

Act on the Legal Status of Employees Posted Temporarily in Iceland in the Service of Foreign Undertakings.

No. 54/2001

Article 1

Scope.

This Act shall apply to undertakings established outside Iceland which post workers in Iceland (*cf.* Article 2) in the framework of the provision of services, these workers normally being employed outside Iceland and being posted in the country temporarily. This Act shall not apply to the crews of merchant vessels.

Article 2

Undertakings.

Undertakings shall be regarded as posting workers in Iceland in the sense of Article 1 in the following cases:

1. When they post workers on their account and under their direction, under a contract for the provision of services to undertakings in Iceland.
2. When they post workers to an establishment or undertaking owned by the same company group in Iceland.
3. When, in the capacity of a temporary employment undertaking or placement agency, they hire out workers to a user undertaking established or operating in Iceland.

In all the instances cited in paragraph 1, it shall be a condition that an employment relationship shall apply between the undertaking and the worker during the period of posting.

Article 3

Terms and conditions of employment.

In the event of the posting of workers in Iceland in the sense of this Act, the following legislation, and regulations issued thereunder, shall apply to their terms and conditions of employment, irrespective of the foreign legislation covering other aspects of the employment relationship between the worker and the relevant undertaking:

1. Act No. 55/1980, on Workers' Wages and Terms of Employment and Obligatory Insurance of Pension Rights, Article 1, regarding minimum wages, overtime payments, vacation entitlement, maximum working hours and minimum rest time:
2. Act on Working Environment, Health and Safety in the Workplace, No. 46/1980.
3. The Vacation Pay Act, No. 30/1987, (*cf.*, however, Article 11).
4. The Vessel Inspection Act, No. 35/1993, Article 4.
5. The Air Traffic Act, No. 60/1998, Chapter VI.
6. Act on the Maternity/Paternity Leave and Parental Leave, No. 95/2000, Articles 11, 29 and 30.
7. The Act on the Equal Status and Equal Rights of Women and Men, No. 96/2000, and other legal provisions prohibiting discrimination.

The provisions of paragraph 1 shall apply without prejudice to superior terms of wages and terms for workers according to their employment contracts with the

relevant undertaking or to collective agreements or legislation in the state where they normally work.

Article 4

Exemptions.

In the case of initial assembly and/or first installation of goods where this is an integral part of a contract for the supply of goods and is necessary for taking the goods supplied into use and is carried out by the skilled and/or specialist workers of the supplying undertaking (*cf.* Article 2), the provisions of items 1 and 3 of paragraph 1 of Article 3 shall not apply if the period of posting does not exceed eight days.

The provision of paragraph 1 shall not apply to any type of building work relating to the construction, repair, upkeep, alteration or demolition of buildings.

When determining the length of a worker's posting in Iceland under paragraph 1, all periods during which he has worked in Iceland over the previous 12 months shall be taken into account. For the purpose of such calculations, account shall be taken of any previous periods during which the post has been filled by another posted worker.

Article 5

Venue.

Workers employed by foreign undertakings (*cf.* Article 1) may institute judicial proceedings in Iceland in the event of non-compliance on the part of an employer with his obligations under Articles 3 and 4 of this Act.

Article 6

Information.

The Minister shall issue regulations containing further provisions on the implementation of this Act, such as co-operation and the providing of information by the authorities and liaison with the competent national bodies in other Member States of the European Economic Area (*cf.* Articles 4 and 5 of Directive 96/ 71/EC).

Article 7

Commencement.

This Act, which is enacted with reference to Directive 96/71/EC of the European Parliament and of the Council concerning the posting of workers in the framework of the provision of services, shall take immediate effect.

Passed by the Althing on 26th May 2001.