

## Simplifying Hungary's Work Permit System: A Comprehensive Proposal

Given the Hungarian government's commitment to stakeholder consultations and to a full review of the current, problematic immigration legislation, we hereby submit the following overview proposal, which sets out **economically motivated regulatory directions** concerning the current legal framework governing the employment and residence of third-country nationals in Hungary, i.e. the Third-Country Nationals Act (Btátv.). We consider it crucial that a **long-term legislative framework** be adopted that, while preserving the competitiveness of the Hungarian economy and the operability of companies, contributes to safeguarding jobs and strengthening the long-term employment prospects of the domestic workforce.

**Attracting high-value-added jobs and activities to Hungary is of strategic importance for sustaining economic growth**, and the employment of third-country workers is indispensable to this end. Given that there is global competition for skilled, experienced and talented hires, any factor that impedes or prevents the employment of the necessary workforce in Hungary represents a competitive disadvantage for our country — one that jeopardizes not only the future volume of investment, but also the retention of the current workforce and the development and international performance of Hungarian businesses. It is telling that in 2025 the two “highly qualified” categories together accounted for barely 6% of all applications. The rest of the third-country hires were almost exclusively low- or unskilled. This is because no one outside the two privileged categories can currently be employed, however specialized or market-relevant their training, knowledge or experience — simply for lack of an appropriate work permit type. All of this justifies a substantive review of the current immigration and employment-related residence regulations.

It is important to stress that this proposal is not a call for the “relaxation” of regulations but is intended to correct the overly complicated legislation introduced in 2024 without consideration for market needs, which over the past two and a half years has significantly hampered the operation of companies, slowed down or prevented the engagement of the necessary workforce, and caused serious investors and companies to turn towards other countries in the region or elsewhere in Europe. The Hungarian immigration regulation in force between 2007 and 2023, which preceded the current law, applied **a more unified logic based on labor market needs** for employment-related residence. This by no means meant that “anyone could come” — rather, it meant that **labor demand fundamentally determined whether a foreign national could be employed in a given position**. Labor demand was always assessed by the authority with reference to a specific employer, candidate and place of employment (region). This system was transparent for both employers and authorities, and **was in line with general European practice, and therefore did not put the Hungarian market at a competitive disadvantage**.

By contrast, the current regulation, **introduced in January 2024**, which has since undergone numerous further amendments and become **known in professional circles as the “omnibus law”**, created a fragmented, exception-based system that is **not aligned with the real labor market situation and competitiveness interests of the Hungarian economy**. Rather than providing a predictable, transparent framework tailored to actual labor demand, the regulation rests on numerous fragmented categories, restrictions and exceptions, which significantly complicates the system's application for both employers and authorities. Unlike every other country in Europe, Hungary has no default work permit type, so anyone outside the special categories — an extremely narrow list of countries of origin, workforce required for large-scale investments, or the narrowly and conceptually ill-defined Hungarian Card for “highly skilled” workers — simply cannot work in Hungary. This system not only **lacks transparency** (there are a dozen permit types, and employers must navigate between them), but it also **excludes workers who pose no risk or problem whatsoever and in fact represent particularly high added value** — such as foreign nationals who graduated in Hungary, nationals of numerous countries or regions (e.g. the USA, Canada,

South and Central America, the United Kingdom, Australia, South Korea, Japan, or China), and several badly lacking, often white-collar roles. It is evident that this severely undermines Hungary's competitiveness, since the employment regulation is entirely unpredictable, unrealistic, and specifically **designed for low-value-added activities and for large-scale investments subject to the former government's political priorities**. This chaotic, exception-based regulation, which does not reflect market needs, is in urgent need of radical simplification, as it contains numerous unnecessary categories that reduce transparency and create opportunities for loopholes while failing to serve the interests of the market.

### **Proposal — Executive Summary**

Drawing on the **input of a wide range of experts, and a review of market needs, international examples and EU directives**, we set out below the **main changes needed**. The goal: a strategic framework that supports transparency, the growth of companies — particularly **high-value-added firms, the business services sector, and strong, export-capable Hungarian SMEs** — and Hungary's competitiveness. Business service centers and centralized activities alone account for 9% of Hungarian GDP; if all white-collar administrative occupations are included, this figure exceeds 10%, and the share of knowledge-intensive activities continues to grow. For this reason, it is essential to conduct a broad survey of employer needs and to design the regulation accordingly.

The proposal substantially simplifies the current regulation. It is **built around on two standard permit types**: a **default work permit**, subject to individual assessment in every case, and **the EU Blue Card** as prescribed by the relevant EU directive. These two permit types can cover every case requiring individual assessment, allowing a number of highly problematic categories that did not exist before 2024 (or do not exist in other EU member states) **to be abolished (the National Card, the Corporate Card, the Hungarian Card, and the guest-worker umbrella category)**. From the latter broad category, we recommend retaining separately the permits available for seasonal work and for investment implementation, which — following review — can continue to be used for temporary workforce supplementation. By remaining anchored in case-by-case labor market testing — and, accordingly, the protection of Hungarian workers — this system grants no uncontrolled scope for mass permit issuance, while staying fully reconcilable with the EU directives binding on Hungary.

**The proposal below was prepared with the involvement of numerous market participants, including immigration professionals and lawyers, chambers of commerce, international HR providers, labor lawyers, professional associations and affected employers.** We hereby ask government representatives to hear out and incorporate into the forthcoming regulation the views and experience of this broad professional community. All participants stand ready to support the Government's work with further professional input, international best practices and concrete regulatory proposals. To facilitate the continuation of this consultation, contact details are provided at the end of the proposal.

## I. Default work permit: based on case-by-case labor demand

The basis of all EU regulation is a default employment-purpose residence permit (or “work permit” for short) which — uniquely in Europe — is absent from Hungarian legislation. Such a permit also existed under Hungarian law until the end of 2023, when it was replaced by a proliferation of permit types operating through ad hoc restrictions, exceptions and exemptions. These include the guest-worker category devised for “temporary workforce supplementation” — itself split into the misleadingly named “employment purpose”, seasonal work, and investment implementation permit types, plus the now-suspended, labor rental-based guest-worker permit — as well as the Hungarian Card, the National Card, the Corporate Card, the EU Blue Card, and the ICT permit (intra-corporate transfer). Together with the permit types issued before 2024 that have since been renamed or abolished, this fragmented system results in more than 20 legal titles currently in existence.

### The current Hungarian system and points of tension

Act XC of 2023 (Btátv.) created a differentiated, confusing system of categories that has by now led to tension on several fronts. The guest-worker option has since been closed to new entrants, while the so-called “employment-purpose” permit has remained — currently available only to nationals of Georgia, Armenia and the Philippines. The country lists, quotas and ad hoc conditions attached to individual titles thus result, instead of a transparent default permit, in permit types that are difficult to navigate and constantly changing. The regulation conflicts with binding EU directives on numerous points and is problematic in many respects for both employers and employees.

### Consolidation of legal categories

In place of the numerous categories, we propose simplifying the current regulation by introducing a default work-purpose residence permit. This will represent **a competitive, EU-compliant solution carrying low political risk, since it does not differentiate on the basis of countries of origin, specific intermediary agencies, or other privileged groups of actors**, but will in every case require individual assessment **with reference to the specific employer, candidate, position and region**.

**We further propose phasing out the “guest worker” title.** The term carries a strongly negative connotation associated with mass employment models built on temporary work agencies, and the fragmented subcategories attached to it needlessly complicate the system. The titles operating on individual assessment can all be merged into a single, neutrally named “work-purpose residence permit”, built entirely on the Single Permit Directive. Titles with a different underlying logic — the EU Blue Card (the highly skilled track), the permit linked to seasonal work or investment implementation, and the ICT permit (intra-corporate transfer) — would remain as separate categories and could be reviewed and regulated independently where necessary. Reducing the number of legal titles would result in a more transparent, more predictable system with fewer opportunities for errors in legal application.

### Main rule: the decisive factor is the assessment of labor demand and labor market conditions

One of the **most important elements of the proposed default permit is the labor demand test**, the very purpose of which is to protect Hungarian jobseekers. When labor demand is submitted, **the position must first be brought to the attention of domestic (and EEA) jobseekers**: the employment authority refers candidates to the company from among registered jobseekers. If any of the referred jobseekers meets the conditions set out in the labor demand notice and in the relevant legislation, the position must primarily be filled by that candidate, and no permit may be granted for the employment of a third-country

national in such a case. The default permit therefore requires individual assessment and a labor market review in every case — that is, it precisely enforces the priority and protection of domestic workers.

An entirely new system is not required for the rules governing the labor demand test, since Government Decree 445/2013 (XI. 28.) — together with any justified exceptions from the labor market test — already provides a fundamentally suitable and applicable framework.

### The EU framework and best practices

The transposition deadline for the new **Single Permit Directive ((EU) 2024/1233) expired on 21 May 2026**, and Directive 2011/98/EU ceased to have effect as of 22 May 2026. Implementation of the directive is therefore no longer optional: wherever Hungarian law is not aligned with the Directive, individuals may, as of 22 May 2026, directly invoke sufficiently clear and unconditional provisions of the Directive against the authorities, and Hungary is exposed to infringement proceedings.

Work permit legislation must contain the following mandatory elements deriving from the Directive:

1. **Single procedure and deadline:** a 90-day decision deadline from the acceptance of the application.
2. **Change of employer and job-seeking grace period:** the right to change employer domestically, as well as a grace period in the event of unemployment — the permit may not be withdrawn during the first three months, and after two years of residence a six-month period is available, extended by a further three months in the case of exploitative working conditions. This replaces the current, merely five-day deadline, which is contrary to EU law.
3. **Reinforced equal treatment**, together with a complaints and remedy mechanism.

Beyond the minimum requirements of the Directive, we further propose incorporating the following elements, in accordance with EU best practices:

4. **Family reunification:** family reunification for immediate family members is currently prohibited by law under the guest-worker category only, which is reasonable in the case of temporary workers. However, in connection with the introduction of the new, default work-purpose residence permit, we propose that family reunification not be excluded, in line with EU directives and practice. Family reunification is permitted under the other permit types even now; it is in fact desirable in the case of highly skilled, well-paid workers, since employers' competitiveness in the international market is undermined if they can only attract candidates without families. As a filter, we propose a reasonable and consistent assessment of financial and other conditions (e.g. housing), which will effectively screen out families for whom relocation is not realistic.
5. **Settlement / permanent residency:** the proposal does not necessarily need to extend to permanent settlement authorization (which is in fact permitted in the case of the EU Blue Card). We propose introducing, at a minimum, the requirements of the relevant EU directive. In line with EU law, the Btátv. currently allows for an application for the EU long-term resident permit. It is important to note that obtaining settlement (i.e. permanent, long-term residence) is already subject to substantive, high-level conditions: in addition to financial requirements, passing a cultural examination is also required. We propose retaining this filter, alongside a review of the cultural examination system introduced in 2024.

## II. EU Blue Card: EU-conform category for highly qualified hires

If the default work permit constitutes a competitive scheme (as set out above), the Hungarian Card — which currently excludes Hungarian degrees and does not cover genuinely necessary high-level qualifications — becomes unnecessary. International practice (e.g. German, Czech or Polish regulation) also shows that the EU Blue Card is amply suited to the employment of highly qualified workers; it is a scheme proven across the EU that poses no difficulty for investors or international companies either.

We therefore propose **abolishing the now-unnecessary Hungarian Card and amending the EU Blue Card on a few points (e.g. the salary threshold for early-career professionals) based on EU examples and in line with Directive (EU) 2021/1883 of the European Parliament and of the Council.**

### Amendments worth considering:

- In Germany, a separate, lower EU Blue Card salary threshold applies to recent graduates if they obtained their most recent qualification less than three years ago. The introduction of an early-career salary threshold enabling the employment of qualified fresh graduates is worth considering.
- Salary-threshold guarantee for a minimum of 3 years: a significant problem for companies' salary planning is that the minimum salary required for the EU Blue Card changes every year, forcing employers into continuous salary increases (this is not merely an administrative problem but also creates wage tension among Hungarian employees). Furthermore, compliance with the Pay Transparency Directive may present challenges where statutory minimum wages are concerned if the salary level established for a given position differs from the applicable minimum wage within the company's compensation structure.
- Change of employer after month 12: Article 15 of the EU Blue Card Directive ((EU) 2021/1883) states that member states may require only a notification of the authorities — not a new application — for a change of employer after the first 12 months of employment. Hungarian regulation currently does not follow this; we propose that, in line with the Directive, the new regulation allow highly qualified workers to change employer after one year based solely on notification, without a separate authorization procedure.

It is important to stress that the essence of the EU Blue Card is to offer benefits to workers whom the economy and employers specifically wish to attract to the country. This permit type can therefore also be used for sectoral prioritization. This requires careful consideration of what makes an employer and the country attractive to such high-value workers, and what significantly improves an employer's competitive position.

Tools that can be deployed here include permitting a change of employer without a separate application, the possibility of permanent settlement, permit-free employment of a spouse, or even an accelerated procedure (which puts the employer in a stronger position when making a job offer). Numerous European regulations make use of these options, and they therefore warrant more detailed discussion.

### III. Issues requiring further consultation

We consider it necessary to hold further consultation with employers and professional partners on the following topics (although these only partially affect the rest of our proposal):

- **Temporary work agency and placement services, labor rental:** work placement agencies and other intermediaries are a necessary, market-driven element of the labor market. It remains to be clarified within what framework, under what guarantees, and by whom this arrangement may continue under the new, unified permit system. One option: retain the seasonal-worker and investment-purpose categories but replace the latter with a screening process for employers — those meeting the conditions could request agency staffing for temporary (seasonal or maximum 2–3 year) workforce supplementation. We strongly recommend consulting internationally experienced HR service providers on the question of labor rental and the role of intermediaries.
- **The framework of conditions for “privileged employer” status:** it needs to be clarified who qualifies as a privileged employer and what benefits this classification carries (for example, accelerated administration or eligibility to use labor rental services). We believe the right approach is an official status that employers can apply for under transparent conditions. To the extent that labor rental is available, this same system could be used to qualify the companies that can use such services, rather than shortlisting the qualified labor rental agencies. It is important that a “privileged” status be open not only to large-scale investors but also to local or international SMEs.
- **Employing Ukrainian and Serbian nationals:** addressing the specific, significant labor market role of workers arriving from neighboring countries under the new system, with particular regard to the abolition of the National Card.
- **Shortage occupations:** review and possible reintroduction of the previously operating simplified employment scheme for shortage occupations — linked to the issue of Ukrainian and Serbian workers. Facilitations were already available to these workers under the previous regulation, justified by geographic and cultural proximity, the Hungarian minority living in these countries, and cross-border commuters.
- **The cultural examination and verification of social integration:** reviewing the cultural examination linked to permanent settlement from the perspective of whether it genuinely measures integration or primarily tests book knowledge.

#### IV. List of participants and experts

We submit this proposal as the first step of the stakeholder and professional consultation warranted by the complexity and economic significance of this topic. The proposal was prepared through two professional roundtables of 15–20 participants each, together with several weeks of detailed consultation, so the material genuinely reflects every important economic, labor-market, legal and practical consideration raised by participants. At the same time, stakeholder consultation needs to be initiated for the elaboration of detailed rules, since this is the only way to ensure that the system replacing the current regulation is workable in the long term, predictable, EU-compliant, and aligned with the real interests of the Hungarian economy. All participants are open to further consultation, and we hereby ask decision-makers to provide space for a substantive discussion of the issue in a broader professional circle.

##### The main professional participants in the proposal:

- **Association of Business Service Leaders (ABSL)**

President: István Lenk ([istvan.lenk@absl.hu](mailto:istvan.lenk@absl.hu); +36 30 196 7275)

ABSL is a leading international non-profit organization operating across Europe. Its mission is to promote cross-border cooperation and professional knowledge-sharing, and to support the business services sector as one of the key growth engines of the European economy. High-value-added workforce, innovation and technology are characteristic of the industry. Through a broad business portfolio, the activities carried out by highly qualified professionals provide a solid foundation for existing and future investment. Securing talent is therefore key to the sector's competitiveness — an industry that accounts for close to 10% of the Hungarian economy.

- **Helpers Hungary Kft**

Managing Director: Barbara Ürögdi ([barbara@helpers.hu](mailto:barbara@helpers.hu); +36 70 336 3646)

Helpers has provided business and immigration services to foreign nationals living, working or running businesses in Hungary since 2005. As the company's portfolio covers, alongside the full range of immigration services, business start-up and support (primarily in the SME sector), Helpers considers Hungary's competitiveness an explicit priority alongside immigration regulation itself.

- **Dr. Mándó Tibor Ügyvédi Iroda**

Dr. Tibor Mándó ([mandotibor@mtui.hu](mailto:mandotibor@mtui.hu); +36 20 591 7335)

Active in immigration law since 2009, Dr. Mándó currently heads a 12-person law firm. The firm provides legal advice and represents clients before the authorities — primarily clients from the Middle East and Far East — covering everything from entry visa applications to work, residence and settlement matters, through the submission of citizenship applications.

- **Ernst & Young Tanácsadó Kft. (EY)**

Partner (Workforce Advisory): Gábor Garab ([Gabor.Garab@hu.ey.com](mailto:Gabor.Garab@hu.ey.com); +36 70 501 8461)

EY, as one of the world's leading advisory networks and a member of the Big Four, provides comprehensive support to companies on immigration, international mobility, tax, social security and HR

matters related to workforce employment — from work and residence permits to the coordination of multi-country mobility programs.

- **Settlers Relocation**

Managing Director: Dr. Szilvia Varga ([vszilvia@settlers.hu](mailto:vszilvia@settlers.hu); +36 20 569 0134)

Settlers has provided immigration and settlement services to foreign professionals working in Hungary and their families since 1997, making it one of the most experienced relocation providers in the market. For its clients — international companies and HR teams — it provides comprehensive support from work permit application to integration.

The activities of HR service providers are an integral part of this topic. Although our proposal touches on their area of expertise only tangentially, we consulted with the following organizations during its preparation, and we recommend that decision-makers involve them in the consultation as well:

- **Gi Group** — Business Development Director: Gergely Gáspár ([gergely.gaspar@gigroupholding.com](mailto:gergely.gaspar@gigroupholding.com); +36 30 407 6460) — a global, full-service HR provider (blue- and white-collar placement, temporary work agency services, rehabilitation and student employment)
- **fOrgXpert** — Managing Director: Judit Forgács ([judit.forgacs@forgxpert.com](mailto:judit.forgacs@forgxpert.com); +36 20 936 5016) — HR expert
- **National Association of Human Resource Management (Országos Humánmenedzsment Egyesület)** — President: Noémi Csaposs ([ncsaposs@select.hu](mailto:ncsaposs@select.hu); +36 30 383 3838) — labor market / employment policy and comprehensive HR solutions