

Maxim Hodak explains how to eliminate bottlenecks when hiring labor migrants from overseas

Despite being one of the most densely populated nations in Europe, the Netherlands remains lush with employment prospects for overseas workers.

AMSTERDAM, NORTH HOLLAND, THE NETHERLANDS, June 7, 2022 /EINPresswire.com/ -- With hundreds of thousands of vacancies for technical, agrarian, logistics, and other professional occupations unfilled annually and still increasing, the availability of local trades workers stays thin. This discrepancy is only projected to surge. Dutch attorney-at-law Maxim Hodak of Law & More foresees the influx of foreign seconded workers as the most probable market response.

The concept of EU labor mobility is often portrayed as a viable solution to the changing demands of the labor market. However, the practical application of this development by the EU member states is not as frictionless from a legal and tax standpoint as it



Maxim Hodak, Dutch attorney-at-law of Law And More



may appear at first sight. In reality, labor law and tax compliance across multiple EU jurisdictions are still insufficient. Poland, among other Eastern European countries, remains the leading supplier of trades workers to the Netherlands. Notwithstanding its popularity, the secondment of workers from Eastern Europe is associated with many legal and tax challenges.



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Maxim Hodak

Navigating the EU and Dutch laws that regulate the employment of labor migrants presents many challenges for executives and business owners. Almost no one does it right the first time. Thus, compliance check-ups reveal that the absolute majority of small- and medium-sized companies make critical mistakes when employing foreign workers. The most common secondment errors include issuing the accompanying documents and drawing clear contacts between multiple counter-agents that are compliant with all the jurisdictions. Unaddressed, these mistakes can lead to fines imposing the risk of bankruptcy for many employers.

Maxim Hodak is an attorney who specializes in corporate and contract law. Due to his multilingualism and multicultural background, he became a magnet for international companies operating across borders within the EU and beyond. Throughout 20+ years of practicing law across multiple jurisdictions, Maxim witnessed how the lack of compliance between jurisdictions resulted in bottlenecks affecting companies' inability to scale. In some cases, such bottlenecks even led to companies' discontinuity.

Resulted by personnel shortage in the Netherlands and the lack of a clear-cut way to second it, many construction firms (among other sectors) are faced with an additional challenge - establishing legal, tax, and labor compliance across multiple jurisdictions. Solving this issue requires immense financial and intellectual resources that many businesses do not avail. Outsourcing to external Central European HR-services providers creates another set of bottlenecks - the lack of transparency, communication issues, and difficulty to find professional and honest partners.

MONETARY CONSEQUENCES FOR NON-COMPLIANCE

Mistakes throughout the secondment process with multiple parties involved become unavoidable and often costly. On top of that, chain liability warrants that all counter agents bear financial consequences for any errors detected throughout the secondment process. That puts entrepreneurs in industries that are already sensitive to regulators' decisions, and economical changes and are dependable on manufacturers and overseas labor in dire straits.

Monetary consequences that a construction company, for instance, bears in case errors are revealed during the secondment process range from € 4000 to € 16000 per employee. For the majority of small- and medium-sized businesses in construction and dozens of other industries bearing such penalties is jeopardizing. Despite so many risks, Maxim Hodak admits that establishing a steady and fully-compliant workflow for hiring seconded labor migrants from overseas has become a key success factor for his numerous clients. In many cases, this enabled

companies to reach new avenues in business and development.

One such example is a real estate developer whom Maxim and his team assisted in eliminating another bottleneck - unreliability of service and quality working with independent contractors in The Netherlands. The client couldn't guarantee quality control relying on the workforce managed externally by contractors. Finally, the company leadership made a difficult decision to relocate an in-house team consisting of dozens of construction workers from Ukraine to the Netherlands.

"No precedent of construction personnel employment in a legally responsible manner that answers numerous laws and regulations both in The Netherlands and in this case Poland could be identified at that time. So, my team and I had to pioneer. We saw a huge gap in the market for such services. Nobody in the Netherlands was doing it in the small- and medium-sized sector. Months of blood, sweat, and tears and we trail-blazed the path across multiple jurisdictions. We could finally ensure all counter agents were fully compliant with the EU directives, as well as Dutch and Polish laws" - shares Maxim Hodak.

A SOLUTION TO THE PERSONNEL SHORTAGE

Maxim anticipates that the demand for seconded technical labor from overseas will only increase. Solving this will require creativity and multidisciplinary knowledge of experts in various aspects of corporate, tax, social security, contract, and labor law across multiple countries. Openness and transparency between partners in the process are essential for the success of such collaboration.

Most importantly, employers must be proactive. To prevent errors, penalties, and risks Maxim Hodak and his team recommend you start with finding a qualified consultant to carry out the checkups and the controls. Law & More helps established businesses improve existing processes associated with employment from overseas, payroll, and tax. With the help of Maxim and his expert team, penalized businesses corrected their course and avoided bankruptcy. Entrepreneurs who are just starting will receive advice on a suitable corporate structure.

If you are an entrepreneur looking to scale, consider Maxim Hodak's in-house training tailored to your business needs. You will learn everything you need to know to hire Eastern European personnel the right way, how to establish secondment from overseas, what corporate structure to implement, and more. Maxim will also walk you through the legal and tax compliance in the Netherlands and the EU. Maxim's expertise is instrumental in helping you avoid costly mistakes, mitigate risks, eliminate operational bottlenecks and enlarge your team. Law & More will ensure that your business has a strong foundation

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