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Amendments to the Foreigners Act Tax Alert, April 2025

Amendments to the Foreigners Act

In the Official Gazette No. 40/25, the Act on Amendments to the Foreigners Act was published, which entered into force on March 15, 2025. Exceptionally, the provisions related to the verification of administrative penalties for employers or host entities in case of most severe violations of labour relations, social security, or occupational safety laws will come into force on January 1, 2026.

Below is an overview of the most important amendments to the Foreigners Act.

- Residence and work permits will be issued with new durations, as follows:
 - Residence and work permits for up to 3 years depending on the duration of the employment contract (instead of the previous 1 year);
 - Seasonal residence and work permits for up to 9 months (instead of the previous 6 months);
 - Residence and work permits EU Blue Card for up to 4 years (instead of the previous 2 years);
 - Temporary residence and work permits for digital nomads for up to 1.5 years (instead of the previous 1 year).
- Amendments of the conditions for granting a work permit EU Blue Card, as follows:
 - For unregulated professions, proof of higher education qualifications is required, that must be related to the job that will be performed in the Republic of Croatia. Exceptionally, for the ICT sector, proof of high-level professional skills can be provided, which must be related to the job the worker will perform. A 60-day deadline from the date of the submission of the application is introduced for issuing a decision on a work permit – EU Blue Card.
 - The salary threshold can now be 80% of 1.5 average gross/net salary from the previous year (instead of the previous 100%) for third-country nationals with less than 3 years of work experience

- from the date of graduation to the date of submitting the application.
- In case of the termination of employment contract or other conditions based on which the residence and work permit was granted, the employer and the holder of the work permit – EU Blue Card must notify the police within 5 days of the occurrence of changes affecting the permit's validity.
- EU Blue Card holders can change employers regardless of their EU Blue Card remaining valid if they provide a new employment contract for a high-skilled job covered by their EU Blue Card.
- EU Blue Card holders may remain unemployed for up to 3 months if the work permit was issued for up to 2 years or up to 6 months if the work permit was issued for up to 4 years.
- EU Blue Card holders can also engage in self-employment or supplementary activities under the conditions prescribed by specific regulations governing self-employment or professional activity without needing an additional residence and work permit or a work registration certificate.
- The application for the extension of the EU Blue Card must be submitted no later than 60 days (instead of the previous 30 days) before the expiration of the residence and work permit.
- o family reunification applications can now be submitted simultaneously with an EU Blue Card application.
- Amendments to the conditions for granting a work permit based on the labour market test, as follows:
 - The employer's business revenue in the 6 months before applying must be at least EUR 10,000.
 - The employer must have at least 1 same employee, either a Croatian or a citizen of an EEA/Swiss country, employed for at least one year prior to the submission of the application in Croatia, on a full time, continuously and for an indefinite period.
 - The required ratio of Croatian/EEA/Swiss employees has been reduced from 25% to 16%, i.e., to 8% for employment in deficiency occupations, but only for full-time jobs.
 - Regarding the employment of deficiency occupations, employers must provide proof that the third-country national has the necessary competencies for the job (work experience or education certification);
 - The employer, based on whose request the residence and work permit was issued according to the opinion of the Croatian Employment Agency for a third-country national requiring a visa to enter Croatia, must submit a promissory note to the competent police office within 5 days of the permit issuance;
 - Employers must inform the third-country national in writing within 3 days about the Croatian Employment Agency's opinion in cases of employer change, job change, or additional employment.
 - Employers with up to 50 Croatian/EEA/Swiss employees may submit up to 50 residence and work permit applications, while those with 51 to 250 employees may submit up to 250 applications based on the opinion of the Croatian Employment Agency.
- Regarding the registration of residence for third-country nationals, the deadline for submission of registration request is extended:
 - From the previous 5 days to 8 days after the approval of temporary residence for third-country nationals who do not need a visa to enter the country.
 - From the previous 30 days to 6 months after the approval of temporary residence for third-country nationals who need a visa to enter the country.
- The responsibility of employers has been increased. Employers of foreigners who are illegally staying in Croatia (without a residence and work permit or working in jobs not covered with the issued work

- permit) will face fines ranging from EUR 5,000 to EUR 20,000, and the responsible person of the employer will face additional fines ranging from EUR 2,000 to EUR 6,000.
- A new purpose for granting temporary residence is introduced to facilitate immigration and the return of Croatian emigrants. Croatian emigrants, their family members, descendants of Croatian emigrants, or their family members can regulate temporary residence for immigration and return purposes (instead of for humanitarian reasons as previously). This temporary residence is granted for up to 2 years (instead of 1 year) and does not require proof of sufficient financial means or health insurance. These individuals are also granted the right to employment and self-employment without the need for a residence and work permit.
- Transitional provisions of the new Foreigners Act are as follows:
 - Temporary residence, residence and work permits, work registration certificates, and residence permits issued under the provisions of the previous Foreigners Act will remain valid until their expiration.
 - All procedures initiated before the new provisions came into force will be completed under the provisions of the previous Foreigners Act.
 - For third-country nationals who do not have a valid residence and work permit as of the date the new provisions enter into force, or who do not have an application for the issuance of a residence and work permit in progress under the provisions of the previous
 Foreigners Act, an application for a residence and work permit can be exceptionally submitted, provided:
 - No more than 2 months have passed since the expiration of the previous residence and work permit (meaning for permits that expired on January 15, 2025, or later); and
 - The application for the residence and work permit is submitted within 60 days of the entry into force of new provisions of the Foreigners Act, i.e., no later than May 14, 2025.

Best regards,

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