

GMS Flash Alert

Immigration Edition

2023-033 | February 10, 2023



Croatia - Now a Member of the Schengen Area

On 1 January 2023 Croatia joined the Schengen Area.¹

While Croatian consulates were in the past issuing national visas allowing their holders to enter Croatian territory, as of 1 January 2023, they are issuing Schengen visas, which allow free movement to their holder not only in Croatia, but within the Schengen Area (subject to the visa's validity and period limitations).

The Schengen Area currently comprises 27 European countries² that have all signed up to the Schengen Agreement. This is a treaty in which all signatories have agreed to abolish their national borders in order to facilitate simpler trading between member states as well as to speed up border crossing procedures for business travellers and visitors.

WHY THIS MATTERS

Croatia having joined the Schengen Area creates a situation where border checks between Croatia and other Schengen countries are essentially eliminated, thereby making travelling easier.

Third-country nationals visiting Croatia will need to take care that the duration of their stay in the Schengen Area is not longer than 90 days within each consecutive 180-day period. The duration of their stay in Croatia will now also be included in this period.

Further changes are expected later this year, when the EU will introduce a travel authorisation system called ETIAS, requiring all third-country nationals who do not need an entry visa for Croatia to register before travelling to Croatia.³

^{© 2023} Law firm Pajtak & Delija LLC, a Croatian Law Firm, registered as a limited liability company, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, and a member of "KPMG Global Legal Services," a network of independent Law Firms, formed within KPMG network. All rights reserved.. Printed in the U.S.A. NDPPS 530159

What Is Different in Border Control Policies?

Until joining the Schengen Area, border controls of passengers/travellers were carried out both at the Croatian entry and exit borders. As of 1 January 2023, border controls between Croatia and neighbouring EU member states on land (i.e., Slovenia and Hungary) and by sea were abolished; while border controls at internal air borders will be lifted as of 26 March 2023.

Border controls remain in place at Croatia's "external" borders with Serbia, Montenegro, and Bosnia and Herzegovina. Once people pass checks at an external border, they can freely travel inside the Schengen Area without being checked again.

What Changed in Croatia's Visa System?

As of 1 January 2023, Croatian consulates are issuing **Schengen visas**: type A (airport transit visa) and type C (short-term visa which can be issued for single, double, or multiple entries) instead of type A and type C **national visas**, which were issued previously and were valid only for the territory of Croatia.

A Schengen visa issued by any of the Schengen Area member countries allows free movement to its holder within the Schengen Area, up to its validity and period limitations.

Type C national visas issued by Croatia before 31 December 2022, continue to be valid in accordance with their terms; however, they do not entitle their holders to freely enter other Schengen Area member countries.

Croatia will continue to issue national long-term type D visas, which are generally issued to third-country nationals who require an entry visa for Croatia, provided they have been approved for a temporary stay in Croatia.

How Is the Time Spent in the Schengen Area Calculated as of 1 January 2023?

Third-country nationals, including those third-country nationals who do not require an entry visa for Croatia, may stay in the Schengen Area on short-term stays of no more than 90 days in any 180-day period, if they meet all the conditions.

The length of previous stay is calculated in reference to a 180-day period preceding each day of stay (e.g., if an individual has spent 45 days in the Schengen Area in the last 180 calendar days, the individual still has 45 days left to spend in any of the Schengen Area member states).

Individuals who have stayed in the Schengen Area for 90 days must leave Croatia unless they have otherwise regulated their temporary stay in Croatia.

Croatian authorities can monitor an individual's duration of stay in Croatia and other Schengen Area members states through the Schengen Information System (SIS).

What Other Changes Are Expected?

Third-country nationals who are not required to have a visa do not pay any fees to enter the Schengen Area. However, after the entry into force of the Regulation establishing a European Travel Information and Authorisation System (ETIAS), they will have to obtain an ETIAS travel authorisation for entry and short-term stays prior to their arrival in any EU or Schengen Area member state. Their travel authorisation will have to be valid for the entire duration of their short-term stay in the member states.

^{© 2023} Law firm Pajtak & Delija LLC, a Croatian Law Firm, registered as a limited liability company, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, and a member of "KPMG Global Legal Services," a network of independent Law Firms, formed within KPMG network. All rights reserved.. Printed in the U.S.A. NDPPS 530159

When applying for the travel authorisation, a €7 fee must be paid for each application form (applicants below the age of 18 or above the age of 70 are exempt from paying the fee). The fee must be paid before submitting the application.

If approved, the authorisation will be valid for three years (or until the end of the validity of the travel document, if shorter).

The ETIAS will undertake a detailed security check of each applicant to determine whether he/she can be allowed to enter any Schengen Area country. While citizens of countries who do not need a visa for travel purposes of up to 90 days do not need to go through the process of applying for an entry visa, the ETIAS will make sure that these people are not a security threat.

KPMG INSIGHTS

Accession of Croatia to the EU took place on 1 July 2013. When Croatia became part of the Schengen Zone last month – as the 27th country to be part of the zone – it was the first time in 11 years that a country had become part of the zone. Following acknowledgement of the achievements in Croatia's application of the Schengen rules, in December 2021, the European Council confirmed that Croatia had fulfilled the conditions required to join the Schengen Area.

If companies or cross-border workers require assistance with existing visas and how the new rules apply to them or are planning movements into and within Croatia and the Schengen Area in the upcoming days, weeks, and months, they may wish to first contact their local immigration counsel and/or global-mobility professional, or a member of the GMS/People Services team with KPMG in Croatia (see the Contacts section).

FOOTNOTES:

1 For a Croatian government report on joining the Schengen Zone, see "Schengen i eurozona. Nakon 1. siječnja za Hrvatsku ništa više nije isto" (01.01.2023) see: <u>https://vlada.gov.hr/vijesti/schengen-i-eurozona-nakon-1-sijecnja-za-hrvatsku-nista-vise-nije-isto/37600</u>.

2 The other 26 Schengen Area members are: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, The Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and Switzerland.

3 For related coverage, see <u>GMS Flash Alert 2023-019</u>, 24 January 2023.

^{© 2023} Law firm Pajtak & Delija LLC, a Croatian Law Firm, registered as a limited liability company, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, and a member of "KPMG Global Legal Services," a network of independent Law Firms, formed within KPMG network. All rights reserved.. Printed in the U.S.A. NDPPS 530159

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 Croatia:



Suzana Delija Attorney at Law Tel. + 385 1 5390 252 sdelija@kpmg.com



Lucija Maričić Attorney at Law Tel. + 385 1 5390 285 Imaricic@kpmg.com

* Please note that KPMG LLP (U.S.) does not offer immigration services or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.

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

© 2023 Law firm Pajtak & Delija LLC, a Croatian Law Firm, registered as a limited liability company, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, and a member of "KPMG Global Legal Services," a network of independent Law Firms, formed within KPMG network. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2023 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.