

GMS Flash Alert

Immigration

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Lithuania – Stricter Rules for Residence Based on Work

On 20 June 2024, the Lithuanian Parliament adopted amendments to the “Law on the Legal Status of Foreigners”¹ and the “Law on Employment”². These amendments are intended to tighten the residence and work requirements for third-country nationals. Most of the changes became effective on 1 July 2024.

In recent years there has been a significant increase of third-country nationals coming to work in Lithuania. According to statistical data from the Migration Department³, in 2023 around 80,000 work-based temporary residence permits were granted to foreign nationals in Lithuania, which is eight times more than in 2017, and the top five countries by nationality were Belarus, Ukraine, Uzbekistan, Kyrgyzstan, and Tajikistan. The majority of these foreign nationals are non-highly-qualified workers.

WHY THIS MATTERS

The adopted changes aim to:

- more effectively regulate labour immigration flows, by limiting the immigration of cheap labour and encouraging immigration by highly-qualified (highly-skilled) employees, that could help boost Lithuania’s competitiveness in the global economy, as well as
- help ensure the interest of national security.

These changes are expected to affect the third-country nationals’ ability to obtain a residence permit based on work and this could make the hiring of all levels of foreign labour more challenging for employers.

Employers and employees who wish to come to Lithuania to live and work should be consulting with their immigration counsel on these changes and what they mean for them and their hiring/employment plans.

What Has Changed

Key modifications related to the residence permit based on work:

- **Only foreign nationals with Lithuanian residence permits shall be allowed to work in Lithuania**

As of 1 July 2024, the foreign nationals who previously came to Lithuania using the visa-free regime, national or Schengen visas, or residence permits issued by other countries, will no longer be able to work in Lithuania and will be required to obtain a temporary residence permit issued in Lithuania. Exceptions will only apply in certain cases⁴.

- **Strict quota will be set for foreign nationals coming to work in Lithuania**

As of 1 January 2025, the quota mechanism will be altered by setting a strict quota for non-highly qualified foreign nationals arriving on the basis of work. The quota will be determined annually and its amount for a calendar year will be limited to 1.4 percent of the number of permanent residents in Lithuania, i.e., approximately annual quota will amount to 40,000 foreign nationals, as currently there are 2.8 million residents in Lithuania.

After the quota is used up, a temporary residence permit based on work will be issued only to a foreign national who will be paid a salary not lower than that set by the law and / or who will work in a profession that is included in the list of high value-added professions for which there is a shortage of employees in Lithuania.

As of 1 January 2026, it will be possible to set an additional quota, the amount of which may not exceed 20 percent of the employees covered by the sectoral collective agreement.

- **Additional requirements are established for companies employing foreign nationals**

As of 1 July 2024, the companies that wish to offer employment to non-highly-skilled foreign nationals must meet the additional requirement and criterion of an impeccable reputation, *inter alia*, the company must have no administrative penalties for failure to notify about changes in the foreign national's data or for providing false data in the past year.

If the company does not meet at least one of these requirements, the commitment to employ a foreign national (the mediation letter) will not be accepted from said company for six months from the date of determination of these circumstances.

Moreover, as of 1 January 2025, a residence permit will not be issued if it is determined that at least two foreign nationals employed by the company that makes an attempt to employ a foreign national have not been covered by state social insurance for more than 90 days during the last 180 days at said company, except for cases provided by law.

- **Conditions for employment of non-highly-qualified foreign nationals are tightened**

Firstly, as of 1 July 2024, the conditions for issuance of a temporary residence permit based on work are tightened. There shall be two alternatives for companies offering to employ foreign nationals:

- To undertake to pay the foreign national a salary not lower than that set by the law, OR
- To provide information to the immigration authorities on the foreign national's qualification related to the work to be performed AND his or her possession of at least one year of work experience in the last three years related to the work to be performed, except for cases provided by law. (Previously, the information could be submitted optionally about the foreign national's qualification OR experience.)

Secondly, it shall not only be mandatory to conclude an employment contract with the employed foreign national for at least six months, but also to set a condition of full-time work.

Thirdly, a foreign national having a residence permit based on work shall be allowed to apply for a change of employer no less than six months after the date of issuance of the residence permit.

Fourthly, when concluding a multi-employer employment contract with a foreign national, the number of employers participating in this contract shall be limited to four employers.

- **Liability for non-payment of salary to foreign nationals is enhanced**

As of 2 July 2024, if the employer fails to pay the foreign national a salary, which the employer has undertaken to pay to said foreign national at the time of issuance of the residence permit based on work, such actions by the employer shall be considered as violations of the procedures related to the employment of foreign nationals.

These violations are subject to a fine to be imposed on the employer. In addition, if the employer has been punished for any violation of the procedures for employment of foreign nationals and less than one year has passed since the day on which the punishment was completed, the residence permit for the foreign national on the basis of work for this employer may be revoked and new ones shall not be issued.

KPMG INSIGHTS

The companies that employ or intend to employ third-country nationals in Lithuania should consider their compliance with the newly-established requirements. This is especially important for those that employ non-highly-qualified workers. With the new hoops and hurdles to jump through and over, employers can expect to face more challenges and difficulties, as compared to before, in respect of employing foreign nationals. Moreover, violations of these requirements may limit ability of the companies to employ foreign nationals in the future.

FOOTNOTES:

1 See [“Amendments to the Law on the Legal Status of Foreigners”](#) (*Lietuvos Respublikos įstatymo „Dėl užsieniečių teisinės padėties“ pakeitimo įstatymas*) adopted on 20 June 2024 (in Lithuanian).

2 See [“Amendments to the Law on Employment”](#) (*Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 16, 30-1 ir 57 straipsnių pakeitimo įstatymas*) adopted on 20 June 2024 (in Lithuanian).

3 See *Migracijos departamentas prie Lietuvos Respublikos / Respublikos vidaus reikalų ministerijos, [Yearbooks of the Migration Department](#)* (*Migracijos metraščiai*) updated on 20 May 2024 (in Lithuanian).

4 See [Announcement of the Migration Department](#) (“Foreigners who wish to work in Lithuania will have to obtain Lithuanian residence permits. Exceptions will only apply in certain cases”) published on 4 July 2024 (in English).

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