

# **Switzerland**

New quotas for Croatian nationals go into effect on 1 January 2023

#### **Executive summary**

On 16 November 2022, the Swiss Federal Council announced that it will invoke the safeguard clause in the <u>Agreement on the Free Movement of Persons</u> ("the Agreement") and introduce new quotas for Croatian nationals entering Switzerland as of 1 January 2023. This decision comes in response to the influx of Croatian workers in 2022, which exceeded the threshold defined in the Agreement.

## Background

Since the outbreak of the COVID-19 pandemic, the number of foreign workers, including Croatian nationals, entering Switzerland has increased rapidly. The number of Swiss immigration permits issued to Croatian nationals has increased in line with this trend, resulting in a number that exceeds the threshold values set out in the Agreement. Between January and October 2022, Switzerland issued 2,413 B Permits to Croatian nationals, despite the fact that the threshold for Croatian nationals was set at 178 for the entirety of calendar year 2022. As a result of this increase, the Swiss Federal Council has decided to activate the safeguard clause and set limits on the number of Croatian nationals who may obtain certain Swiss Permits as of 1 January 2023.

## Key developments

The number of available B and L Permits for Croatian nationals will be fixed at 1,150 and 1,007 respectively for the entirety of calendar year 2023. Croatian nationals who apply to obtain these permits will not be subject to a labor market test.

Croatian nationals who apply for cross-border commuter permits (G Permits), dependent permits, residence permits that do not confer employment authorization and the notification procedure for short-term employment are not affected by the introduction of the safeguard clause.

The Swiss Federal Council will review the number of permits issued to Croatian nationals closer to the end of 2023 and announce if the safeguard clause will remain in place beyond 2023 (and if so, they will announce the new quota numbers for B and L Permits). According to the Agreement, the Council can keep the safeguard clause in place until the end of 2026 at the latest. As of 2027, there is no legal basis for the Council to maintain the safeguard clause, and it will be required to reinstate unrestricted access of Croatian nationals to Switzerland.

# Impact on employers

Swiss employers that intend to hire Croatian nationals on or after 1 January 2023 may consider obtaining advance approvals from the relevant cantonal authorities to streamline employee relocations and minimize business disruptions.

## Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.



# EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2022 Ernst & Young LLP. All Rights Reserved.

EYG no. 010341-22Gbl

2101-3682263 ED None

ey.com

# Dirk Nuyts

Partner - People Advisory Services, Global Immigration Tel: +41 79 456 9401

Email: dirk.nuyts@ch.ey.com

#### Jan Wong

Director - People Advisory Services, Global Immigration

Tel: +41 79 421 9141 Email: jan.wong@ch.ey.com

## Laure Baumann

Senior Manager - People Advisory Services, Global Immigration

Tel: +41 79 394 1045

Email: laure.baumann@ch.ey.com

## Michal Arnold

Consultant - People Advisory Services, Global Immigration

Tel: +41 79 707 1291

Email: michal.arnold@ch.ey.com