



GMS Flash Alert

Immigration Edition

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Czech Republic – Small Steps Toward a Digital Nomad-Style Program

Effective 1 July 2023, the government of the Czech Republic launched a new economic migration program called the 'Digital Nomad' program, which aims to facilitate the stay of IT professionals from select countries and their family members in the Czech Republic¹.

While several EU member countries have already adopted relevant legislation and introduced their own versions of digital nomad visas,² the Czech Republic has been deliberating and seeking a way forward to accommodate and compete. This recent innovation in the country's immigration rules is more or less a compromise between the existing options and introducing a new visa type.

WHY THIS MATTERS

Previously, there was no specific type of visa designed for digital nomads despite the growing demand. Therefore, it was necessary to apply for a business visa which was not always suitable; but it was the only available option. However, the Czech authorities highly scrutinise this type of visa application and often reject it due to a failure to demonstrate the need to stay in the Czech Republic or not meeting the stipulated conditions.

This new program aims to make entry and work in the Czech Republic for certain categories of workers simpler and more convenient.

Changes and Aims of the Digital Nomad Program

The applications for the Digital Nomad visa program will be assessed according to different criteria as compared with existing visa options. Aligning the applications more closely with the actual purpose of the individual's stay should give them a significantly higher chance of being approved.

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The program targets highly-skilled and “top-tier” IT professionals from Australia, Japan, Canada, South Korea, New Zealand, the United Kingdom, the United States, and Taiwan who plan to stay in the Czech Republic for work purposes for more than 90 days.

It distinguishes between two types of digital nomads: an employee who is supposed to work for a foreign employer remotely via telecommunications and computerised means or a freelancer (self-employed) holding a Czech trade license.

In both cases, the IT specialists must prove their possession of a higher education degree in the natural sciences, engineering, technology, or mathematics. Alternatively, three years of experience in the IT field, alongside proof of income amounting to at least 1.5 times the gross annual salary in the Czech Republic will qualify an applicant.

KPMG INSIGHTS

The advantages of the new program for the Czech Republic in the digital age are unquestionable. The fact that many countries have introduced their own versions of a digital nomad visa means there is a value in attracting digital nomads. It will bring foreign know-how, support the development of activities of foreign technology teams in the Czech Republic, and promote the Czech Republic in IT communities in other countries. Also, there are fiscal benefits tied to taxation and other financial contributions/windfalls that can be expected. For the Czech Republic, specifically, however, it remains to be seen how successful this new program will be

For more information or assistance, you are advised to consult with your qualified immigration counsel / adviser or a member of the Immigration services team with KPMG in the Czech Republic (see the Contacts section).

FOOTNOTES:

- 1 For further information, see (in English) the official website of Ministry of Industry and Trade, "Digital Nomad Program" (28 July 2023) at: <https://www.mpo.cz/en/foreign-trade/economic-migration/digital-nomad-program--275799/> .
- 2 For more information, see: <https://kpmg.com/xx/en/home/insights/2022/01/flash-alert-digital-nomad.html> .

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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:



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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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