KPMG GMS Flash Alert



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Czech Republic - Relocating Foreign Workers Comes Under Stricter Rules and Scrutiny

During the past year, the coordination authority for state border control and migration in the Czech Republic repeatedly changed the conditions for using so-called "Government economic migration programmes."¹ The last changes were introduced in December 2021, with considerable impact, in some cases, among which, making the conditions for migrating stricter.

WHY THIS MATTERS

The relocation of foreign workers is one of the few options for employers trying to satisfy their demand for skilled labour. However, the relocation process can be time-consuming and can entail a considerable administrative burden for both (potential) employees and their employers. Government programmes for economic migration can significantly simplify – and in some cases shorten – this process.

However, certain conditions – which we further discuss below – must be met in order to qualify for any of the government programmes.

Three Types of Programmes

In order to cover the full range of the future workers' qualification levels, Czech authorities introduced three different programmes. Every programme is dedicated to a different level of the worker's qualification and education and one of them is limited only for specific countries from which the foreign worker is outbound ("outbound countries").

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The first programme, called "Key and Research Staff," is dedicated to highly-skilled key and scientific personnel. This programme is not limited for outbound countries; however, all workers must meet specific requirements related to education level and job position. Moreover, this programme covers not only the locally-employed workers but also those assigned to a Czech entity.

The second programme called "Highly Qualified Personnel" is almost identical to the first programme above-noted, though it brings some changes and differences. Both programmes are designated for highly-skilled workers and the same levels of job positions, however, the Highly Qualified Personnel programme may be used also for medical personnel and for small employers not meeting the set limit of 50 employees locally and 250 globally.

The last programme, called "Qualified Worker," is designed as a complement to the previous two as it may be used for the relocation of less qualified workers and manual workers. Moreover, it is limited to specific outbound countries and may not be used for relocating workers from any other state. It still brings the company and the worker significant advantages – one of those advantages is the certainty of being granted an appointment date for one's submission of the Residence Permit application at a specific consulate.

Crucial Changes

One of the most significant changes is **limiting the options of enrolling close family members of the main applicant** under the first two programmes so that they would be allowed to apply for a visa or permit as well. It used to be possible to apply for family visas separately within multiple appointments at the embassies abroad. However, this option has been removed and, thus, all family-related applications must be submitted at once, otherwise the enrolment under the specific programme is not possible.

Another change affected the option of **using the Key and Research Staff programme for posted workers**. This option may newly be used only if the posting and receiving company is controlled by the same entity or if the entity located in the Czech Republic is a branch of a foreign company. When this condition is not met, the Highly Qualified Personnel programme may be used instead. The last major modification is related to the range of barriers preventing the employer from being enrolled in either program. These barriers include an employer's penalty for disguised agency employment, i. e. for unlawful provision or lease of workforce. Since last August, a penalty of up to CZK 10,000,000 (approx. EUR 400,000) may be imposed on entities that carry out or allow disguised agency employment.

Until now, this barrier only applied to the Qualified Employee programme; however, it has been explicitly added to all programmes stating that the barriers shall also be assessed when applying for further enrolment of additional workers.

Summary

Participation in any of the existing government programme can help facilitate the overall process of relocation to the Czech Republic. This procedure helps ensure the applicant is granted the option of submitting the application at Czech consulates and can significantly shorten the approval period. On the other hand, the conditions set for being enrolled in the programmes are becoming increasingly stringent.

We, at KPMG in the Czech Republic, would encourage affected parties keep a close eye on any changes in the programmes during 2022 and, if there are questions or you require assistance, that you contact your local qualified immigration counsel or a member of the KPMG Immigration or GMS team (see the Contact Us section).

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FOOTNOTE:

1 Access the Ministry of Industry and Trade website here.

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the Czech Republic:



Romana Szutanyi Tel. + 420 222 123 194 rszutanyi@kpmg.cz



Vojtech Kotora Tel. + 420 222 123 834 vkotora@kpmg.cz

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The information contained in this newsletter was submitted by the KPMG International member firm in the Czech Republic.

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