



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 and No. 26/2014.**

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. *Unrestricted work permit*: A permit granted to a foreign national authorising him to work without a time restriction on the domestic labour market.
3. *Employer*: An individual or a company operating a business in Iceland, irrespective of the operational form or ownership of the enterprise.
4. *Permanent residence permit*: 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.]¹⁾

¹⁾ 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⁾.

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.

SECTION II A work permit.

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 Act on foreigners. ...¹⁾

No person, company or institution that runs a business or operates an enterprise of any description may employ a foreign national, whether for a long or short period, [*cf.*, however, paragraphs 4 and 5 of Article 19],¹⁾ or take steps to have a foreign national move to Iceland for this purpose, without a work permit.

[A foreign national may not operate his own business or work independently in Iceland without holding an unrestricted work permit.

A foreign national may not enter into a job in Iceland unless a permit has been granted under this Act, *cf.*, however, paragraphs 4 and 5 of Article 19.]¹⁾

¹⁾ Act No. 78/2008, Article 4.

Article 7

[General conditions for a temporary work permit.]

A temporary work permit may be granted under Articles 8–12 and Article 16 if the following conditions, amongst others, are met:

- 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.
- 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.]¹⁾

¹⁾ 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 paragraph 1 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 demands special skills, providing that what is involved is not a task to be executed within a limited period,
- 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 paragraph 1. 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 paragraph 1 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 paragraph 1 of Article 7, *cf.* item *a* of paragraph 1.

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 providing the conditions of paragraph 1 are met. When a permit is extended, the conditions of items *a*, *d* and *e* of paragraph 1 of Article 7, *cf.* item *a* of paragraph 1, 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.

If the foreign national is staying in Iceland on the basis of a residence permit granted under the Foreign Nationals Act, then the application for a work permit may be made under this provision while he is in Iceland.

A work permit granted under this provision may constitute the basis for an unrestricted work permit under Article 17.]¹⁾

¹⁾ Act No. 78/2008, Article 6.

[Article 9

A temporary work permit due to a shortage of labour.]

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 paragraph 1 of Article 7 are met.

The Directorate of Labour may waive the condition of item *a* of paragraph 1 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 up to one further year providing the conditions of paragraph 1 are met. When a permit is extended, the condition of item *d* of paragraph 1 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.

An extension may be granted for a period longer than that specified in paragraph 3 in the case of a clearly defined practical project that takes longer than is specified there. In such a case, a temporary work permit covering work done by a foreign national on such a practical project may be extended until the project is completed. When application is made for the extension of a temporary work permit covering such practical projects, an estimate must be submitted stating when the practical project is expected to be completed. In other respects, the conditions of paragraph 3 shall apply.

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 six months out of every twelve months or when the foreign national changes employer under Article 16.

A work permit granted under this provision may not constitute the basis for an unrestricted work permit under Article 17.]¹⁾

¹⁾ 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 paragraph 1 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 providing the conditions of paragraph 1 are met. When a permit is extended, the condition of item *d* of paragraph 1 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.

A work permit granted under this provision may not constitute the basis for an unrestricted work permit under Article 17.]¹⁾

¹⁾ 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 temporary residence permit on humanitarian grounds under the Foreign Nationals Act or a temporary residence permit under paragraph 3 of Article 11 of the Foreign Nationals Act, and
- b. the conditions of items *c* and *d* of paragraph 1 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 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. A temporary work permit may be extended for up to one year at a time providing the conditions of paragraph 1 are met. When a permit is extended, the condition of item *d* of paragraph 1 of Article 7, *cf.* item *b* of paragraph 1, 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.

If the foreign national is staying in Iceland on the basis of a temporary residence permit granted under the Foreign Nationals Act, then the application for a work permit may be made under this provision while he is in Iceland.

A work permit granted under this provision in connection with a temporary residence permit granted on humanitarian grounds, *cf.* item *a* of paragraph 1, may constitute the basis for an unrestricted work permit under Article 17.]¹⁾

¹⁾ 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 closest relatives [of Icelandic citizen or]¹⁾ of foreign national holding work permit under Article 8 of this Act, temporary work permit in connection with temporary residence permit granted on humanitarian grounds under Article 11 of this Act or unrestricted work permit, providing the conditions of paragraph 1 of Article 7 are met. However, when a work permit is granted under this provision, the conditions of items *a*, *b* and *e* of paragraph 1 of Article 7 may be waived. A condition for the granting of a permit is that a temporary residence permit shall have been granted beforehand in accordance with the provisions of the Foreign Nationals Act regarding temporary residence permits for family members.

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 temporary residence permit for relatives or permanent residence permit under the Foreign Nationals Act before reaching the age of eighteen, providing the conditions of paragraph 1 of Article 7 are met. However, when a work permit is granted, the conditions of items *a*, *b* and *e* of paragraph 1 of Article 7 may be waived. A condition for the granting of a permit is that a temporary residence permit shall have been granted beforehand under the provisions of the Foreign Nationals Act on temporary residence permits for relatives.

A work permit under paragraph 1 shall not be granted for longer than one year, but in no case for longer than the period of validity of the closest relatives member's temporary residence permit, or the engagement period specified in the employment contract where the engagement period is shorter than the period of validity of the temporary residence permit. A work permit may be extended for up to one year at a time, subject to the same restrictions as apply when the permit is granted for the first time, providing the conditions of paragraph 1 are met. When a permit is extended, the condition of item *d* of paragraph 1 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.

In the event of the dissolution of a marriage ...²⁾ or cohabitational relationship because the foreign national or his/her child has suffered abuse or violence within the relationship, a work permit under this provision may be extended. The condition for this shall be that the temporary residence permit shall beforehand have been extended in accordance with paragraph 6 of Article 13 of the Foreign Nationals Act, No. 96/2002.

If one of the closest relatives is staying in Iceland under temporary residence permit for closest relatives in accordance with the Foreign Nationals Act, he/she may apply for a work permit while he/she is in Iceland.

A work permit under this provision may constitute the basis for an unrestricted work permit under paragraph 2 of Article 17 if the foreign national from whom the closest relatives derives his/her right has been granted an unrestricted work permit [or if it concerns closest relatives of an Icelandic citizen].¹⁾

Children staying in Iceland on the basis of a temporary residence permit for closest relatives or a temporary residence permit 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.³⁾

¹⁾ Act No. 154/2008, Article 2. ²⁾ Act No. 65/2010, Article 30. ³⁾ 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 *c* and *d* of paragraph 1 of Article 7 are met and
- b. that the foreign national has been granted a temporary residence permit in connection with his/her studies under the Foreign Nationals Act.

A work permit under paragraph 1 shall not normally be granted for longer than six months at a time, but in no case for longer than the period of validity of the temporary residence permit granted in connection with the studies under the Foreign Nationals Act. A work permit may be extended during the study period and providing that the conditions of paragraph 1 are met. 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 paragraph 1 of Article 8 due to a specific job related to his/her education. In such cases, the conditions of items *d* and *e* of paragraph 1 of Article 7, *cf.* item *a* of paragraph 1 of Article 8, may be waived.

When a foreign national is staying in Iceland on the basis of temporary residence permit granted under the Foreign Nationals Act, applications for a work permit under this provision may be made while he/she is in Iceland.

A work permit granted under this provision may not constitute the basis for an unrestricted work permit under Article 17.]¹⁾

¹⁾ 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⁾

[A temporary work permit granted to specialised employees on the basis of service agreements.]²⁾

In special circumstances, a temporary work permit may be granted to a foreign national whom it is planned to send to Iceland in the service of a company that does not have a branch in Iceland, providing that conditions [of items *c–e*]²⁾ are met.

A service contract shall have been made with a company in Iceland. It shall include a statement to the effect that a condition for the transaction under the contract is that an employee of the foreign company is to provide the service.

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

A work permit under this Article shall have been granted before the foreign national arrives in Iceland.

[A work permit granted under this provision may not constitute the basis for an unrestricted work permit under Article 17.]²⁾

¹⁾ Act No. 78/2008, Article 7. ²⁾ Act No. 78/2008, Article 8.

[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, paragraph 4 of Article 19. A temporary work permit granted under this provision may never be valid for longer than the previous permit, and the combined working period under temporary working permits under Article 9 may never exceed two years.

A declaration of the termination of the employment contract between the foreign national and the previous employer shall be submitted with the application under paragraph 1, together with a written employment contract between the foreign national and the new employer.]¹⁾

¹⁾ Act No. 78/2008, Article 10.

[Article 17

An unrestricted work permit.

A foreign national may be granted an unrestricted work permit when the following conditions are met:

- a. the foreign national has acquired a permanent residence permit under the Foreign Nationals Act,
- b. a written employment contract between the foreign national and an employer has been made and signed, and
- c. the foreign national has beforehand been granted a temporary work permit under Article 8, or a temporary work permit in connection with a temporary residence permit granted on humanitarian grounds under Article 11.

Closest relative of a foreign national who holds an unrestricted work permit meeting the conditions of items *a* and *b* of paragraph 1 may be granted an unrestricted work permit.

Children who have acquired permanent residence permits in Iceland under the Foreign Nationals Act before the age of eighteen years may be granted unrestricted work permits when they reach the age of eighteen years.

An unrestricted work permit shall expire if the foreign national stays abroad continuously for a period of more than eighteen months. The Directorate of Labour shall take the decision on cancelling such a permit. However, the Directorate of Labour may, after receiving application, grant exemptions from the restriction imposed in sentence 1, with the result that the foreign national shall retain an unrestricted work permit despite staying abroad for a longer period.]¹⁾

¹⁾ 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 temporary 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 other provisions are made in this Act. 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. The application 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 and paragraph 2 of Article 9 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.

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. The application 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.

A foreign national who holds a valid temporary 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 Labour before the deadline set forth in paragraph 3. 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.

The foreign national shall apply for an unrestricted work permit under Article 17 not later than four weeks before the previous permit expires. The application shall be made in writing on special forms and 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. 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.

An application for work permit may be turned down in the case of work for an employer who has beforehand been guilty of having engaged a foreign national for work without the required work permit according to this Act, even though the conditions of the Act are met. The same shall apply to foreign national who has previously been guilty of engaging himself for work without the required work permit according to this Act.

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.]¹⁾

¹⁾ 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 paragraph 2 of Article 18, and the foreign national may not begin work for another employer before a new permit has been granted, *cf.*, however, paragraph 4 of Article 19. The document testifying to a temporary work permit 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. The same information shall be stated in the document testifying to an unrestricted work permit, except that the foreign national's employer shall not be specified there.

The foreign national shall at all times carry the documents referred to in paragraph 1, and shall produce them if required to do so by the police.

[The Minister]¹⁾ 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].²⁾³⁾

¹⁾ Act No. 162/2010, Article 25. ²⁾ Act No. 126/2011, Article 351. ³⁾ 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⁾

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.]²⁾
- [b.]³⁾ Foreign nationals who have been Icelandic citizens since birth, but have lost their Icelandic citizenship.
- [c.]³⁾ [Foreign spouses ...⁴⁾ of Icelandic citizens and their children under the age of eighteen years who are under their custody and are supported by them.]²⁾
- [d.]³⁾ Foreign nationals in the private service of envoys of foreign states.
- [e. Foreign nationals who have received temporary residence permits as refugees under the Foreign Nationals Act.]²⁾

¹⁾ Act No. 78/2008, Article 10. ²⁾ Act No. 78/2008, Article 11. ³⁾ Act No. 84/2003, Article 2. ⁴⁾ Act No. 65/2010, Article 32.

[Article 23]¹⁾

The following foreign nationals shall be exempt from the requirements regarding work permits for periods of up to four weeks each year in Iceland:

- a. Scientists and lecturers, as regards teaching or comparable activities.
- b. Artists, with the exception of instrumental performers who enter into job in catering establishments. The exemption under this item does not apply to dancers who appear in night-clubs, *cf.* item *i* of Article 9 of the Hotel and Catering Establishment Act, No. 67/1985, *cf.* Act No. 66/2000.
- c. Athletics coaches.
- d. Representatives on business visits for companies that do not have branches in Iceland.
- 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.

The Minister may issue regulations²⁾ defining in further detail the individual jobs covered by the exemptions according to this Article.

¹⁾ Act No. 78/2008, Article 10. ²⁾ 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 restricted, or if this course of action follows from other principles of public administration.]²⁾

¹⁾ Act No. 78/2008, Article 10. ²⁾ 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.

To the extent necessary to ensure that foreign nationals work legally in Iceland, it shall be permitted, when processing personal data, to link data from the Directorate of Labour, the Directorate of Immigration, the police, the tax authorities and the National Registry. Such linking shall be carried out without data from the records of the individual institutions being sent to other institutions to an extent greater than is necessary to examine points that are specified in advance. In other respects, personal data shall be handled as specified in the Personal Data Act.

If the Directorate of Labour receives information indicating that Icelandic laws and regulations have been violated, the Directorate may make the information over to the relevant supervisory authority or, as appropriate, to the police.]¹⁾

¹⁾ Act No. 78/2008, Article 13.

[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 shall be granted access to the employer's workplaces in order to investigate whether the employer and the foreign nationals working for him are in compliance with this Act. The police shall show credentials relating to their work.

At the request of the police, 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 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.]¹⁾

¹⁾ 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 paragraph 2 of Article 17, shall pay the entire cost of transporting the foreign national from Iceland.

¹⁾ Act No. 78/2008, Article 14.

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 application is received.

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.

[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 24 of this Act.

¹⁾ Act No. 78/2008, Article 14.

[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 to turn down an application for, or to revoke, a temporary work permit, 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. A foreign national may lodge an appeal against decisions by the Directorate to turn down an application for, or to revoke, an unrestricted work permit.

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.³⁾

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 162/2010, Article 25. ³⁾ 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 Directorate of Labour, the Directorate of Immigration, the Icelandic Federation of Labour and the Confederation of Icelandic Employers. [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.

¹⁾ Act No. 78/2008, Article 14. ²⁾ Act No. 162/2010, Article 25.

[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 paragraph 1, 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 paragraph 1 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.

*[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.]*