



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

**Foreign Nationals' Right to Work Act, No. 97/2002,
as amended by Act No. 84/2003, No. 19/2004, No. 139/2005, No. 21/2006,
No. 108/2006, No. 106/2007, No. 78/2008, No. 154/2008, No. 65/2010, No. 162/2010,
No. 126/2011, No. 26/2014, No. 80/2016 and No. 75/2018.**

Where mention is made in this Act of 'the minister' or 'the ministry' without further definition, the reference intended is to the Minister of Social Affairs and Equality or to the Ministry of Welfare, which is responsible for the implementation of this Act. Information on the division of responsibilities between ministries according to a presidential decree may be found [here](#).

SECTION I General provisions.

Article 1

Scope.

This Act shall apply to foreign nationals' right to work in Iceland. Section III of the Act applies to exemptions from the requirements regarding work permits.

...¹⁾

¹⁾ Act No. 78/2008, Article 1.

Article 2

Purpose.

This Act contains authorisation for the granting of work permits applying to work by foreign nationals in Iceland in accordance with government policy at any given time.

The Act is also intended to guarantee the security under the law of foreign nationals who come to Iceland for the purpose of employment and to define the right of foreign nationals to work in Iceland subject to certain conditions.

Article 3

Definitions.

[For the purposes of this Act, the following terms are used as defined below.

1. *Temporary work permit:* A permit granted to a foreign national authorising him to work temporarily on the domestic labour market for a specific employer.
2. ...¹⁾
3. *Employer:* [A self-employed individual, an enterprise or a company, including institution, non-profit organization or other party],¹⁾ operating a business in Iceland, irrespective of the operational form or ownership of the enterprise.
4. [*Permanent residence permit:*]¹⁾ A permit granted to a foreign national, covering permanent residence in Iceland under the Foreign Nationals Act.
5. *Foreign national:* An individual who does not hold Icelandic citizenship.
6. *Closest relatives:* Those individuals who are regarded as a person's closest relatives under the Foreign Nationals Act.]²⁾
- [7. *Self-employed individual:* Any person who works at his/her own business or independent activity to the extent that he/she is obliged to pay withholding taxes on presumptive income and social security contribution in respect of his/her work, either monthly or in another regular manner according to rules set by the Director of Internal Revenue on presumptive employment income of the self-employed.
8. *Studies:* Study programmes accepted under the Foreign Nationals Act.]¹⁾²⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 78/2008, Article 2.

Article 4

Application of this Act.

[The Minister]¹⁾ shall be in charge of matters under this Act and shall issue further provisions regarding the application of the Act in the form of regulations²⁾, [including electronic procedure].³⁾

The Directorate of Labour shall administer the application of this Act on behalf of the Minister.

¹⁾ Act No. 126/2011, Article 351. ²⁾ Regulation No. 339/2005. ³⁾ Act No. 75/2018, Article 50.

SECTION II

Work permits.

Article 5

General.

A work permit confers the right to work in Iceland under the laws and regulations applying to the Icelandic labour market.

A permit under this Act may be made subject to conditions other than those stated in this Act and which the Minister considers necessary in terms of important public interests.

[[The Minister]¹⁾ may issue further rules²⁾ on the granting of work permits under this Act in accordance with government policy.]³⁾

¹⁾ Act No. 162/2010, Article 25. ²⁾ Regulation No. 339/2005. ³⁾ Act No. 78/2008, Article 3.

Article 6

A work permit may not be granted to a foreign national who is staying in Iceland without a residence permit or has been ordered to leave the country under the Foreign Nationals Act. ...¹⁾

[An employer may not employ a foreign national, whether for a long or short period, *cf.*, however, the fourth and fifth paragraphs of Article 19, or make arrangement to have a foreign national move to Iceland for this purpose, without a work permit, provided that he/she is not exempted from requirements regarding work permits under this Act.]²⁾

[[A foreign national may not work in Iceland as self-employed individual unless he/she is exempted from requirements regarding work permits under this Act.]²⁾

A foreign national may not enter into a job in Iceland unless a permit has been granted under this Act, *cf.*, however, the fourth and fifth paragraphs of Article 19.]¹⁾

¹⁾ Act No. 78/2008, Article 4. ²⁾ Act No. 80/2016, Article 122.

Article 7

[General conditions for a temporary work permit.

[Temporary work permits may be granted under Articles 8–13 and 15–16 if, amongst other things, the following conditions are met, as appropriate]:¹⁾

- a. That employees cannot be found either on the domestic labour market or within the European Economic Area, the EFTA states or the Faroe Islands, or that there are other special reasons for granting the permit. Before a permit is granted, the employer shall have sought employees with the assistance of the Directorate of Labour, unless it is a foregone conclusion, in the opinion of the Directorate, that such a search would prove fruitless.
- b. That the local trade union in the relevant branch of industry, or the appropriate national federation, has made its comment on the application. A comment shall be made within seven days of receipt of a copy of the application for a work permit and of the employment contract. However, this condition may be waived where there is no overall organisation or national federation in the relevant branch of industry.
- c. That an employment contract between the employer and the foreign national has been signed, covering a specific period or task and guaranteeing the foreign national wages and other terms equal to those enjoyed by Icelandic nationals and in conformity with the valid legislation and relevant collective agreements. In the case of jobs lying outside the scope of collective agreements, the foreign national shall be guaranteed wages and other terms equal to those applying to Icelandic nationals; [when assessing whether this is done, the Directorate of Labour may, amongst other things, have regard to the reference figures under the rules set by the Directorate of Internal Revenue on calculated remuneration and information from Statistics Iceland on wage surveys made by independent entities.]²⁾

- d. That it is demonstrated that the employer has taken out health insurance for the foreign national in accordance with the Foreign Nationals Act.
- e. That the employer guarantee to pay the cost of sending the employee back to his home at the end of the employment period in the event of the termination of employment for which the employee is not responsible or if the employee becomes incapable of working for a long period as a result of illness or an accident. The country to which the employee may be sent home shall be specified in the employment contract.

Work permits may not be granted under this Act in connection with employment with temporary-work agencies.]³⁾

¹⁾ Act No. 75/2018, Article 51. ²⁾ Act No. 80/2016, Article 122. ³⁾ Act No. 78/2008, Article 5.

Article 8

[A temporary work permit for a job in which special skills are required.

A temporary work permit may be granted for specific jobs in Iceland which require special skills. Conditions for granting work permit under this provision shall include, amongst others, the following:

- a. that the conditions of items *a–e* of the first paragraph of Article 7 have been met,
- b. that the foreign national has entered into an employment contract with an employer on the execution of a specific job which, [according to law or custom in Iceland, is of such a nature as to require that the person who does it shall possess certain specialist qualifications; furthermore, the Directorate of Labour may require that entities which it deems competent shall certify that the job in question is of such a nature as to require that the person who does it shall possess certain specialist qualifications],¹⁾
- c. that the foreign national’s special skills are essential to the enterprise involved, and
- d. that the foreign national’s special skills consist of university-level education, industrial, artistic or technical training, which is recognised in Iceland. The Directorate of Labour shall request verification of the foreign national’s education in the form of the appropriate certificates in accordance with Icelandic rules if it considers this necessary.

Furthermore, in exceptional cases, the Directorate of Labour may grant a temporary work permit under this provision if the foreign national involved possesses special knowledge that may be considered the equivalent of the educational qualifications referred to in item *d* of the first paragraph. The Directorate of Labour shall request verification of the foreign national’s qualifications in accordance with Icelandic rules if it considers this necessary. In other respects, the provision of the first paragraph shall apply.

In cases involving application for a work permit under this provision in connection with a job for which university education is required, the Directorate of Labour may waive the condition of item *a* of the first paragraph of Article 7, *cf.* item *a* of the first paragraph.

A work permit under this provision which is granted for the first time shall not be granted for longer than [two years],¹⁾ but in no case for longer than the engagement period specified in the employment contract. A permit may be extended for up to two years at a time [subject to the same restrictions as apply when the permit was granted for the first time],¹⁾ providing the conditions of the first paragraph are met. When a permit is extended, the conditions of items *a*, *d* and *e* of the first paragraph of Article 7, *cf.* item *a* of the first paragraph, do not need to be met. Furthermore, it shall be a condition for the extension of a work permit that the employer shall have paid tax deductions at source and social security tax applying to the foreign national’s job in accordance with the law. [In addition, the Directorate of Labour may request from the employer such information regarding the job done by the foreign national in question as it considers necessary to assess whether the conditions for the extension of the work permit have been met, e.g. information as to whether the foreign national’s specialist qualifications have been applied in the job which he or she was engaged to perform.]¹⁾

...¹⁾²⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 78/2008, Article 6.

[Article 9

A temporary work permit due to a shortage of [employees].¹⁾

A temporary work permit may be granted due to specific jobs in Iceland when employees cannot be found either on the domestic labour market or within the European Economic Area, the EFTA states or

the Faroe Islands. Conditions for granting work permit under this provision shall be, amongst others, that the conditions of the first paragraph of Article 7 are met.

The Directorate of Labour may waive the condition of item *a* of the first paragraph of Article 7 in cases where an employer sends his employee to work temporarily at his branch in Iceland, providing that the person involved is an employee of the employer who holds an unrestricted contract of employment as a manager or specialist, *cf.* Article 8, at his branch abroad. The Directorate of Labour may require the employer to cite reasons establishing why it is essential that the foreign national involved should come to work at his branch in Iceland, if the Directorate considers this necessary.

A work permit under this provision which is granted for the first time shall not be granted for longer than one year, but in no case for longer than the engagement period specified in the employment contract. A permit may be extended for [one year at a time subject to the same restrictions as apply when the permit was granted for the first time],¹⁾ providing the conditions of the first paragraph are met. When a permit is extended, the condition of item *d* of the first paragraph of Article 7 do not need to be met. Furthermore, it shall be a condition for the extension of a work permit that the employer shall have paid tax deductions at source and social security tax applying to the foreign national's job in accordance with the law.

...²⁾

A foreign national who has held temporary work permit under this provision may not be granted a permit under this provision again until he/she has completed two years' continuous residence abroad following the expiry of his/her permit. This provision shall not apply, however, when the foreign national works in Iceland for less than [eight]¹⁾ months out of every twelve months or when the foreign national changes employer under Article 16.

...¹⁾³⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 75/2018, Article 52. ³⁾ Act No. 78/2008, Article 7.

[Article 10

A temporary work permit for athletes.

A temporary work permit may be granted due to work done by athletes at sports clubs within the Icelandic Sports and Olympic Federation. Conditions for granting such work permit under this provision shall be, amongst others, that the conditions of items *c–e* of the first paragraph of Article 7 are met.

A work permit under this provision which is granted for the first time shall not be granted for longer than one year, but in no case for longer than the engagement period specified in the employment contract. A permit may be extended for up to two years at a time [subject to the same restrictions as apply when the permit was granted for the first time],¹⁾ providing the conditions of the first paragraph are met. When a permit is extended, the condition of item *d* of the first paragraph of Article 7 do not need to be met. Furthermore, it shall be a condition for the extension of a work permit that the sports club involved shall have paid tax deductions at source and social security tax applying to the foreign national's job in accordance with the law.

...¹⁾²⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 78/2008, Article 7.

[Article 11

A temporary work permit under special circumstances.

A temporary work permit may be granted for specific jobs in Iceland under special circumstances in which the following conditions, amongst others, are met:

- a. the foreign national has previously been granted a provisional residence permit, a residence permit on humanitarian grounds, [a residence permit for a possible victim of human trafficking, a residence permit for a victim of human trafficking],¹⁾ [a residence permit for parents, residence permit on grounds of special relations to Iceland or residence permit on grounds of a lawful purpose under the]²⁾ Foreign Nationals Act, and
- b. the conditions of [items *b, c* and *d*]²⁾ of the first paragraph of Article 7 are met.

A work permit under this provision [shall not be granted]²⁾ for longer than the period of validity of the residence permit, or the engagement period specified in the employment contract where the engagement period is shorter than the period of validity of the residence permit. [The permit may be extended subject to the same restrictions as apply when the permit was granted for the first time]²⁾

providing that the conditions of the first paragraph are met. When a permit is extended, the condition of item *d* of the first paragraph of Article 7, *cf.* item *b* of the first paragraph, do not need to be met. Furthermore, it shall be a condition for the extension of a work permit that the employer shall have paid tax deductions at source and social security tax applying to the foreign national's job in accordance with the law.

...²⁾³⁾

¹⁾ Act No. 75/2018, Article 53. ²⁾ Act No. 80/2016, Article 122. ³⁾ Act No. 78/2008, Article 7.

[Article 12

A temporary work permit granted in order to reunite families.

A temporary work permit may be granted due to work by the closest relatives [of an Icelandic citizen or]¹⁾ of a foreign national holding a work permit under Article 8 of this Act, a temporary work permit in connection with residence permit on humanitarian grounds granted [or residence permit on grounds of special relations to Iceland]²⁾ under Article 11 of this Act, [residence permit on grounds of international protection under the Foreign Nationals Act, or permanent residence permit under the Foreign Nationals Act],²⁾ providing the conditions of the first paragraph of Article 7 are met. [The same shall apply regarding work done by the closest relatives of foreign nationals who hold residence permits on grounds of courses of study as provided for under the Foreign Nationals Act when the studies involved are postgraduate university courses, doctorate studies or research carried out in Iceland, or renewed residence permits on grounds of study as provided for under the Foreign Nationals Act where the foreign national in question has completed the study courses in Iceland. Furthermore, temporary work permits may be granted covering work done by the closest relatives of foreign nationals who have been granted residence permits as sportsmen under the Foreign Nationals Act, providing that the residence permits are granted for at least one year.]²⁾ However, when a work permit is granted under this provision, the conditions of [items *a* and *e*]²⁾ of the first paragraph of Article 7 may be waived. A condition for the granting of a permit is that a residence permit shall have been granted beforehand in accordance with the provisions of the Foreign Nationals Act ...²⁾

A temporary work permit may be granted due to work by a foreign national who has reached the age of eighteen if he/she has stayed in Iceland on the basis of residence permit for [children ...³⁾]²⁾ under the Foreign Nationals Act before reaching the age of eighteen, providing the conditions of the first paragraph of Article 7 are met. However, when a work permit is granted, the conditions of items *a*, *b* and *e* of the first paragraph of Article 7 may be waived. A condition for the granting of a permit is that a residence permit shall have been granted beforehand under the provisions of the Foreign Nationals Act ...²⁾

A work permit [according to this provision]²⁾ shall not be granted for longer time than ...²⁾ the period of validity of the closest relatives member's residence permit, or the engagement period specified in the employment contract where the engagement period is shorter than the period of validity of the residence permit. A work permit may be extended ...²⁾ subject to the same restrictions as apply when the permit is granted for the first time, providing the conditions of the first paragraph are met. When a permit is extended, [the conditions of items *a*, *d* and *e*]²⁾ of the first paragraph of Article 7 do not need to be met. Furthermore, it shall be a condition for the extension of a work permit that the employer shall have paid tax deductions at source and social security tax applying to the job of the person concerned in accordance with the law.

...²⁾

...²⁾

...²⁾

[Children]²⁾ staying in Iceland on the basis of a residence permit for [children ...³⁾]²⁾ under the Foreign Nationals Act may work in Iceland on a temporary basis without holding work permits until they reach the age of eighteen years.]⁴⁾

¹⁾ Act No. 154/2008, Article 2. ²⁾ Act No. 80/2016, Article 122. ³⁾ Act No. 75/2018, Article 54. ⁴⁾ Act No. 78/2008, Article 7.

[Article 13

A temporary work permit in connection with study.

A temporary work permit may be granted due to work done by foreign nationals who pursue studies in Iceland. Conditions for granting such work permit under this provision shall include, amongst others, the following:

- a. [that the conditions of items *b*, *c* and *d* of the first paragraph of Article 7 are met],¹⁾
- [b. the job done by the foreign national does not exceed 40% of full-time employment],¹⁾
- [c.]¹⁾ that the foreign national has been granted a residence permit in connection with his/her studies under the Foreign Nationals Act.

[Without prejudice to indent b of the first paragraph, work permits may be granted under this provision when the job done by the foreign national exceeds 40% of full-time employment when one of the following conditions is met:

- a. the work is done during vacation periods according to the study programme of the educational institution involved,
- b. the foreign national has previously been granted a renewed residence permit on grounds of courses of study as provided for under the Foreign Nationals Act as he or she has completed university studies in Iceland and is living here while seeking employment on the basis of his or her specialist qualifications,
- c. what is involved is study which takes place in a workplace.

In the case of study which takes place in a workplace, a statement from the educational institution involved (Icelandic or foreign, as appropriate) shall be submitted confirming that the studies undertaken by the foreign national in question at the workplace for the period specified in detail constitute a necessary part of his or her studies at the educational institution.]¹⁾

A work permit under the first paragraph shall not normally be granted for longer than [twelve]¹⁾ months at a time, but in no case for longer than the period of validity of the residence permit granted in connection with the studies [or the engagement period under an employment contract if the engagement period is less than the period of validity of the residence permit].¹⁾ [In cases involving study which takes place in a workplace, work permits under this provision shall not be granted for longer than the period specified by the educational institution involved (Icelandic or foreign, as appropriate) in its statement as provided for in the third paragraph.]¹⁾ A work permit may be extended during the study period [subject to the same restrictions as apply when the permit was granted for the first time, providing that the conditions of the first paragraph are met.]¹⁾ Furthermore, it is a condition for the extension of a work permit that the employer shall have paid tax deductions at source and social security tax applying to the foreign national's job in accordance with the law.

When a foreign national has completed studies at Icelandic educational institutions comprising university, industrial, artistic or technical training, he/she may be granted work permit under the first paragraph of Article 8 due to a specific job related to his/her education. In such cases, the conditions of items *d* and *e* of the first paragraph of Article 7, *cf.* item *a* of the first paragraph of Article 8, may be waived.

...¹⁾²⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 78/2008, Article 7.

[Article 14]¹⁾

Icelandic teaching and Icelandic society.

Employers and trade unions shall provide an employee who holds a temporary work permit with information about basic courses in Icelandic for foreign nationals, information about Icelandic society and information about other teaching on offer to foreign nationals and their families.

¹⁾ Act No. 78/2008, Article 7.

[Article 15]¹⁾

[Temporary work permits for specialised employees under service contracts or collaboration agreements on educational, academic or scientific work.]²⁾

[Temporary work permits on the basis of service contracts or collaboration agreements on educational, academic or scientific work may be issued to foreign nationals who it is planned to send to

Iceland in the service of employers who do not have branches in Iceland, providing the conditions of indents c-e of the first paragraph of Article 7 are met.

Service contracts or collaboration agreements covering educational, academic or scientific work, as appropriate, between employers that are established in Iceland and employers that are not established in Iceland, shall be available for inspection. In the case of service contracts, the contract shall state, amongst other things, that a condition for the transaction is that the foreign employer's employee is to provide the service in Iceland. In the case of collaboration agreements, the agreement shall state, amongst other things, that it covers work which the foreign employer's employee will carry out in Iceland on the basis of collaboration between the Icelandic employer and the foreign employer covering educational, academic or scientific work, and that the foreign employer's employee in question shall have completed the university studies that are necessary to perform the work involved.]²⁾

A permit under this Article shall not normally be granted for periods longer than six months on the basis of the same [contract].²⁾

...²⁾

¹⁾ Act No. 78/2008, Article 7. ²⁾ Act No. 80/2016, Article 122.

[Article 16

A new employer.

A new temporary work permit may be granted under Articles 8–13, as appropriate, due to a specific job done by a foreign national for an employer other than the one to which the previous permit applied. The foreign national may not begin work for the new employer until the work permit has been granted, *cf.*, however, [the fifth paragraph]¹⁾ of Article 19. A temporary work permit granted under this provision may never be valid for longer than the previous permit ...²⁾

A declaration of the termination of the employment contract between the foreign national and the previous employer shall be submitted with the application under the first paragraph, together with a written employment contract between the foreign national and the new employer.]³⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 75/2018, Article 55. ³⁾ Act No. 78/2008, Article 10.

[Article 17

...¹⁾²⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 78/2008, Article 10.

[Article 18

A temporary work permit under agreements with other states.

A temporary work permit may be granted to the spouses ...¹⁾ or cohabiting partners of foreign embassy officials and the officials' children under the age of 21 under an agreement pertaining thereto between the Icelandic government and other states, providing that the spouses ...¹⁾ or cohabiting partners hold valid residence permits on the basis of an international agreement.

Foreign nationals aged 18–26 may be granted temporary work permits in Iceland for a maximum of one year on the basis of agreements between the Icelandic government and other states covering work done by their citizens in Iceland with a view to familiarising themselves with the country and its culture. A temporary work permit on the basis of such agreement shall not be restricted to work for a specific employer. A condition for granting such a permit is that the foreign national has not beforehand been granted a work permit in Iceland on the basis of such an agreement. A work permit of this type may not be extended.

[The Minister]²⁾ may issue regulations setting further conditions for the granting of work permits under this provision.]³⁾

¹⁾ Act No. 65/2010, Article 31. ²⁾ Act No. 162/2010, Article 25. ³⁾ Act No. 78/2008, Article 10.

[Article 19

Processing of an application for a work permit.

An employer who wishes to engage a foreign national in temporary job shall apply to the Directorate of Labour for a temporary work permit on behalf of the foreign national before the foreign national comes to Iceland for the first time to work, unless [the Directorate of Immigration has decided that the foreign national is permitted to reside in Iceland under the Foreign Nationals Act].¹⁾ The same shall

apply when the foreign national has stayed abroad for at least six months following the expiry of a beforehand granted work permit, unless he has been granted permission by the Directorate of Immigration to stay in Iceland. [Applications for temporary work permits shall be submitted to the Directorate of Immigration, which shall forward them as soon as possible to the Directorate of Labour.]¹⁾ Applications shall be made in writing on special forms and shall be signed by the employer and the foreign national. The application shall be accompanied by all the documents and certificates required by the Directorate of Labour to establish that the conditions set forth in statutes and regulations have been met, including a written employment contract between the foreign national and the employer, signed by both parties.

The Directorate of Labour may process application for a temporary work permit on the basis of Article 8, [the second paragraph of Article 9 and Article 15]¹⁾ ahead of other applications for work permits that the Directorate has received, providing that a signed employment contract between the employer and the foreign national exists. [In exceptional cases, the Directorate of Labour may consider applications for temporary work permits other than those provided for above, providing that special circumstances apply in those cases.]¹⁾

An employer who wishes to extend an employment contract with a foreign national shall apply for an extension of the temporary work permit on the foreign national's behalf not later than four weeks before the previous permit expires. [Applications shall be submitted to the Directorate of Immigration, which shall forward them as soon as possible to the Directorate of Labour.]¹⁾ Applications shall be made in writing on special forms and shall be signed by the employer and the foreign national. The application shall be accompanied by all the documents and certificates required by the Directorate of Labour to establish that the conditions set forth in statutes and regulations have been met, including a written employment contract between the foreign national and the employer, signed by both parties.

[When an employer applies for a temporary work permit for a foreign national under Article 8, he or she may request that the Directorate of Labour take a decision to permit the foreign national to begin working for the employer in question during the time when his or her application for a residence permit and the application for a work permit for employment requiring specialist qualifications are under consideration. The condition for this is that the Directorate of Labour shall have granted a temporary work permit, subject to the granting of a residence permit, for employment which requires specialist qualifications as provided for under the Foreign Nationals Act and that the employer undertakes to pay the cost of repatriating the foreign national in the event of his or her being denied a residence permit.]¹⁾

A foreign national who holds a valid residence permit on the basis of the Foreign Nationals Act may continue working at his job during the time taken to process the application to extend his temporary work permit, providing that the application is received by [the Directorate of Immigration]¹⁾ before the deadline set forth in the third paragraph. If the application is received later, the Directorate of Labour shall take a decision on the foreign national's authorisation to continue working at his job during the time taken to process the application, providing that a decision has been taken by the Directorate of Immigration to the effect that the foreign national may stay in Iceland during that period. The same shall apply when a new employer applies for a temporary work permit for a foreign national under Article 16, as appropriate.

...¹⁾

[Even if the conditions of this Act are met, the Directorate of Labour may refuse to grant a temporary work permit to cover work done by a foreign national working with an employer who has previously violated this Act, e.g. by having previously engaged a foreign national to work without the requisite work permit in accordance with this Act. The same shall apply if the employer has previously engaged a foreign national to work on the basis of a temporary work permit under this Act but has not paid him or her wages in accordance with the valid collective agreement for the relevant occupation in the area where the employee's work was done or has not made the due payments of tax deducted at source and/or social insurance tax in accordance with law. The same shall furthermore apply in the case of a foreign national who has previously violated this Act, e.g. by having entered into employment in Iceland without the required work permit according to this Act.]²⁾

When the Directorate of Labour has taken a substantive decision on the basis of an application for a work permit under this Act, the Directorate shall report it to the Directorate of Immigration and the parties to the case.]³⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 75/2018, Article 56. ³⁾ Act No. 78/2008, Article 10.

[Article 20

Grant of a work permit.

A work permit is granted in the name of the foreign national after he has come to Iceland, and the foreign national is the holder of the permit. A temporary work permit is restricted to work for a specific employer, *cf.*, however the second paragraph of Article 18, and the foreign national may not begin work for another employer before a new permit has been granted, *cf.*, however, [the fifth paragraph]¹⁾ of Article 19. [Issued temporary work permits]¹⁾ shall include, amongst other things, the foreign national's name and ID Number, his nationality, the employer's name and the period for which the permit is valid. ...¹⁾

The foreign national shall at all times carry [an issued work permit]¹⁾ referred to in the first paragraph, and shall produce [it]¹⁾ if required to do so by [the Directorate of Labour or]²⁾ the police.

[The Minister]³⁾ may issue regulations containing further rules on the grant of work permits under this provision in accordance with government policy at any given time, e.g. as regards collaboration between the Directorate of Labour and the Directorate of Immigration, after receiving the comments of [the Minister in charge of the affairs of persons' rights].⁴⁾⁵⁾

¹⁾ Act No. 80/2016, Article 122. ²⁾ Act No. 75/2018, Article 57. ³⁾ Act No. 162/2010, Article 25. ⁴⁾ Act No. 126/2011, Article 351. ⁵⁾ Act No. 78/2008, Article 10.

[Article 21

End of employment.

The employer shall inform the Directorate of Labour when a foreign national who holds a temporary work permit under this Act leaves his employment before the period of validity of the permit has expired.]¹⁾

¹⁾ Act No. 78/2008, Article 10.

SECTION III

Exemption provisions.

[Article 22]¹⁾

[Exemptions from the requirement regarding temporary work permits.]²⁾

The following shall be exempt from requirements regarding work permits:

- [a. Citizens of member states of the Agreement on the European Economic Area, the treaty establishing the European Free Trade Association and the agreement between the government of Iceland, on the one hand, and the government of Denmark and the Home Rule Administration of the Faroe Islands, on the other, and other foreign nationals who come under the rules of the aforementioned agreements, subject to the restrictions which are stated there and which shall be defined in further detail in regulations.]³⁾
- [b.]⁴⁾ Foreign nationals who have been Icelandic citizens since birth, but have lost their Icelandic citizenship.
- [c.]⁴⁾ [Foreign spouses ...⁵⁾ [and cohabiting partners of Icelandic citizens who have been granted residence permits on grounds of marriage or partnerships under the Foreign Nationals Act]⁵⁾ and their children under the age of eighteen years who are under their custody and are supported by them.]³⁾
- [d.]⁴⁾ Foreign nationals in the private service of envoys of foreign states.
- [e. Foreign nationals who have received [residence permit on grounds of international protection]⁶⁾ under the Foreign Nationals Act.]³⁾
- [f. Foreign nationals who have received permanent residence permit under the Foreign Nationals Act.]⁶⁾

[Foreign nationals who are exempt from the requirement regarding a work permit under the first paragraph shall provide the Directorate of Labour with the information that it may request for monitoring purposes (see Article 26).]²⁾

¹⁾ Act No. 78/2008, Article 10. ²⁾ Act No. 75/2018, Article 58. ³⁾ Act No. 78/2008, Article 11. ⁴⁾ Act No. 84/2003, Article 2. ⁵⁾ Act No. 65/2010, Article 32. ⁶⁾ Act No. 80/2016, Article 122.

[Article 23]¹⁾

*[Exemptions from the requirement regarding temporary work permits for up to 90 days per year.]*²⁾

The following foreign nationals shall be exempt from the requirements regarding work permits for periods of up to [90 days]³⁾ each year in Iceland:

- a. Scientists and academics, including doctoral students and persons undergoing practical training, who are in Iceland in connection with educational, academic or scientific work, or comparable activities; the foreign nationals in question shall have completed a university degree relating to the work involved.]³⁾
- b. Artists, with the exception of instrumental performers who enter into job in catering establishments. ...³⁾
- c. Athletics coaches.
- d. Representatives on business visits ...³⁾
- e. Drivers of passenger coaches registered in foreign countries, providing that the vehicles are carrying foreign tourists to Iceland.
- f. Journalists and reporters from foreign news media who are in the service of companies that are not established in Iceland.
- g. Employees, consultants and instructors working on the assembly, installation, supervision or repair of equipment.

[A foreign national who is exempt from the requirement regarding a work permit under the first paragraph shall notify the Directorate of Labour of his or her work in Iceland no later than the same day on which the work commences in each instance. Notifications under the first sentence shall include the following information:

- a. Regarding the foreign national:
 1. Name.
 2. Date of birth.
 3. Nationality.
 4. Number of passport.
 5. Job designation.
 6. Address in Iceland.
 7. Anticipated length of stay in Iceland.
- b. Regarding the employer, if he or she is not the same as the foreign national involved:
 1. Name and e-mail address.
 2. Address in his or her home state.
 3. Identifying feature, such as a VAT number or other comparable official registration.
 4. Name and e-mail address of the employer's contact person.
- c. A statement of the exemption category in the first paragraph under which the foreign national's work comes, in the opinion of the foreign national in question.

Foreign nationals who are exempt from the requirement regarding a work permit under the first paragraph shall provide the Directorate of Labour with the information that it may request for monitoring purposes (see Article 26).]²⁾

The Minister may issue regulations⁴⁾ defining in further detail the individual jobs covered by the exemptions according to this Article.

¹⁾ Act No. 78/2008, Article 10. ²⁾ Act No. 75/2018, Article 59. ³⁾ Act No. 80/2016, Article 122. ⁴⁾ Regulation No. 339/2005.

SECTION IV

Revocation of a work permit. Penalties.

[Article 24]¹⁾

Revocation.

[The Directorate of Labour may revoke a work permit if the foreign national or the employer has, at the time of application and against their better knowledge, given incorrect information or concealed facts which could have been of substantial significance regarding the granting of the permit. Furthermore, the Directorate of Labour may revoke a work permit if the conditions for granting the work permit under this Act are no longer met, e.g. if the foreign national has worked for an employer other than the one to which his work permit was issued, [the employer has failed to make over tax

deducted at source and social insurance tax in respect of the foreign national's employment as provided for by law],²⁾ or if this course of action follows from other principles of public administration.]³⁾

¹⁾ Act No. 78/2008, Article 10. ²⁾ Act No. 80/2016, Article 122. ³⁾ Act No. 78/2008, Article 12.

[Article 25]¹⁾

Handling of information.

[The Directorate of Labour and the police may process personal data, including data that may be regarded as sensitive, to the extent that such processing may be regarded as necessary for the application of this Act.

[Information supplied to the Directorate of Labour under this Act and regulations issued hereunder shall be in writing, either in electronic form or on paper.

The Directorate of Labour may gather information and disseminate it to the extent that it is permitted to do under this Act, electronically or by other means decided by the directorate.

The Directorate of Labour shall deliver to the relevant government authority information which it receives under this Act, providing that the relevant authority has so requested in connection with its legally-prescribed monitoring activities. If the Directorate of Labour receives information under this Act which indicates that Icelandic laws or regulations are being violated, it shall be obliged to deliver the information to the relevant government authority without unreasonable delay.

In those instances where the Directorate of Labour does not have the information which, in its estimation, is necessary for it to monitor the implementation of this Act in accordance with Article 26, it shall request such information from the government authorities or the monitoring officers of the organisations of the social partners (*cf.* the Workplace Identification Certificates and Workplace Monitoring Act) as may be of use to the directorate, e.g. in assessing whether the provisions of this Act have been violated, including as regards whether foreign nationals are working in Iceland without the requisite permits, and the relevant parties shall be obliged to give the Directorate of Labour the information requested if they possess it. If government authorities or the monitoring officers of the organisations of the social partners receive information indicating that this Act is being violated, they shall be obliged to deliver the information to the Directorate of Labour without unreasonable delay.

Staff of the Directorate of Labour may not use their position to obtain information other than that which is necessary, or may be necessary, in the view of the directorate, for monitoring purposes under Article 26. Staff of the Directorate of Labour shall be bound by a non-disclosure (confidentiality) obligation regarding information handled by the directorate under this Act (see, however, the third paragraph), and this obligation shall continue in force after they cease working for the directorate.]²⁾¹⁾

¹⁾ Act No. 78/2008, Article 13. ²⁾ Act No. 75/2018, Article 60.

[Article 26

Monitoring by the Directorate of Labour and the police.

The police and the Directorate of Labour shall monitor the application of this Act. An employer shall give the police and the Directorate of Labour access to the documents or other materials necessary to demonstrate that no violation of the Act has taken place. The foreign national and the employer shall give all necessary information in connection with monitoring.

The police [and the Directorate of Labour]¹⁾ shall be granted access to the employer's workplace in order to investigate whether the employer and the foreign nationals working for him are in compliance with this Act. [The police and the Directorate of Labour shall show special credentials relating to their work.]¹⁾

At the request of the police [or the Directorate of Labour],¹⁾ a foreign national shall show credentials demonstrating that he/she is permitted to work in Iceland and, if necessary, provide information to establish his/her identity, this being done, amongst other things, to demonstrate, as appropriate, that he/she is exempt from the requirement under this Act to hold a work permit.

The police [and the Directorate of Labour]¹⁾ may require other employees who work, or have worked at any time during the previous three months, for the employer in question, to provide information necessary in connection with monitoring.]²⁾

¹⁾ Act No. 75/2018, Article 61. ²⁾ Act No. 78/2008, Article 14.

[Article 27]¹⁾

Penalty provisions.

Fines or imprisonment of up to six months shall be imposed if a person:

- a. violates this Act, or regulations issued under it, either on purpose or through negligence, or
- b. gives information that, regarding important details in a matter covered by this Act, is false or evidently misleading, either on purpose or through gross negligence.

Fines or imprisonment of up to two years shall be imposed if a person:

- a. either on purpose or through gross negligence, makes use of the labour of a foreign national who does not hold a work permit under this Act;
- b. either on purpose or through gross negligence, arranges job or accommodation for a foreign national, or issues or passes on information, statements or documents for use in a matter covered by this Act, if by doing so he exploits for his advantage the circumstances of the foreign national in an improper way;
- c. intentionally, by arousing, reinforcing or exploiting a false or unclear idea, or in another improper manner, entices a foreign national to come to Iceland for the purpose of job;
- d. with a view to making a profit, assists a foreign national to engage in job without the required permits.

Fines or imprisonment of up to five years shall be imposed for running an organised activity in order to assist foreign nationals to work in Iceland without work permits as provided for by this Act.

When offences are committed as part of the activities of legal persons, such legal persons may be fined under Section II A of the General Penal Code.

Attempted violations, or acting as an accessory to a violation of this Act, shall be punishable under Section III of the General Penal Code.

¹⁾ Act No. 78/2008, Article 14.

[Article 28]¹⁾

Transport home.

A party, who arranges for a foreign national to move to Iceland for the purpose of job without the required permits, *cf.* items *b* and *c* of the second paragraph of [Article 27],²⁾ shall pay the entire cost of transporting the foreign national from Iceland.

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 80/2016, Article 122.

SECTION V

Consultation between the Directorate of Labour and the Directorate of Immigration.

[Article 29]¹⁾

Consultative committee.

The Directorate of Labour and the Directorate of Immigration shall establish a special consultative committee in connection with the application of this Act.

The consultative committee shall consist of four persons, each institution appointing two. The term of appointment of the committee shall be two years. The consultative committee shall elect a chairman from among its members. The chairman shall call and direct meetings.

¹⁾ Act No. 78/2008, Article 14.

[Article 30]¹⁾

The Directorate of Labour shall notify the Directorate of Immigration of all work permit applications granted and rejected.

In consultation with the Directorate of Labour, the Directorate of Immigration shall issue certificates including, amongst other things, information about the foreign national's residence permit and right to engage in work in Iceland. It shall also include the necessary personal data. An applicant for a work permit may be charged a fee for the certificate. This fee shall not exceed the cost of issuing the certificate.

¹⁾ Act No. 78/2008, Article 14.

SECTION VI

Procedure.

[Article 31]¹⁾

General rules on procedure.

Where no other provisions are made in this Act, the Administrative Procedure Act shall apply regarding procedure.

¹⁾ Act No. 78/2008, Article 14.

[Article 32]¹⁾

Speed of processing.

The Directorate of Labour shall take a decision on whether to grant an application for work permit as soon as possible, and no later than two months after [the Directorate]²⁾ receives the application.

When a delay is foreseeable in the processing of a case, the party to the case shall be informed of this. Reasons shall be given for the delay, and also an indication of when a decision may be expected.

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 80/2016, Article 122.

[Article 33]¹⁾

Obligation regarding guidance.

In cases involving the rejection of an application for a work permit, or the revocation of a work permit, the government authority shall provide the foreign national with guidance regarding his right of appeal under [Article 34.]²⁾

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 80/2016, Article 122.

[Article 34]¹⁾

Right of appeal.

[The employer and the foreign national have a joint right to appeal to [the Ministry]²⁾ against decisions by the Directorate of Labour [on the basis of this Act]³⁾ and both of them shall sign the appeal against the executive decision. They may, however, delegate to other parties the authority to act on their behalf on the matter. ...⁴⁾

The deadline for lodging an appeal is four weeks from the date of receipt of the notification of the decision by the Directorate of Labour. An appeal shall be considered as having been submitted before the deadline if the letter presenting it is received by the ministry, or is committed to the postal service, before the deadline.

An appeal against an executive decision shall not defer the legal effect of the decision by the Directorate of Labour, and the foreign national shall live abroad while his appeal is being processed, unless he has been granted permission by the Directorate of Immigration to stay in Iceland.

[The Ministry]²⁾ shall endeavour to deliver its ruling within two months of receiving the matter for adjudication.

In other respects, procedure shall be subject to the Administrative Procedure Act.⁵⁾

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 162/2010, Article 25. ³⁾ Act No. 75/2018, Article 62. ⁴⁾ Act No. 80/2016, Article 122. ⁵⁾ Act No. 78/2008, Article 15.

SECTION VII

Miscellaneous provisions. Commencement.

[Article 35]¹⁾

Collaborative committee.

[The Minister]²⁾ shall appoint a collaborative committee consisting of representatives of [the minister, the minister in charge of issues under the Foreign Nationals Act,]³⁾ the Directorate of Labour, the Directorate of Immigration, the Icelandic Federation of Labour and the Confederation of Icelandic Employers, [one from each party].³⁾ [The Minister]²⁾ shall appoint the chairman of the committee without nomination. Alternates shall be appointed in the same way.

The collaborative committee shall be convened:

- a. in connection with general questions arising regarding the grant of work permits, and
- b. when the Directorate of Labour receives requests for work permits for groups of foreign nationals.
- [c. when amendments to this Act, or to the Foreign Nationals Act, are being planned,

- d. in connection with work or policy-making by the Icelandic authorities regarding the possibilities open to non-EEA citizens to reside and work in Iceland,
- e. every quarter to review the situation regarding participation by non-EEA citizens in the Icelandic labour market.]³⁾

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 162/2010, Article 25. ³⁾ Act No. 80/2016, Article 122.

[Article 36

Validity of international agreements.

In the application of this Act, consideration shall be given to the substance of the international agreements, to which Iceland is a party, on foreign nationals' right of employment.]¹⁾

¹⁾ Act No. 78/2008, Article 16.

[Article 37]¹⁾

This Act shall take effect on 1 January 2003.

...

¹⁾ Act No. 78/2008, Article 16.

[Interim provisions.

I.

[Notwithstanding the provisions of item *a* of Article 14, employers shall notify the Directorate of Labour of the engagement of nationals of Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, the Czech Republic or Hungary until 1 May 2009. Notifications shall contain the name, ID number and address of the employer and the name, ID number and dwelling place of the foreign national in Iceland. In addition, the notification shall be accompanied by an employment contract guaranteeing the foreign national wages and other terms in accordance with Icelandic law and collective agreements. Notifications shall be received by the Directorate of Labour within ten working days of the engagement. The Directorate of Labour shall maintain a register of the foreign nationals who come from the aforementioned countries to work in Iceland.

If an employer neglects to send the Directorate of Labour a notification under the first paragraph, the Directorate may decide that the employer is to pay per diem fines until a notification is received by the Directorate. Decisions on per diem fines shall be announced by post, in a verifiable manner, sent to the party to whom it applies.

Per diem fines may amount to up to ISK 50,000 per day. When determining the amount of per diem fines, attention shall be given to factors such as the number of employees whose engagement the employer has failed to report and the size and scale of the relevant business operation.

Per diem fines shall be paid to the Treasury.

Decisions taken by the Directorate of Labour on per diem fines may be enforced by attachment. Appeals to the Ministry of Social Affairs under Article 24 shall defer enforcement by attachment.

The Directorate of Labour shall release to the trade union in the relevant occupational sector in the region in which the foreign national as defined in the first paragraph of this Article is employed a copy of the foreign national's employment contract, if the trade union so requests, providing that it is suspected that a violation of a current collective agreement has taken place.

This provision shall remain in force until 1 May 2009.]¹⁾²⁾

¹⁾ Act No. 21/2006, Article 3. ²⁾ Act No. 19/2004, Article 2.

[II.

The provisions of item *a* of [Article 22]¹⁾ shall not, however, take effect as regards the right of citizens of Bulgaria and Romania to work in Iceland until [1 January 2012],¹⁾ *cf.* however, Article 36 of the Agreement on the European Economic Area.]²⁾

¹⁾ Act No. 154/2008, Article 3. ²⁾ Act No. 106/2007, Article 4.

[III.]

Temporary work permits granted prior to the commencement of this Act shall retain their validity for the periods for which they were granted. Temporary work permits granted prior to the commencement of this Act may be extended providing that the same conditions are met as applied regarding the granting of the original permits. Temporary work permits that could constitute the basis of unrestricted work permits under Article 11 of the Foreign Nationals' Right to Work Act, No. 97/2002, prior to the commencement of this Act, shall continue to be regarded as constituting the basis of unrestricted work permits under this Act.

Unrestricted work permits granted prior to the commencement of this Act shall retain their validity.]¹⁾
¹⁾ Act No. 78/2008, Article 17.

[IV.]

The provisions of item *a* of Article 22 shall not, however, take effect as regards the right of citizens of Croatia to work in Iceland until 1 July 2015, *cf.* however, Article 36 of the Agreement of the European Economic Area.]¹⁾

¹⁾ Act No. 26/2014, Article 4.

[V.]

Temporary work permits granted prior to the commencement of this Act shall retain their validity. Temporary work permits granted prior to the commencement of this act may be extended, providing that the same conditions are met as applied when the original permits were granted.

Permanent work permits granted prior to the commencement of this act shall retain their validity.

Without prejudice to the second paragraph, permanent work permits shall expire when the foreign national has resided abroad continuously for more than eighteen months. The Directorate of Labour shall take the decision to cancel such permits. However, after receiving an application, the Directorate of Labour may grant an exemption from the time limit stated in the first sentence, so enabling the foreign national to retain his or her permanent work permit despite a longer period of residence abroad.]¹⁾

¹⁾ Act No. 80/2016, Article 122.

*[This translation is published for information only.
The original Icelandic text is published in the Law Gazette.
In case of a possible discrepancy, the original Icelandic text applies.]*