

Mobility: Immigration alert

August 2023

Hungary

New work and residence permit for “guest workers”

Executive summary

The Hungarian parliament recently approved a law to create a new category of work and residence permits for “guest workers” who are nationals of certain third countries. The law will come into effect on 1 November 2023.

Key developments

Effective 1 November 2023, nationals of certain third countries (i.e., countries located outside the EU and EEA) who seek to enter Hungary for “guest work” for more than 90 days will be able to apply for Guest Worker Work and Residence Permits. These permits will initially be issued for up to two years and can be extended. Holders will be authorized to travel across the Schengen Area using this permit, but will not be allowed to bring in dependents or switch to permanent residence status in Hungary.

Guest Worker Work and Residence Permits may only be sponsored by “preferred employers” (i.e., companies considered strategic partners or outstanding export partners of the Hungarian government, or investors of national economic importance). These permits will be subject to annual quotas and will be available to guest workers engaged in specific jobs.

The government is expected to issue a ministerial decree to provide further details, including the nationalities eligible for this new permit, annual quotas regarding the total number of guest workers who will be issued work and residence permits and the maximum number of workers allowed from each country, and qualifying jobs.

Impact on employers

The new law is aimed at defining and distinguishing the concept of guest workers from other categories of third-country nationals and supporting Hungary’s temporary workforce requirements. Employers may consider updating their hiring policies to benefit from this new category of work and residence permits. Companies may be subject to penalties if their sponsored guest workers remain in the Schengen Area beyond their authorized period of stay.

Key steps

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

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