

Free Movement of Persons with the European Union

History and purpose of the AFMP

Switzerland and the EU signed a bilateral agreement on the free movement of persons (AFMP) in Luxembourg on 21 June 1999. The AFMP was intended to introduce the free movement of economically active persons (employed and self-employed persons) as well as economically inactive persons (students, retirees, etc.). A further objective was to partially liberalize the cross-border provision of services by natural persons and legal entities. The AFMP was approved by Swiss voters in the year 2000 and came into effect on 1 June 2002.

On 21 June 2001, the Convention of 4 January 1960 establishing the European Free Trade Association (EFTA) was revised. The EFTA Convention now contains more or less the same provisions as the AFMP and offers similar rules for EFTA citizens as for EU citizens. Special rules apply to citizens of the Principality of Liechtenstein.

In 2005, Swiss voters approved extension of the AFMP to include citizens of ten new countries that joined the EU in 2004. This extension of the AFMP came into effect on 1 April 2006. On 1 June 2004, various measures were introduced to accompany the free movement of citizens of these ten new EU member states. The aim was to protect local workers in Switzerland from the risk of wage dumping. In February 2009, Swiss voters approved renewal of the AFMP as well as extension of the AFMP to include citizens of Bulgaria and Romania. As a result, Bulgarian and Romanian citizens have been able to make use of the AFMP since 1 June 2009.

The AFMP did not provide for an automatic transition to freedom of movement for employed and self-employed persons. Access to the Swiss labour market thus remained regulated during various transitional periods.

The Ratification of Protocol III to the AFMP on 16 December 2016 means that the AFMP was extended to include Croatian citizens. Protocol III came into effect on 1 January 2017. Access to the labour market remained regulated for Croatian nationals until 31 December 2021. Since 1 January 2022, Croatian nationals enjoy full freedom of movement.

Safeguard clause for Croatia in force since 1 January 2023

The safeguard clause provided for in the AFMP allows Switzerland to unilaterally reintroduce permit quotas for a limited period of time if immigration from Croatia exceeds a certain threshold. This threshold has been reached. The Federal Council has therefore decided to activate the safeguard clause from 1 January 2023.

Croatian nationals who wish to work for an employer in Switzerland from 1 January 2023 and apply for a short-term L permit or a B residence permit for the first time are affected by the safeguard clause. Croatian nationals who require a B permit for self-employment after this date also fall under the safeguard clause.

In its decision of 22 November 2023, the Federal Council decided to continue the safeguard clause for Croatian nationals until 31 December 2024. Under the AFMP, the safeguard clause can only be activated for two consecutive years. For Croatian nationals, full freedom of movement will therefore come back into force again in 2025 on a trial basis.

Scope of the AFMP and beneficiaries

The AFMP applies to citizens of EU/EFTA member states and their family members as well as to posted workers (regardless of their citizenship) of a legal entity based in an EU/EFTA member state. Employed persons from a third state may only be posted to Switzerland by an EU-based company if they hold a permit authorising them to work on the regular labour market in an EU/EFTA member state.

Application of AFMP provisions must be free of any form of citizenship-based discrimination. Citizens of countries falling within the scope of the AFMP are therefore entitled to the same living, employment and working conditions as local workers in Switzerland.

Family reunification

Citizens of EU/EFTA member states have the right to bring family members with them. Family reunification is nevertheless subject to certain conditions. More detailed information is provided in the following factsheet: Family reunification.

· Residing in Switzerland and taking up gainful activity

Under the AFMP, economically active persons have the right to enter, remain and take up gainful employment in Switzerland, both in an employed or self-employed capacity. More detailed information is provided in the following factsheet: <u>Residing in Switzerland and taking up gainful activity</u>.

You'll find more information on the safeguard clause for Croatia here: <u>FAQ – Free Movement of Persons (admin.ch)</u>

Residing in Switzerland without gainful activity

Under AFMP, economically inactive persons (e.g. retirees or students) also have the right to enter and stay in Switzerland as long as they have adequate financial means and full health insurance coverage. More detailed information is provided in the following factsheet: <u>Residing in Switzerland without gainful activity</u>.

Cross-border service provision (EU/EFTA)

Citizens of EU/EFTA member states who wish to provide services in Switzerland may enter and stay in this country for a maximum of 90 effective working days per calendar year. If the service to be provided falls within the scope of a special bilateral agreement on the provision of services, then the person may stay in Switzerland for the entire period in which the service is being rendered. More detailed information on cross-border service provision and the compulsory online notification scheme is provided in the following factsheet: <u>Cross-border service provision (EU/EFTA)</u>

• Cross-border commuters

Citizens of EU/EFTA member states who wish to work in an employed or self-employed capacity in Switzerland without giving up their fixed place of residence in an EU/EFTA member state must satisfy certain conditions in order to obtain a cross-border work permit. More detailed information is provided in the following factsheet: <u>Cross-border commuters</u>.

Categories of residence permits

No permit is needed for stays in Switzerland lasting less than three months, either as a tourist or as an economically inactive person. Here is a list of the different types of Swiss permits:

L EU/EFTA short-term residence permit

The L EU/EFTA permit is issued to foreign *workers* who are in possession of an employment contract valid from three months to one year as well as to jobseekers wishing to stay in Switzerland for up to three months. Students are also issued this permit for one year. This permit may be extended for further one-year periods to enable completion of studies.

The period of validity of this permit is identical to the term of the employment contract. Holders are entitled to geographical and occupational mobility. This permit may be extended or renewed.

o B EU/EFTA residence permit

The B EU/EFTA residence permit is mainly issued to foreign *workers* who are in possession of an employment contract of at least twelve months' duration or of unlimited duration. It is valid for five years and may be renewed.

Self-employed workers are entitled to a five-year B EU/EFTA permit if they can prove that they effectively carry out a self-employed activity.

Economically inactive persons are also entitled to a B EU/EFTA permit if they have sufficient financial means and adequate health and accident insurance.

G EU/EFTA cross-border commuter permit

The G EU/EFTA permit is issued to *employed and self-employed cross-border commuters*. For employed persons, the period of validity of the permit is identical to the term of the employment contract as long as this contract is valid from three months to one year. If the employment contract is valid for more than one year or is of unlimited duration, then a five-year permit will be issued.

C EU/EFTA settlement permit

The C EU/EFTA permit does not fall within the scope of the AFMP and issuance is governed by settlement treaties or equivalent rights considerations. This permit is of unlimited duration. Generally speaking, citizens of the western European EU member states and EFTA member states receive this permit after having lived in Switzerland for five years. More information is provided here: <u>C EU/EFTA permit (Settled foreign nationals)</u>

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