



Context

Social dumping and fraud pose significant challenges to Belgium's labor market, particularly in the exploitation of third-country nationals. These practices not only undermine local wages, but also exploit vulnerable workers and strain the social security system. To address these concerns, Belgium has introduced a [strategic plan for 2025-2026](#) aimed at intensifying investigations, leveraging advanced technology, and enhancing international cooperation to eliminate fraud and promote fair labor practices.



Strengthening Enforcement Against Prohibited Leasing of Personnel

A central focus of the plan is combating prohibited leasing of personnel, particularly in the posting of foreign employees, which is often linked to social dumping and exploitation. The Belgian government aims to conduct 50 investigations annually, targeting both the (mainly foreign) employers and the (Belgian) user-companies benefiting from these unlawful practices.

Key Measures:

- **Targeting illegal leasing of personnel:** The Social Inspectorate is intensifying efforts to detect and prevent the leasing of personnel, a common driver of social dumping.
- **Legal framework:** Under Belgian law, employers cannot lease employees to another legal entity that exerts authority over them. Violations may lead to criminal and administrative penalties.
- **Joint liability:** If prohibited leasing is identified, an indefinite employment contract is automatically established between the employee and the user-company. This makes parties (employer and user-company) jointly liable for wages, benefits, and social security contributions.



Combating Identity Fraud and Social Security Abuse

- **Addressing the surge in identity fraud**

Belgium has witnessed a concerning rise in identity fraud, particularly among third-country nationals attempting to access the labor market under false identities. This fraud facilitates worker exploitation and enables employers to evade taxes and social security contributions.

Government initiatives:

- **Enhanced Identity Verification:** Strengthening collaboration with police and social security agencies to detect fraudulent identities.
- **Technology-Driven Detection:** The government introduced “Sigedis” in 2023, a tool for cross-checking identity numbers to prevent the use of stolen or fabricated identities.
- **Specialized Training:** Field agents now receive enhanced training to identify identity fraud during inspections, ensuring stricter enforcement.



Tackling Undeclared Work and Social Security Fraud

- **Monitoring high-risk employers**
 - **New Employer Scrutiny:** The National Social Security Office (NSSO) will focus on newly or temporarily registered employers, ensuring early intervention to prevent fraud.
 - **Crackdown of Fraudulent Structures:** The NSSO will continue investigating companies engaged in fictitious setups or bankruptcy carousel schemes to avoid social security obligations.

- **Addressing Fake Internships and Delivery Sector Abuses**
 - **Fake internships:** Inspections will be reinforced to prevent companies from using internships as a substitute for regular jobs, following recommendations from the European Committee of Social Rights.
 - **Parcel Delivery Sector:** With the 2023 “Parcel Law” in place, increased monitoring will combat fraud and working conditions in this sector will improve.
- **Sector-Specific Inspections**
 - **Sectoral Inspections:** Over 11.000 inspections will take place across key sectors (transport, cleaning, construction) to detect undeclared work and enforce labor laws (such as compliance with working hours).
 - **Fighting False Self-employment:** The National Institute for the Social Security of the Self-Employed (INASTI) will intensify efforts to curb misclassification, ensuring that disguised employees are correctly classified as workers.



Conclusion

Employers in Belgium must remain vigilant and proactive in ensuring compliance with labor and social security regulations to mitigate the risks associated with social dumping, fraud, and worker. Adhering to legal frameworks, particularly concerning the leasing of personnel and the posting of foreign workers, is crucial.

Additionally, employers should stay informed about their responsibilities related to third-country nationals, self-employment abuses, and sector-specific inspections. Taking these measures will not only help protect workers but also safeguard their businesses from severe legal and financial consequences.

Our Employment & Benefits Practice is closely monitoring these developments. If you have any questions or wish to discuss this topic in further, please contact our team.



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