

GMS Flash Alert

Immigration Edition

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Czech Republic - EU Blue Card Directive Implemented in Czech Law

There have been some significant changes made to the Czech Republic's Act on the Residence of Foreign Nationals effective 1 July 2023.¹ Mainly, the amendments concern implementation of the EU Blue Card Directive and contain some operational requirements. Also, there are simplifications to the application process.

WHY THIS MATTERS

With the recent changes, the government is aiming to make the labour market more attractive for highly-qualified workers from non-EU countries. Moreover, the process should become simplified and standardised for all EU countries.

The changes described in this newsletter might increase the number of applicants interested in this type of residence permit. On the other hand, the conditions for employers have been tightened, which carries risks for them.

It remains to be seen whether the changes – welcome though they may be and with the positive aims underlying them – will have the effect of changing existing trends around which residence permit types most people gravitate towards.

Despite easing the requirements in terms of the applicants, the latest updates have brought numerous administrative burdens to the employers that could discourage them from making any changes in their practices and policies.

Background

EU Directive of the European Parliament and of the Council of 20 October 2021 must be implemented into the national legislation of the member states by 18 November 2023, at the latest. The Czech Republic has implemented it in terms of national law with effect from 1 July 2023.

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The EU Blue Card is a dual residence permit, i.e., combining the residence and work permit for highly-qualified workers.² Its essential benefit arises from the joint purpose and the fact that this permit type is recognised throughout the EU. However, despite its benefits, the EU Blue Card still remains overshadowed by other residence permit types as only 4 percent of all permit applications submitted in the Czech Republic concern Blue Cards.³

Main Changes

There have been several major changes concerning:

- the validity of the Blue Card permit,
- the qualifications required of an applicant,
- the requirements for employment contracts, and
- shortening the official processing time of the application.

Under the new rules, a Blue Card can be issued with a validity of up to three years. This will also be applied for renewals. As regards the qualification requirements, it will now be possible for applicants working in the information and communication technology areas to substitute their education certificates with documents proving their professional experience.

Furthermore, employment contracts may now be replaced by agreements on future employment contracts. In addition, the minimum duration of such a contract is reduced from 12 to six months. Finally, the official processing time set for the application review is decreased to 30 days counted from the day of submission (60 days for particularly complex cases). The processing time for family permit applications should match the main applicant's period if the applications are filed jointly.

KPMG INSIGHTS

These changes come with more responsibility for the employers. One of the reasons for revoking a foreign national's Blue Card is if the employer is not debt-free. In such cases, the ministry will notify the foreign national to find a new employer within three to six months, otherwise the permit will be cancelled.

The amendment also tightens the conditions concerning a Blue Card holders' unemployment. The permit will be cancelled if the aggregate unemployment period of a foreign national holding the Blue Card for less than two years exceeds three months. If the foreign national has been a Blue Card holder for more than two years, the card will be cancelled once the aggregate unemployment period exceeds six months.

FOOTNOTES:

1 Novela zákona o pobytu cizinců (která bude účinná od 1. července 2023). See: <u>https://frs.gov.cz/novela-zakona-o-pobytu-cizincu-prehled-hlavnich-zmen/</u>.

For the text of Zákon 326/1999 Sb., Zákon o pobytu cizinců na území České republiky a o změně některých zákonů, see: <u>https://www.zakonyprolidi.cz/cs/1999-326</u>.

2 Established by EU Blue Card – entry and residence of highly-qualified workers (from 2023). For information on the EU Blue Card, see: <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:4559508</u>.

3 Ministerstvo práce a sociálních věcí ČR, *Vývoj zahraniční zaměstnanosti ČR k 30. 4. 2022.* See: <u>https://data.mpsv.cz/web/data/vizualizace9?mesic=1&rok=2023&typPohledu=STATY</u>.

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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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