

# Support the Customs!

**Employers, employees, principals and third parties are obliged by law to cooperate during inspections.**

Specifically, they are obliged to

- provide the required information,
- produce documents and
- permit access to the property and business premises of the employer.

Customs officers will make every effort to conduct the inspections swiftly and without disrupting operations more than is necessary. You can help them by cooperating in the inspection and producing the required documents.

If you have any questions concerning undeclared work and illegal labour, please contact your local Main Customs Office.

Further information is available at [www.zoll.de](http://www.zoll.de)

## Additional documents that help speed up the inspection

### Employee:

- EU work permit, residence permit
- certificate of incidental income
- Posting certificate A 1

### Employer or hirer:

- Lists of names of employees or hired workers
- Copies of registration under the Minimum Wage Act and the Provision of Temporary Labour Act

### Contractor:

- Documents providing information on the contractual relationship with the principal

## Possible breaches and their legal consequences

### Failure to pay the minimum wage in accordance with the Minimum Wage Act and the Provision of Temporary Labour Act

- Failure to pay the minimum wage:  
Fine of up to € 500,000

### Obligation to register employees with the social security authorities

- Failure to register an employee immediately:  
Fine of up to € 25,000
- Non-payment of social security contributions:  
Up to 5 years' imprisonment or a fine

### Provision of temporary labour

- Hiring from a provider lacking the required permit:  
Fine of up to € 30,000
- Provision of labour without the required permit:  
Fine of up to € 30,000

### Receipt of benefits

- Employee receives benefits yet works without having notified the social security authorities:  
Up to 5 years' imprisonment or a fine

### Employment of foreign nationals

- Employment of a foreign national without the required permit (EU work permit / residence permit):  
Fine of up to € 500,000

### Other

- Violation of the duty to register labour, keep records and retain documentation:  
fine of up to € 30,000
- Refusal to allow and cooperate in an inspection:  
fine of up to € 30,000
- Failure to carry and produce identification:  
fine of up to € 5,000
- Failure on the part of the employer to inform employees of the duty to carry and produce such identification:  
fine of up to € 1,000

# Acting together against undeclared work and illegal labour

Information on the inspections carried out by the Customs Administration's Financial Investigation Unit for Undeclared Work in the hotel and restaurant trade



# What do the Customs investigate?

Many branches of industry are especially affected by undeclared work and illegal labour.

The consequences are:

- distortion of competition to the detriment of law-abiding companies,
- lower wages for workers,
- the loss of jobs subject to social security contributions,
- shortfalls of billions in social security contributions and taxes,
- inadequate insurance against illness, accident, unemployment and old age.

In the end, everyone pays!

## We need to address this.

While investigations by the Customs Administration are important, we also need to raise general awareness of the negative effects of undeclared work and illegal labour.

That is why

- the German Hotel and Restaurant Association, [www.dehoga.de](http://www.dehoga.de)
- the Food, Beverages and Catering Union, [www.ngg.de](http://www.ngg.de)
- the Federal Ministry of Finance [www.bundesfinanzministerium.de](http://www.bundesfinanzministerium.de)

are committed to the fight against undeclared work and illegal labour in the hotel and restaurant trade.

### Officers of the Financial Investigation Unit for Undeclared Work monitor inter alia whether:

- employers have duly registered their employees with the social security authorities,
- social security benefits such as unemployment benefit I and II are being paid to people who are ineligible,
- certificates of employment or of incidental income have been issued correctly,
- foreign nationals are engaged in gainful employment without the required permit,
- foreign employees are employed on less favourable conditions than comparable German workers,
- labour conditions are observed, e.g. payment of the minimum wage under the Minimum Wage Act or the Provision of Temporary Labour Act,
- there is any indication that taxpayers are failing to fulfil their tax obligations arising from services or performance of work, such as e.g. payment of wage tax and/or VAT.

The Customs Administration conducts these investigations unannounced and without suspicion. The inspections may also cover prior periods.

Herausgeber:  
Bundesministerium der Finanzen  
– Referat Öffentlichkeitsarbeit –  
Wilhelmstraße 97  
10117 Berlin  
[www.bundesfinanzministerium.de](http://www.bundesfinanzministerium.de)  
Stand:  
Mai 2017

Gestaltung und Herstellung:  
Generalzolldirektion,  
Bildungs- und Wissenschaftszentrum  
der Bundesfinanzverwaltung  
Foto:  
CCVision  
Registriernummer:  
90 SAB 246 Hotel en

## Documents to be presented by

### Employees and the self-employed:

- identity document, passport, or substitute passport or identity document
- in the case of foreign nationals: passport or substitute passport, substitute identity document, residence permit with supplementary sheet if any restrictions apply, certificate of suspension of deportation or asylum seeker's provisional residence permit

### Employers and hirers of temporary labour:

The Customs Administration is authorised to inspect payroll and registration records, ledgers and other business documents that contain information on or are evidence of the extent, type and length of employment and/or services rendered.

These include e.g.:

- evidence of registration with the social security authorities in Germany and abroad
- payroll records
- evidence of wages paid (e.g. receipts, pay slips)
- employment contracts or documents corresponding to an employment contract under the regulations of the worker's home country
- evidence of time worked (e.g. timesheets, attendance sheets, records of leave etc.)
- evidence of tax-exempt bonuses
- bank account records, accounting documents,
- any agreements with subcontractors

Employers and hirers of labour must record the beginning, end and duration of employees' daily work, provided (inter alia) that the payment levels set in the Ordinance on Minimum Wage Recording Obligations are not exceeded, and must retain these records for at least two years. Customs officers may require presentation of all documents, including at the place of employment.

In addition, the employer must verifiably provide his employees with written notification of the duty to carry and produce an identity document, passport or substitute passport or identity document. This notice must be kept for the duration of the service or performance of work and produced on request.