



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 postgraduate university courses 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.