



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

Act on Workplace ID Cards and Workplace Inspection, No. 42/2010, as amended by Act No. 162/2010, Act No. 126/2011 and No. 75/2018.

Where mention is made in this Act of ‘the minister’ or ‘the ministry’ without further definition, the reference intended is to the Minister of Social Affairs and Equality or to the Ministry of Welfare, which is responsible for the implementation of this Act. Information on the division of responsibilities between ministries according to a presidential decree may be found [here](#).

Article 1

Scope.

This Act applies to employers and their employees with operations on the domestic labour market, whether the operation is permanent or temporary, or that they are sending employees to Iceland in connection with providing services within specified industries, *cf.* the second paragraph.

The social partners shall negotiate further in their collective agreements regarding which industries and jobs are covered under this Act each time. These collective agreements as well as other agreements entered into between parties on the further implementation of this Act shall apply to all employers working within the industries on the domestic labour market specified in parties’ agreements.

[The Ministry]¹⁾ shall publish an advertisement in the B section of the Law and Ministerial Gazette of Iceland with a list of the industries to which this Act shall apply each time in accordance with collective agreements of the social partners, *cf.* the second paragraph.

“Employer” means legal entity and individual working independently.

¹⁾ Act No. 126/2011, Article 525.

Article 2

Aim.

The aim of this Act is to ensure that employers on the domestic labour market and their employees comply with the current acts, regulations and collective agreements.

Article 3

Workplace ID Cards.

An employer shall see to it that he/she and his/her employees, whether the employees are employed directly by the employer on the basis of an employment contract or come to work through a temporary-work agency, get workplace ID cards when they start working.

An employer and his employees shall carry workplace ID cards while working.

The workplace ID cards shall state the name and National ID of the employer or another identification for him/her and the name and National ID of the relevant employee along with a picture of the employee.

The social partners may, in their agreements, negotiate in further details the implementation of workplace ID cards.

Article 4

Inspection of Workplaces.

Inspectors from the social partners may do inspection visit to an employer's workplaces to verify that the employer and his/her employees work in accordance with the current acts, regulations and collective agreements. The inspectors shall be admitted to workplaces for this purpose.

During inspection visits, the inspectors from the social partners shall contact the employer or his/her representative. The employer and his/her employees shall display workplace ID cards, if requested, in accordance with Article 3.

Inspectors from the social partners shall send the information stated on workplace ID cards to the tax authorities, the Directorate of Labour, [the Administration of Occupational Safety and Health]¹⁾ the Social Insurance Administration, chiefs of police and, when relevant, the Directorate of Immigration and the National Registry, so that it is possible to find out whether the employer or employee is working in accordance with the relevant act that each institution is supposed to implement.

Inspectors from the social partners are unauthorised to use their position to acquire information about operations other than what is necessary or may be necessary for the purpose of the inspection. It is also unauthorised to provide others with information about the operation, employees or other parties if they have obtained the information because of their inspection, and there is reason to suppose that it shall be kept secret.

While doing their inspection, inspectors from the social partners performing inspections must show a card issued jointly by the partners.

Inspectors from the social partners may seek the assistance of the police in performing an inspection when it is considered necessary.

The social partners may, in their agreements, negotiate in further details the implementation of inspections, such as which documents the inspectors from the social partners shall have access to or, depending on circumstances, shall be delivered, and what the inspectors' duties of confidentiality shall be.

¹⁾ Act No. 75/2018, Article 47.

Article 5

Enforcement of Inspections.

If a governmental institution that has obtained information from inspectors under Article 4 has reason to suspect that the act being implemented by the institution has been violated, it assesses whether further investigation of the matter on the basis of the authority it has under the act is warranted.

The relevant institution, *cf.* the first paragraph, shall also inform inspectors, in accordance with Article 4, of a planned investigation, without further specifying the possible nature of violations, since the provision of such information is not governed by the act under which the institution operates. Inspectors are unauthorised to provide others with that information when there is reason to suppose that it shall be kept secret.

The social partners may, in their agreements, negotiate in further details procedure in matters where violations are suspected of the provisions relevant collective agreements, *cf.* [Article 2 of Act No. 55/1980](#), on Working Terms and Pension Rights Insurance, as amended.

Article 6

Per Diem Fines.

If inspectors from the social partners are refused access to an employer's workplaces under the first paragraph of Article 4, or if an employer or his/her employees do not carry workplace ID cards while working for the employer at a relevant workplace of the employer, *cf.* the second paragraph of Article 3, the inspectors can give notice of this to the Directorate of Labour. After imposing *per diem* fines, the Directorate of Labour can demand that an employer rectifies his/her deficiencies within a suitable period. If an employer's repeated violation is involved, the Directorate of Labour can demand that the employer rectifies his/her deficiencies within 24 hours.

[An employer on whom it is planned to impose *per diem* fines under the first paragraph shall be given a period in which to submit written observations before the decision is taken. The notification

from the Directorate of Labour regarding the proposed decision to impose *per diem* fines shall be accompanied by reasoning stated in writing.

Decisions on *per diem* fines under the first paragraph shall be announced in writing and in a verifiable manner to the employers to which they apply, and shall be accompanied by reasoning stated in writing.

The consequence of a decision on *per diem* fines shall be that the employer to whom the decision applies shall pay a fine for each day as from and including the beginning of the first working day after he or she is notified of the decision; this point in time shall also be the due date for payment of the claim. The last day of the fine shall be the day on which, in the opinion of the Directorate of Labour, the deficiencies have been rectified.

Per diem fines may amount to as much as ISK 1 million for each day. When deciding the amount of a fine, factors such as the number of persons working for the employer against whom the decision is taken and the scope of the business operations in question shall be taken into account.

Decisions by the Directorate of Labour on *per diem* fines are enforceable.¹⁾

Per diem fines shall accrue to the Treasury [after subtraction of imposition and collection costs].¹⁾

[Other matters concerning decisions by the Directorate of Labour on *per diem* fines shall be subject to the Administrative Procedure Act.]¹⁾

¹⁾ Act No. 75/2018, Article 48.

Article 7

Appeals.

Appeals may be lodged with [the Ministry]¹⁾ against decisions taken by the Directorate of Labour in accordance with Article 6 within four weeks of the date on which the party involved was informed of the decision. An appeal is regarded to have been submitted sufficiently early to the Ministry by the deadline if a letter presenting the appeal is received by the Ministry, or has been committed to the postal service before the deadline.

An administrative complaint shall not suspend the legal effect of a decision under Article 6 by the Directorate of Labour.

[The Ministry]¹⁾ shall deliver a ruling as soon as possible, but not later than two months of receiving a case for adjudication.

In other respects, procedure shall be subject to the provisions of the Administrative Procedure Act.

¹⁾ Act No. 162/2010, Article 43.

Article 8

Regulations.

[The Minister]¹⁾ may set further directions in a regulation on the implementation of this Act, [including electronic procedure],²⁾ after obtaining opinions from the social partners.

¹⁾ Act No. 126/2011, Article 525. ²⁾ Act No. 75/2018, Article 49.

Article 9

Entry into force.

This Act shall enter into force at once.

[*This translation is published for information only.*

The original Icelandic text is published in the Law Gazette.

In case of a possible discrepancy, the original Icelandic text applies.]