

**Statement by the Luxembourg delegation on the Revision of the Regulations on coordination of Social Security Systems (883/2004 and 987/2009)**

---

*Luxembourg remains fully committed to the free movement of persons and the free provision of services. Luxembourg's commitment to those principles materializes in the engagement for a strong and robust legal framework that emphasizes simplicity, clarity and the right balance between rights and obligations for citizens, employers and public institutions.*

*Luxembourg has a unique labour market, where frontier workers represent nearly 47% of the workforce.*

*Hence, its undertakings operate in an integrated cross-border region and depend strongly on the smooth functioning of the internal market. Luxembourg's unique situation was acknowledged in the revision of the Regulations on the coordination of social security systems with a specific additional transition period.*

*Regarding the overall revision itself, Luxembourg welcomes the positive developments particularly the creation of a clear and much-needed framework for the coordination of long-term care benefits.*

*However, from the outset of the negotiations, Luxembourg has consistently expressed serious concerns regarding the chapters on unemployment benefits and applicable legislation.*

*The changes made in the unemployment chapter notably the extension of the initial export period from three to six months, call for a robust and legally binding framework, allowing efficient control and activation of unemployed persons as well as an equivalent reinforcement of administrative cooperation.*

*Luxembourg regrets that those requirements are not fully accounted for in the actual revision of the Regulations.*

*For instance, the agreed framework does not mandate an automated mass data exchange to verify work resumption, receipt of income and compliance with activation measures in the receiving State. This jeopardizes paying institutions' ability to adequately verify the use and purpose of exported benefits.*

*Nonetheless, Luxembourg welcomes the Commission's statement and counts on the latter to honour its firm commitments particularly in terms of activation, control and reinforced data exchange in the short-term, as well as in the forthcoming round of legislative proposals in this area.*

*The chapter on the applicable legislation is equally of utmost importance for Luxembourg's open economy and the functioning of the internal market.*

*Hence, Luxembourg regrets that the revised regulation introduces a prior notification obligation for undertakings providing cross-border services, as well as a sector-specific approach for the construction sector facing stricter rules than other sectors. Fragmenting social security coordination by sector goes fundamentally against the spirit of successive revisions of the Regulations, which have consistently aimed to simplify the legal framework and deepen the internal market.*

*Additionally, the introduction of insufficiently defined sanctions on undertakings failing to comply with the mandatory prior notification will generate administrative complexity and legal uncertainty, ultimately hindering the freedom to provide cross-border services. This is not coherent with the high-level political calls for fostering European competitiveness.*

*Considering the significant administrative and financial impact of this revision on its social security system, as well as the fact that the above-mentioned systemic flaws outweigh the positive developments, Luxembourg is not in a position to support the revision of the Regulations.*

\* \* \*