

Mobility: Immigration alert

September 2023



Luxembourg

New immigration regulations for employers, third-country nationals and dependents

Executive summary

Effective 1 September 2023, the Luxembourg government implemented a new law that impacts third-country nationals, eligible dependents, and employers that hire these individuals.

Labor market test

Effective 1 September 2023, companies that employ third-country nationals in high-demand professions (i.e., occupations facing a shortage of labor in the EU market) are no longer subject to a labor market test and may receive a certificate (i.e., approval) from the Employment Development Agency within five working days of requesting permission to hire these individuals. Previously, these companies received certificates only after conducting a labor market test for three weeks.

Companies that seek to employ third-country nationals in other professions are still subject to a labor market test, but the test is now completed within seven working days (down from three weeks). These companies may now receive certificates to hire third-country nationals within five working days of completing the labor market test.

Family Reunification Residence Permits

Effective 1 September 2023, eligible family members of third-country nationals who hold Family Reunification Residence Permits can undertake work in Luxembourg immediately upon

arrival, without obtaining a work permit. Previously, they were required to obtain work authorization prior to undertaking work in the country.

Work permit exemption for short-term provision of services

Effective 1 September 2023, in general, third-country nationals who provide services to an entity in Luxembourg for up to three months per calendar year are exempt from the requirement to obtain a work permit. Previously, the exemption was only available to individuals entering for the provision of intra-group services for up to three months per calendar year. Individuals who provide services to an entity in Luxembourg under a subcontracting arrangement for less than three months per calendar year remain ineligible for this exemption and must continue to obtain a work permit.

New EU immigration systems

The new law also introduces in the Luxembourg immigration framework references to the Entry/Exit System ([EES](#)), European Travel Information and Authorisation System ([ETIAS](#)), and Visa Information System ([VIS](#)). This is expected to facilitate the implementation of these systems in Luxembourg once they go into effect in the EU.

Increased penalties for non-compliant employers

Effective 1 September 2023, employers that hire third-country nationals who do not have lawful residence status in Luxembourg are now subject to a penalty of EUR 10,000 per case (up from EUR 5,000). The penalty for employers that are found to be operating in "aggravating circumstances" (e.g., repeated offences) increased to EUR 125,000 per case (up from EUR 20,000 euros).

Impact on employers

These changes are expected to enhance employers' access to qualified personnel and address the labor market shortage in Luxembourg while discouraging employers from hiring individuals without lawful residence status.

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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