHAT ARE UK EMPLOYERS' REQUIREMENTS FOR EMPLOYEES TO CONTINUE WORKING WHILST OVERSEAS?

We recommend you seek legal advice depending upon your individual circumstances.

## BUSINESS OBLIGATIONS, INSURANCE ETC

### SOCIAL SECURITY

Since January the 1st of 2021, the EU coordination rules on social security have been supplanted by a new Trade and Cooperation Agreement, which incorporates a Protocol on Social Security Coordination. The Protocol guarantees that UK citizens moving to EU countries after the stipulated date will continue to have access to reciprocal healthcare coverage. Moreover, it ensures that cross-border workers and their employers are required to pay social security contributions in only one state at a time, usually where the work is performed.

An important aspect of the Protocol is the ability to obtain a certificate confirming the country of insurance for multi-state workers and detached workers. This Protocol applies only to EU member states, with specific rules laid out for Switzerland, Norway, and Iceland based on bilateral agreements. There are some noticeable differences between the benefits covered by the EU Regulations and the Protocol. The latter doesn't include family benefits such as child benefits in the Netherlands. However, it does cover the Dutch Long-term Care Act.

For British employees starting new assignments from January the 1st of 2021, onwards, the Protocol dictates that these employees will only pay social security contributions in the UK while temporarily working in an EU state, and vice versa. This provision applies to all 27 EU member states as they've agreed to uphold the 'detached worker' rules. For multi-state workers, the Protocol aligns with the existing EU regulations. However, all EU member states automatically fall under these rules with no option to opt-out.

In essence, the new Protocol aims to streamline social security provisions for British citizens in the EU post-Brexit, ensuring continued access to healthcare and regulating social security contributions in the event of cross-border employment.



## BUSINESS OBLIGATIONS, INSURANCE ETC (CONTINUED)

### HEALTHCARE

The Netherlands has universal healthcare, but the government requires all adults living or working in the Netherlands to have basic insurance. The basic plan will cost € 100-150 per person out of pocket. If you're employed, your employer will pay a small percentage towards medical coverage as well. The basic plan covers the basic standard of care like visits to the GP and hospital. Some treatments may have an excess for which you need to pay a portion out of pocket. However, certain groups are exempt from this obligation, including:

- Children under the age of 18 who are covered by their parent/guardian's insurance.
- Temporary visitors from the EU/EEA/Switzerland who are eligible for healthcare coverage under the European Health Insurance Card (EHIC).
- Temporary visitors from outside the EU/EEA/Switzerland must obtain private health insurance.

### TAX IMPLICATIONS

The taxation situation for expatriates in the Netherlands depends significantly on individual circumstances. Typically, residents in the Netherlands are taxed on their worldwide income, divided into three types of taxable income (income from salary and home ownership, financial interest in a company, savings & investments). Income is generally taxed in the year it's earned. In order to prevent you from paying income tax on the same income in several countries, you receive a deduction for the avoidance of double taxation in the Netherlands. Non-residents, on the other hand, are typically only taxed on income from Dutch sources.

### DUTCH 30% RULING

Expats may be eligible for the Dutch 30% ruling, a specific tax regime for incoming employees working for a Dutch resident employer or a foreign employer with a wage tax withholding agent in the Netherlands. This ruling is applicable for a maximum of 5 years and is subject to several conditions such as recruitment or assignment from abroad, a distance requirement of 150 km, joint filing by the employee and employer, and a certain salary requirement. However, the eligibility for the 30% ruling is complex and depends on personal circumstances.

Regarding tax returns, whether you need to file one in the Netherlands is contingent upon your taxability in the country. If you're required to file a tax return, it should be done annually before May 1st of the following calendar year, with the tax year being the same as a calendar year. Tax returns are filed individually, but if you're married or have registered partners, you can connect your returns digitally and allocate joint income. The tax liability is finalized once you've received your final tax assessment from the Dutch tax authorities. Note that the tax return should be filed digitally.

Unless you're self-employed, you can only work in the Netherlands with a Dutch employment contract, your UK company can't do that. The moment a British national starts to use their UK Ltd in the Netherlands for activities, either by starting a contract in the Netherlands via the UK Ltd or setting up an office in the Netherlands and this British national, the director of the UK Ltd operates in the Netherlands, the UK Ltd becomes subject to corporate income tax and value-added tax rules in the Netherlands. The UK Ltd becomes a Dutch resident company and, therefore, subject to Dutch corporate income tax the moment the director is a tax resident in the Netherlands. When that is the case, the Dutch rules towards the minimum salary requirements apply.

## COUNTRY REGISTRATION REQUIREMENT

Everybody applying for a residence permit in the Netherlands must meet the below general requirements, on top of specific requirements depending on the type of residence permit:

- You have a valid passport or other travel document.
- You do not pose a danger to public order or national security. Everyone over the age of 12 must completely fill in an Appendix Antecedents Certificate and enclose it with the application. In this certificate you indicate whether you have ever committed an offence or crime, which can be access here: <https://ind.nl/en/forms/7601.pdf>
- Show proof of healthcare cover.



## POINTS OF CONTACT

For more detailed information, get in touch by sending an e-mail to [lbiewinga@nbcc.co.uk](mailto:lbiewinga@nbcc.co.uk)

## FURTHER SUPPORT

<https://www.gov.uk/guidance/living-in-the-netherlands#working-in-the-netherlands>

<https://www.gov.uk/topic/personal-tax/living-working-abroad-offshore>

**How to apply for a residence permit**  
<https://ind.nl/en/residence-permits>

**A list of nationalities that require a visa to enter the Netherlands is available at**  
<https://www.netherlandsworldwide.nl/visa-the-netherlands/visa-required>

**It is advised to consult your national military authorities if there is a visa requirement prior to the departure to the Netherlands. A list of nationalities that require a visa to enter the Netherlands is available at**  
<https://www.netherlandsworldwide.nl/visa-the-netherlands/visa-required>

**It is advised to immediately notify the KMAR of any circumstance affecting one's residence permit or that of their dependents. Loss of a Permit of Residence must be reported in person to the KMAR Office. The KMar needs an official Police Report when one loss his or her resident card. More information can be found in the**  
<https://jfcbs.nato.int/community/newcomers/newcomers-guide>

**For more tax information**  
<https://www.belastingdienst.nl/wps/wcm/connect/bldcontenten/belastingdienst/individuals/tax-regulations/>

**Detailed information about various family residence permits, requirements, application forms and procedures can be easily accessed on**  
<https://ind.nl/en/residence-permits>



## CONTRIBUTING CHAMBERS OF COMMERCE

**BRITISH CHAMBER  
OF COMMERCE IN BELGIUM**



**BRITISH CHAMBER  
OF COMMERCE IN CYPRUS**



**BRITISH CHAMBER  
OF COMMERCE IN GERMANY**



**BRITISH CHAMBER  
OF COMMERCE IN ITALY**



**BRITISH CHAMBER  
OF COMMERCE IN NETHERLANDS**



## About the **British Chambers of Commerce**

**Across the UK, the 53 Accredited Chambers that make up our network are trusted champions of businesses, places, and global trade.**

Together, we represent tens of thousands of businesses of all shapes and sizes, which employ almost six million people across the UK. Our growing Global Business Network also connects exporters with over 75 markets around the world.

Working together, we help firms of all sizes to achieve more. We believe it's our relationships with others that lead us to achieve goals beyond those we could ever achieve alone. We're the only organisation that helps British businesses to build relationships on every level, in every region and nation of the UK. Our network exists to support and connect companies, bringing together firms to build new relationships, share best practice, foster new opportunities, and provide practical support to help member businesses trade locally, nationally, and globally.

**[www.britishchambers.org.uk/  
contact-us](http://www.britishchambers.org.uk/contact-us)**



# ABOUT THE PARTNER EMPLOYMENT WORKING GROUP CIC

**The Partner Employment Working Group CIC is made up of 15 organisations who work together to support Armed Forces families in their employment pathways, sharing ideas and understanding for their mutual benefit.**

They also undertake to:

- Run and facilitate the annual celebrating forces families' awards
- Provide support, guidance and training to the Armed Forces community and linked communities
- Undergo research and comply data on behalf of MOD
- Be the point of contact for Armed Forces families wanting to enter into employment and training

These organisations are:

- Supporting the Unsung Hero
- Forces Employment Charity
- Army Hive
- Navy Hive
- RAF Hive
- Royal Air Force Families Federation
- Army Families Federation
- Naval Families Federation
- Recruit For Spouses
- BFBS
- X-Forces
- MoD people services team
- Milspo Network
- Career Pursuit
- Military Coworking Network

**PLEASE CONTACT FOR FURTHER INFORMATION**

[Support@pewg.co.uk](mailto:Support@pewg.co.uk)

---

[Pewg.co.uk](http://Pewg.co.uk)







WHERE  
BUSINESS  
— BELONGS



British Chambers of Commerce | 65  
Petty France, London, SW1H 9EU

[britishchambers.org.uk](http://britishchambers.org.uk)  
@britishchambers | 020 7654 5800

British Chambers of Commerce is a Company Limited by  
Guarantee, registered in England and Wales No. 9635.  
Designed by [iloveclive.co.uk](http://iloveclive.co.uk)

